Court File No. CV-13-10362-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT,* R.S.C. 1985, c. C-36, AS AMENDED

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SILVER STREAMS HOMES INC., SILVER STREAMS HOMES (PUCCINI) INC., 2148993 ONTARIO INC., 2148990 ONTARIO INC., 2147681 ONTARIO INC. AND 2147650 ONTARIO INC.

Applicants

TWELFTH REPORT TO COURT OF GRANT THORNTON LIMITED, MONITOR OF THE APPLICANTS UNDER THE *COMPANIES' CREDITORS ARRANGEMENT ACT*

JANUARY 26, 2017

Grant Thornton Limited,
Monitor of the Applicants under the *Companies' Creditors Arrangement Act*

200 King Street West, 11th Floor
Toronto, Ontario, M5H 3T4

TABLE OF CONTENTS

APPENDICES

1. Initial Order dated December 17, 2013
2. Claims Process Order dated January 16, 2014
3. Referral Order dated January 8, 2015
4. Monitor's Eighth Report to Court dated April 8, 2015 (without appendices)
5. Settlement Agreement Order dated September 25, 2015 and Settlement Agreement Costs Endorsement dated January 13, 2017
6. Endorsement dated February 26, 2016 dismissing the motion for leave to appeal the Settlement Agreement Order
7. Final Award/Report of the Referee dated September 28, 2016
8. November 7 Order dated November 7, 2016
9. November 29 Orders dated November 29, 2016
10. Monitor's Eleventh Report to Court dated November 23, 2016 (without appendices)
11. Monitor's Ninth Report to Court dated July 9, 2015 (without appendices)
12. Affidavit of Jonathan Krieger sworn January 26, 2017
13. Affidavit of Steven L. Graff sworn January 26, 2017
14. Final R&D to January 25, 2017

BACKGROUND INFORMATION

1. Silver Streams Homes Inc. ("**Silver Streams**") is a residential home builder in the Greater Toronto Area.

2. Silver Streams Homes (Puccini) Inc. ("**Puccini**") was incorporated in October 2008 for the purpose of developing and selling homes in a development located at Bathurst St. and King Rd. in Richmond Hill, Ontario (the "**Puccini Project**").

3. Title to some (but not all) of the lands in phases II and III of the Puccini Project was held by 2148993 Ontario Inc. ("**2148993**"), 2148990 Ontario Inc. ("**2148990**"), 2147681 Ontario Inc. ("**2147681**") and 2147650 Ontario Inc. ("**2147650**" and, collectively, the "**Title Holders**"). Silver Streams, Puccini and the Title Holders are collectively referred to as the "**Companies**".

4. On December 17, 2013, the Companies made an application to the Ontario Superior Court of Justice (Commercial List) (the "**Court**") to commence proceedings under the *Companies' Creditors Arrangement Act* (the "**CCAA Proceedings**"). On that date, the Court issued an order (the "**Initial Order**"), *inter alia*, granting the Companies the protection of a stay of proceedings until January 16, 2014 and appointing Grant Thornton Limited ("**GTL**") as the Companies' monitor under the CCAA (the "**Monitor**"). A copy of the Initial Order is attached as **Appendix "1"**.

5. On January 16, 2014, April 17, 2014, June 26, 2014, September 23, 2014, January 8, 2015, July 15, 2015, March 29, 2016 and November 29, 2016, the Court issued orders (collectively, the "**Extension Orders**"), *inter alia*, extending the stay of proceedings first from January 16, 2014 to April 18, 2014, then from April 18, 2014 to July 3, 2014, then from July 3, 2014 to September 26, 2014, then from September 26, 2014 to January 16, 2015, then from January 16, 2015 to July 16, 2015, then from July 16, 2015 to March 31, 2016, then from March 31, 2016 to November 30, 2016 and most recently from November 30, 2016 to January 30, 2017.

6. Certain of the Extension Orders also approved interim distributions to Bank of Montreal ("**BMO**"), Home Trust Company ("**Home Trust**") and Foremost Financial Corporation ("**Foremost**" and together with BMO and Home Trust collectively, the "**Mortgagees**") from the proceeds of the sale of certain lots that have occurred in the context of these CCAA Proceedings, which distributions remain subject to reimbursement agreements between these parties and the Monitor (the "**Reimbursement Agreements**").

7. On January 16, 2014, the Court issued an order (the "**Claims Process Order**"), *inter alia*, establishing a claims procedure for secured claims against the Companies' property (the "**Claims Process**"). A copy of the Claims Process Order is attached as **Appendix "2"**.

8. On January 8, 2015, the Court issued an order (the "**Referral Order**"), *inter alia*, referring to a referee (the "**Referee**") the construction lien claims and other related issues in these CCAA Proceedings (the "**Referee's**

Proceedings") and ordering the transfer of the action bearing Court File No. CV-13-115757-00 (the "**Con-Drain Action**" from the Newmarket Region of the Ontario Superior Court of Justice (the "**Newmarket SCJ**") to the Toronto Region of the Ontario Superior Court of Justice (the "**Toronto SCJ**"), such that the Con-Drain Action would be heard separately from the CCAA Proceedings without the Monitor's involvement. A copy of the Referral Order is attached as **Appendix "3"**.

9. On June 25, 2015, the Court heard a motion brought by the Companies (the "**Settlement Agreement Motion**") in connection with a settlement agreement dated February 17, 2015 amongst, *inter alios*, Tarion Warranty Corporation ("**Tarion**"), Imran Jinnah and the Companies (the "**Settlement Agreement**"). The motion was for an order: (i) declaring that the Companies had the requisite authority to enter into the Settlement Agreement; or, in the alternative (ii) approving the Settlement Agreement. A number of lien claimants opposed the Companies' motion (collectively, the "**Settlement Agreement Relief**"). The Monitor's understanding of the factual matrix surrounding the Settlement Agreement was outlined in the Monitor's Eighth Report to Court dated April 8, 2015 (the "**Eighth Report**"), which Eighth Report is attached without appendices as **Appendix "4"**.

10. Pursuant to an order of the Court dated September 25, 2015 (the "**Settlement Agreement Order**"), the Honourable Justice Wilton-Siegel dismissed the Companies' request for the Settlement Agreement Relief. Certain lien claimants then sought costs from Tarion, the Companies and

their principals (the "**Settlement Agreement Costs Motion**"), and His Honour released a decision in connection with the Settlement Agreement Costs Motion on January 13, 2017 (the "**Settlement Agreement Costs Endorsement**"). Copies of the Settlement Agreement Order and the Settlement Agreement Costs Endorsement are collectively attached as **Appendix "5".**

11. The Companies filed a motion for leave to appeal the Settlement Agreement Order to a panel of three judges of the Court of Appeal for Ontario, which motion for leave to appeal was dismissed on February 26, 2016. A copy of the endorsement dismissing the motion for leave to appeal is attached as **Appendix "6"**.

12. On August 11, 2016, the Referee issued reasons for a Partial Award/Report in the Referee's Proceedings, reflecting the terms of a settlement reached by the Lien Claimants (as defined in the Referral Order) and the Private Mortgagees (as listed in the Referral Order) (collectively, the "**Partial Award/Report**"), pursuant to which, after reserving sufficient amounts for the Settlement Agreement Costs Motion and the costs of administering the CCAA Proceedings, the following distributions would occur:

    i) first in priority to all other secured creditors, the Monitor would pay $717,938.52 to the Lien Claimants;

    ii) second in priority, the Monitor would pay BMO its costs of participating in the Referee's Proceedings, as assessed by the Referee; and

iii) the balance (up to an amount that exceeds the amount available for distribution) would be payable to the Private Mortgagees.

13. On October 4, 2016, the Referee issued its Final Award/Report, which included the Partial Award/Report, an award of costs to BMO dated September 28, 2016 in amount of $50,000.00 and the reasons therefor (collectively, the "**Final Award/Report**"). A copy of the Final Award/Report is attached as **Appendix "7"**.

14. BMO, which had sought a greater costs award in the Referee's Proceedings, brought a motion in this Court (the "**BMO Motion**") opposing: (i) confirmation by this Court of the Final Award/Report; and (ii) any distribution to the Private Mortgagees pending the hearing of the BMO Motion. BMO also filed a notice of appeal to the Divisional Court from the Final Award/Report.

15. Pursuant to an Order of the Honourable Justice Wilton-Siegel dated November 7, 2016 (the "**November 7 Order**"), which was obtained on the consent of BMO and the Private Mortgagees, this Court confirmed the Final Award/Report subject to certain exceptions, most notably that $456,125.72 is to be paid from the funds held by the Monitor into the trust account of BMO's counsel, Agueci Calbretta ("**Agueci**"), to be held in escrow pending the outcome of a motion to be argued by BMO and the Private Mortgagees dealing with costs and related matters (the "**BMO-Private Mortgagees Motion**") and any appeal arising therefrom. A copy of the November 7 Order is attached as **Appendix "8"**.

16. On November 29, 2016, on a motion by the Companies, this Court issued orders (the "**November 29 Orders**"), *inter alia*:

i) approving the distribution by the Monitor of $717,938.52 to the Lien Claimants in accordance with the terms of the Final Report/Award;

ii) approving the distribution by the Monitor of $456,125.72 to Agueci in trust, to be held in escrow in accordance with the terms of the November 7 Order;

iii) approving an interim distribution by the Monitor to the Private Mortgagees, subject to:

a) a reserve/holdback by the Monitor to satisfy any potential Order from the Settlement Agreement Costs Motion and to satisfy the professional fees of the Companies' counsel, the Monitor and the Monitor's counsel incurred to date and to be incurred to the completion of these CCAA Proceedings; and

b) a further holdback in the amount of $283,000 (the "**Con-Drain Holdback**") from the net proceeds of Lot 18 (as defined herein) pending a final resolution of a cross-motion made in the Con-Drain Action (the "**Con-Drain Motion**"), which Con-Drain Holdback shall be held in trust by the Monitor until the earlier of: (i) the final resolution of the issues raised in the Con-Drain Motion; or (ii) January 31, 2017, after which, if the Con-Drain Motion is not resolved, the Monitor shall release the Con-Drain Holdback to the Chaitons Trust Account (as defined herein) to be held in trust pending the resolution of the Con-Drain Motion;

iv) authorizing the Companies to distribute certain funds in accordance with the priorities determined in the Con-Drain Action (the "**Con-Drain Funds**"), subject to the beneficiary of such distribution giving 30-days' notice to the service list in the CCAA Proceedings prior to the making of any such proposed distribution;

v) vesting in Country Wide Homes at King South Inc. (the "**Purchaser**") all 2148990's rights, title and interest in and to Lot 18, free and clear of any encumbrances, except as otherwise provided by the Sale Agreement (as defined herein); and

vi) extending the stay of proceedings in favour of the Companies (but not their directors or officers, and without restricting the Lien Claimants' ability to proceed with breach of trust actions) from November 30, 2016 to and including January 30, 2017.

Copies of the November 29 Orders are attached collectively as **Appendix "9"**.

17. This report (the "**Twelfth Report**") has been prepared by Grant Thornton Limited in its capacity as Monitor.

PURPOSE OF THE TWELFTH REPORT

18. The purpose of this Twelfth Report is to advise the Court with respect to:

i) the status of the CCAA Proceedings, including the details of the activities of the Monitor and the Companies since the issuance of the Monitor's Eleventh Report to Court dated November 23, 2016 (the "**Eleventh Report**"), a copy of which is attached without appendices as **Appendix "10"**;

ii) the status of the Referee's Proceedings and associated matters, including the BMO-Private Mortgagees Motion;

iii) the status of the Con-Drain Action, including the Con-Drain Motion;

iv) the status of the remaining issues between the Companies and Tarion in regards to certain letters of credit (the "**Tarion LCs**");

v) the closing of the transaction contemplated by the Sale Agreement, which relates to the final building lot available for sale ("**Lot 18**");

vi) the Companies' receipts and disbursements from December 17, 2013 to and including January 26, 2017 (the "**Final R&D**");

vii) the Companies' request for orders, *inter alia*:

   a. directing the Monitor to transfer the Con-Drain Holdback to the Chaitons Trust Account, on the terms provided in the November 29 Orders;

   b. directing Tarion, without further Order of this Court, to distribute the balance of the cash collateral securing the Companies' obligations under the Tarion LCs (as defined herein) unutilized by Tarion to Jack Greenberg in Trust for the Private Mortgagees, subject to the determination of the Cost Award Priority Issue (as defined herein), which shall be determined on a motion outside these CCAA Proceedings and without the participation of the Monitor;

c. directing that any issues with respect to Tarion's entitlement to the receipt and retention of the cash collateral security the Companies' obligations under the Tarion LCs shall be determined by this Court outside these CCAA Proceedings and without the participation of the Monitor;

d. approving this Twelfth Report and the Monitor's activities as described herein;

e. approving the Final R&D;

f. approving the fees and disbursements of the Monitor and its independent counsel, Aird & Berlis LLP ("**A&B**"), as described herein, inclusive of the fee accrual described herein; and

g. terminating these CCAA Proceedings, terminating the Charges (as defined in the Initial Order), terminating the Reimbursement Agreements, discharging GTL as the Monitor and releasing GTL from any and all liability that GTL has or may hereafter have by reason of or in any way arising out of, the acts or omissions of GTL while acting in its capacity as the Monitor.

19. Detailed background information concerning the Companies, their stakeholders and these CCAA Proceedings is provided in the affidavits of Imran Jinnah sworn December 11, 2013, January 10, 2014, April 9, 2014, June 19, 2014, August 5, 2014, September 16, 2014, November 18, 2014, December 17, 2014, February 26, 2015, March 25, 2015, July 7, 2015, March 8, 2016, November 11, 2016 and January 25, 2017 (collectively, the "**Jinnah Affidavits**"), all of which have been filed with the Court. Accordingly, the Monitor has not repeated information to this effect in this Twelfth Report. Copies of all materials filed with the Court in these CCAA Proceedings are accessible on the Monitor's website at www.GrantThornton.ca/Silverstreams.

SCOPE AND TERMS OF REFERENCE

20. In preparing this Twelfth Report, the Monitor has relied upon unaudited financial information, the Companies' records, financial information and projections and discussions with the Companies' management and employees. While the Monitor reviewed various documents provided by the Companies and believes that the information therein provides a fair summary of the transactions as reflected in the documents, such work does not constitute an audit or verification of such information for accuracy, completeness or compliance with Generally Accepted Accounting Principles ("**GAAP**") or International Financial Reporting Standards ("**IFRS**"). Accordingly, the Monitor expresses no opinion or other form of assurance pursuant to GAAP or IFRS with respect to such information.

21. Some of the information used in preparing this Twelfth Report consists of financial projections. The Monitor cautions that these projections are based upon assumptions about future events and conditions that are not ascertainable. The Companies' actual results may vary from projections, even if the hypothetical and probable assumptions contained therein materialize, and the variations could be significant. The Monitor's review of any future oriented information used to prepare this Twelfth Report did not constitute an audit of such information under GAAP or IFRS.

22. In the course of its mandate, the Monitor has assumed the integrity and truthfulness of the information and explanations presented to it by the Companies and their management, within the context in which such information was presented. To date, nothing has come to the Monitor's attention that would cause it to question the reasonableness of these assumptions. The Monitor has requested that management bring to its attention any significant matters which were not addressed in the course of the Monitor's specific inquiries. Accordingly, this Twelfth Report is based solely on the information (financial or otherwise) made available to the Monitor by the Companies.

23. This Twelfth Report has been prepared for the use of this Court and the Companies' stakeholders as general information relating to the Companies and to assist the Court in deciding whether to grant the relief sought by the Companies. Accordingly, the reader is cautioned that this Twelfth Report may not be appropriate for any other purpose. The Monitor will not assume

responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of this Twelfth Report contrary to the provisions of this paragraph.

24. All references to dollars are in Canadian currency unless otherwise noted.

25. Capitalized terms not defined in this Twelfth Report have the meanings ascribed to them in the Jinnah Affidavits, as applicable.

ACTIVITIES OF THE COMPANIES AND STATUS OF THE CCAA PROCEEDINGS

26. The activities of the Companies and the status of each of the properties owned by the Companies are detailed in the Jinnah Affidavits. Since the issuance of the Eleventh Report, the Companies have, amongst other things:

i) communicated and corresponded with various stakeholders and creditors regarding the CCAA Proceedings, including, without limitation, the Mortgagees, Tarion, the Lien Claimants, the Private Mortgagees and their counsel;

ii) corresponded with legal counsel;

iii) closed the transaction contemplated by the Sale Agreement with respect to Lot 18;

iv) made payments to post-filing vendors as contemplated by the Companies' cash flow projections; and

v) negotiated the terms of the relief being sought on the Companies' motion.

ACTIVITIES OF THE MONITOR

27. Since the date of the Eleventh Report, the Monitor's activities have included, amongst other things:

    i) corresponding with the Companies, their management and their legal counsel;

    ii) corresponding and meeting with the Monitor's legal counsel;

    iii) reviewing and controlling receipts and disbursements of the Companies, in accordance with the Initial Order;

    iv) corresponding with certain of the Companies' stakeholders and their counsel, including, without limitation, counsel for certain of the Lien Claimants, BMO, the Private Mortgagees and Tarion;

    v) maintaining a public website for the CCAA Proceedings;

    vi) attending to telephone calls and emails from the Companies' creditors and other stakeholders;

    vii) preparing and filing this Twelfth Report;

    viii) corresponding periodically in respect of the Settlement Agreement Order, the Referee's Proceedings, the November 7 Order, the Con-Drain Action and the November 29 Orders; and

ix) reviewing all materials filed with the Court in respect of the CCAA Proceedings and attending at Court where necessary.

LOT 18

28. Pursuant to the November 29 Orders, the Court granted a vesting order in respect of the sale of Lot 18 to the Purchaser pursuant to an agreement of purchase and sale dated November 7, 2016 between 2148990, as vendor, and the Purchaser, as purchaser (collectively, the "**Sale Agreement**").

29. The transaction contemplated by the Sale Agreement closed on December 22, 2016.

THE CLAIMS PROCESS, THE REFEREE'S PROCEEDINGS AND RELATED DISTRIBUTIONS

30. Following the Monitor's review of the claims that were submitted pursuant to the Claims Process and the issuance of notices of allowance and disallowance thereunder, the details of which are discussed in the Ninth Report that is attached without appendices as **Appendix "11"**, the Monitor and its counsel engaged in lengthy discussions with the Vetting Committee regarding the possible determination of construction liens and related issues in the context of binding arbitration by a claims adjudicator.

31. After months of negotiation amongst the Companies' counsel, the Monitor's counsel and the other members of the Vetting Committee, the parties agreed upon the form of the Referral Order, which was granted by the Court

on January 8, 2015. Capitalized terms in the paragraph below that are not otherwise defined herein are as defined in the Referral Order.

32. Pursuant to the Referral Order, the following issues were referred to the Referee for determination in the Referee's Proceedings for the purpose of completing the Claims Process:

i) the validity and, if necessary, quantum, of the Construction Claims filed by the Claimants;

ii) whether the Private Mortgagees are Statutory Owners (as defined in the *Construction Lien Act* (Ontario) (the "**CLA**")), and, if so, the determination of their liability as Statutory Owners to the Lien Claimants;

iii) the liability of the Private Mortgagees and Mortgagees with respect to any deficiency in holdback to the claims of the Lien Claimants;

iv) the determination of priorities as amongst the Claimants regarding their claims as against the Claimants, the Private Mortgagees and Mortgagees; and

v) any ancillary or peripheral issues that need to be determined in order for the Referee to properly complete its mandate, including any and all issues regarding interest and costs.

33. As contemplated by the Referral Order, the Monitor had only a limited involvement in the Referee's Proceedings. The Ninth Report and the Tenth

Report summarize the various steps that had been taken in the Referee's Proceedings up to the date of the Tenth Report, being March 9, 2016.

34. Since the Tenth Report, the Referee issued the Partial Award/Report and the Final Award/Report, as discussed earlier in this Twelfth Report.

35. Pursuant to the terms of the Referral Order, the Final Award/Report shall bind any and all affected parties without further confirmation by the Court, subject to the right of such parties to appeal the Final Award/Report to the Divisional Court in accordance with the CLA.

36. In accordance with the terms of the Referral Order, the Referee served the Final Award/Report on the Service List in these CCAA Proceedings and filed the Final Award/Report with the Court.

37. As discussed earlier, the Final Award/Report provides that, after reserving sufficient amounts to satisfy any potential Order in the Settlement Agreement Costs Motion and to satisfy the costs of administering the CCAA Proceedings, the following distributions would occur:

   i) first in priority to all other secured creditors, the Monitor would distribute $717,938.52 to the Lien Claimants (the "**First Distribution**");

   ii) second in priority, the Monitor would distribute to BMO its costs of participating in the Referee's Proceedings, which the Referee has assessed at $50,000 (the "**Second Distribution**"); and

iii) the balance (up to an amount that exceeds the amount available for distribution) would be distributed to the Private Mortgagees (the "**Third Distribution**").

38. The only objection to and corresponding appeal from the Final Award/Report of which the Monitor is aware was from BMO, which ultimately resulted in the confirmation of the Final Award/Report by this Court in the November 7 Order, subject to certain exceptions. In substance, the effect of the November 7 Order is that:

i) the Monitor would still proceed with the First Distribution of $717,938.52 to the Lien Claimants;

ii) in lieu of the Second Distribution of $50,000 to BMO for its costs of participating in the Referee's Proceedings, the Monitor would now distribute $456,125.72 to BMO's counsel, Agueci, in trust, to be held in escrow pending the outcome of the BMO-Private Mortgagees Motion dealing with BMO's costs and related matters/appeals; and

iii) the remaining funds (subject to the Con-Drain Holdback provided by the November 29 Orders) would be distributed to the Private Mortgagees.

39. Following the issuance of the November 29 Orders, the Monitor made the following distributions:

i) $717,938.52 to the Lien Claimants;

ii) $456,125.72 to BMO's counsel, Agueci, in trust; and

iii) an interim distribution of $1,000,000.00 to the Private Mortgagees via Jack Greenberg ("**Private Mortgagee Interim Distribution**").

40. The Monitor is currently holding $783,909.43 (exclusive of the Retainer Amounts, as defined and discussed in paragraph 63 of this Twelfth Report).

THE CON-DRAIN ACTION

41. The Con-Drain Action was commenced in the Newmarket SCJ by one of the Lien Claimants, Con-Drain (1983) Limited ("**Con-Drain**"), by way of a Notice of Action issued on August 15, 2013 and a subsequent Statement of Claim on September 3, 2013.

42. The Monitor understands that the subject matter of the Con-Drain Action is an $800,000 claim brought by Con-Drain. The Monitor also understands that, prior to the commencement of the CCAA Proceedings, several Orders and endorsements were made in the Con-Drain Action requiring that the net proceeds from the sale of homes in the Puccini Project be paid in trust to the Companies' counsel at Chaitons LLP (the "**Chaitons Trust Account**"), and that $491,985.33 was being held in the Chaitons Trust Account for this purpose as of the date of the commencement of the CCAA Proceedings.

43. The Referral Order in the CCAA Proceedings provided that the Con-Drain Action was to be transferred from the Newmarket SCJ to the Toronto SCJ, separate from the CCAA Proceedings and without the participation of the Monitor, but that the Con-Drain Funds held in trust in the Chaitons Trust Account shall not be released or distributed without a further Order of this

Court sitting in the context of the CCAA Proceedings. Further details with respect to the Con-Drain Action are discussed in previous materials, including, the Jinnah Affidavits and the Ninth Report.

44. As discussed in the Ninth Report, the Tenth Report and the Eleventh Report, the Monitor was copied on a letter from the Honourable Regional Senior Justice Morawetz, dated June 9, 2015, which was written following a request by the Newmarket SCJ, wherein His Honour directed the registrar of the Newmarket SCJ to transfer the Con-Drain Action to the Toronto SCJ.

45. As intended from the outset, neither the Monitor nor its counsel has participated in the Con-Drain Action.

46. The November 29 Orders authorize the Companies' counsel to distribute the Con-Drain Funds in accordance with the priorities determined by the Toronto SCJ in the Con-Drain Action without further Order of this Court in the CCAA Proceedings but on 30 days' notice to the service list in the CCAA Proceedings.

47. In tandem with the above, the November 29 Orders also direct that the Monitor was to hold the Con-Drain Holdback (representing the $800,000 claim in the Con-Drain Action less the $491,985.33 of Con-Drain Funds currently held in the Chaitons Trust Account and less certain other adjustments) in trust until the earlier of the final resolution of the Con-Drain Motion or January 31, 2017 (after which date, if the Con-Drain Motion is not

resolved, the Con-Drain Holdback is to be released to the Chaitons Trust Account, on the terms and conditions provided in the November 29 Order).

48. As the Con-Drain Motion has not been resolved, and as it is proposed that these CCAA Proceedings terminate prior to January 31, 2017, the Monitor recommends that it be directed to transfer the Con-Drain Holdback to the Chaitons Trust Account at this time, on the terms otherwise provided in the November 29 Order.

RESIDUAL ISSUES AMONGST THE PRIVATE MORTGAGEES, TARION AND THE LIEN CLAIMANTS

49. At the outset of the CCAA Proceedings, the Applicants were indebted to the Private Mortgagees in the approximate amount of $11.96 million. Notwithstanding the Private Mortgagee Interim Distribution and any additional distributions to the Private Mortgagees contemplated by the November 29 Orders from the sale of the homes in the Puccini Project, the Private Mortgagees are expected to suffer a substantial shortfall on their loans to the Applicants.

50. The Monitor has obtained a security opinion from its independent legal counsel, which provides, amongst other things, and subject to the usual qualifications and assumptions of an opinion of such nature, that Jack Greenberg, in Trust, has a perfected security interest in the residual interest of the Title Holders to the cash collateral / cash deposits outlined in the assignment agreement dated May 5, 2011 and appended to the most

recent of the Jinnah Affidavits. The cash collateral described in that agreement includes the residual proceeds, if any, from the Tarion LCs.

51. As explained in the Eleventh Report, the Monitor understands that the Companies recently became aware of Tarion having drawn down on certain of the Tarion LCs between December 9, 2015 and October 18, 2016 in satisfaction of claims against the Title Holders in their capacity as registrants, and that legal counsel for the Companies and Tarion were working to understand the basis for the draws made thus far and what additional claims Tarion may have against the Title Holders moving forward (collectively, the "**Residual Tarion Issues**").

52. Additional information regarding the Residual Tarion Issues is provided in the most recent of the Jinnah Affidavits, and is not repeated here.

53. As Tarion, the Companies and the Private Mortgagees (which stand to benefit from any residual proceeds from the Tarion LCs) have not yet been able to resolve the Residual Tarion Issues, the Monitor understands that they have agreed to determine the Residual Tarion Issues on a motion between Tarion and the Private Mortgagees outside these CCAA Proceedings and without the participation of the Monitor.

54. The Monitor also understands that the Private Mortgagees intend to take the position that the Lien Claimants costs in the total amount of $35,000, which were awarded pursuant to the Settlement Agreement Costs Endorsement and are payable from the residual balance of the Tarion LCs, if any, should rank behind the Private Lenders' security interest in the

residual balance of the Tarion LCs (the "**Cost Award Priority Issue**"). The Monitor understands that the Cost Award Priority Issue will be determined by the Lien Claimants, the Private Lenders and Tarion at the same time as the Residual Tarion Issues, without the participation of the Monitor.

55. In light of the above and the proposed termination of these CCAA Proceedings, the Monitor recommends that Tarion be directed, without further Order of this Court, to distribute any residual cash collateral securing the Tarion LCs, if any, to Jack Greenberg in Trust, subject to the determination of the Cost Award Priority Issue.

PROFESSIONAL FEES AND DISBURSEMENTS

56. The Monitor and its independent legal counsel have maintained detailed records of their professional time and costs since the Initial Order was granted.

57. Pursuant to paragraphs 24 and 25 of the Initial Order, the Monitor and its counsel shall be paid their reasonable fees and disbursements and shall pass their accounts before the Court. In addition, pursuant to paragraph 26 of the Initial Order, the Monitor and its counsel, among other parties, were granted an Administration Charge on the property of the Companies as security for their fees and disbursements, up to a maximum of $500,000 (the "**Administration Charge**").

58. The fees and disbursements of the Monitor through November 18, 2016 were previously approved by the Court.

59. The total fees of the Monitor for the period from November 19, 2016 to January 25, 2017 amount to $9,537.46, plus HST in the amount of $1,238.57, totaling $10,776.03. The details of the time spent and services provided by the Monitor are more particularly described in the Affidavit of Jonathan Krieger, the Senior Vice-President of GTL having carriage of GTL's mandate as the Monitor, sworn January 26, 2017 in support hereof, a copy of which is attached as **Appendix "12"**.

60. The legal fees and disbursements incurred by the Monitor for services provided to the Monitor by the Monitor's independent legal counsel, A&B, through November 18, 2016 were previously approved by the Court.

61. The total legal fees and disbursements incurred by the Monitor for services provided to the Monitor by the Monitor's independent legal counsel, A&B, during the period November 19, 2016 to January 25, 2017 amount to $21,861.67, inclusive of HST. The details of the time spent and services provided by A&B are more particularly described in the Affidavit of Steven L. Graff, sworn January 26, 2017 in support hereof, a copy of which is attached as **Appendix "13"**.

62. Assuming that there is no opposition to the relief being requested by the Companies, the Monitor and A&B estimate that they will incur additional fees in the amount of $30,000.00, in the aggregate, plus disbursements (including, without limitation, invoices issued by the Applicants' counsel in respect of the period up to and including the termination of these CCAA Proceedings) and HST to complete their mandates as Monitor and legal

counsel to the Monitor, including, without limitation, the performance of such incidental duties as may be required by each of them subsequent to the termination of these CCAA Proceedings (collectively, the "**Fee Accrual**").

63. The Monitor and its counsel are collectively holding an amount of $50,000.00 in their trust accounts (the "**Retainer Amounts**"), which Retainer Amounts were delivered at the commencement of these CCAA Proceedings and which will be applied first to the Fee Accrual, with any balance to be distributed as part of the Third Distribution.

64. The Monitor respectfully requests that the Court approve its fees and disbursements and those of its legal counsel (inclusive of the Fee Accrual), as set out in this Twelfth Report.

65. In accordance with the terms of the Referral Order, and as described in the Eleventh Report, the costs of the Referee up to the amount of $100,000.00 were funded by the Private Mortgagees and the Lien Claimants, and any additional costs of the Referee, being $23,101.94, were secured by the Administration Charge and paid by the Monitor. The Monitor understands from the Referee that no further amount is owing to the Referee.

FINAL STATEMENT OF RECEIPTS AND DISBURSEMENTS

66. In accordance with the Initial Order, the Monitor has controlled the Companies' receipts and disbursements since the date of the Initial Order.

67. **Appendix "14"** provides a statement of the Companies' receipts and disbursements for the period from December 18, 2013 to January 26, 2017.

TERMINATION OF THESE CCAA PROCEEDINGS AND DISTRIBUTION TO THE PRIVATE MORTGAGEES

68. The stay of proceedings currently expires on January 30, 2017, and these CCAA Proceedings are at an end, pending the resolution of the issues discussed above that will be settled or adjudicated outside these CCAA Proceedings and without the participation of the Monitor.

69. Accordingly, the Companies have requested, and the Monitor recommends, that the Court issue an Order terminating these CCAA Proceedings, terminating the Charges, terminating the Reimbursement Agreements, discharging the Monitor and releasing GTL from liability. Notwithstanding the Monitor's proposed discharge, the Monitor shall remain the Monitor for the performance of such incidental duties as may be required to complete its mandate, including, without limitation, distributing the balance of the Third Distribution to the Private Mortgagees as provided by the November 7 Order and the November 29 Orders.

CONCLUSION

70. Given the forgoing, the Monitor respectfully recommends that this Court grant the Companies' request for relief as set out in paragraph 18 vii) of this Twelfth Report and in the Companies' notice of motion.

All of which is respectfully submitted,

GRANT THORNTON LIMITED,
In its capacity as Monitor of the Companies
under the *Companies' Creditors Arrangements Act*
and not in any other capacity

Per:

Jonathan Krieger, CPA, CA, CIRP, LIT
Senior Vice President

28254187.3

TAB 1

Court File No. 12-10362-00-CL 3 25

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.	)	TUESDAY, THE 17TH
	)	
JUSTICE NEWBOULD	)	DAY OF DECEMBER, 2013

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SILVER STREAMS HOMES INC., SILVER STREAMS HOMES (PUCCINI) INC., 2148993 ONTARIO INC., 2148990 ONTARIO INC., 2147681 ONTARIO INC. and 2147650 ONTARIO INC.

the "Applicants"

INITIAL ORDER

THIS APPLICATION, made by Silver Streams Homes Inc., Silver Streams Homes (Puccini) Inc., 2148993 Ontario Inc., 2148990 Ontario Inc., 2147681 Ontario Inc. and 2147650 Ontario Inc. (collectively, the "**Applicants**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Imran Jinnah sworn December 11, 2013 and the Exhibits thereto (the "**Jinnah Affidavit**"), the Proposed Monitor's Report to the Court and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicants, Grant Thornton Limited (as the proposed Monitor), counsel for Bank of Montreal, counsel for Foremost Mortgage Corporation, counsel for the private secured lenders, counsel for certain lien claimants, counsel for the Corporation of the Town of Richmond Hill, and such other counsel as are present, no one else appearing although duly served as appears from the affidavit of service of Lynn Lee sworn December 12, 2013 and on reading the consent Grant Thornton Limited to act as the Monitor,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at http://www.ontariocourts.ca/scj/practice/practicedirections/toronto/#Commercial_List) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant Rule 16.04 of the *Rules of Civil Procedure*. Subject to Rule 3.01(d) of the *Rules of Civil Procedure* and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL <[www.grantthornton.ca/silverstreams]>.

3. **THIS COURT ORDERS** that the E-Service List Keeper and the WebHost (as such terms are defined in the Protocol) for the purpose of this proceeding shall be the Monitor.

3A. **THIS COURT ORDERS** that the sum of $491,985.33, plus interest accrued thereon, being held in trust by Chaitons LLP pursuant to the orders of the Honourable Madam Justice Lack dated August 15, 2013 and the Endorsement of the Honourable Madam Justice Gilmore dated November 20, 2013 in the Con-Drain Company (1983) Limited action bearing Newmarket court file no. CV-12-115757-00 (the "Con-Drain Action") shall be maintained in trust by Chaitons LLP until further court order or consent of the parties to the Con-Drain Action, and the determination of whether the above noted funds form Property, as defined in paragraph 5 of the Initial Order, shall be determined at a late date.

APPLICATION

4. **THIS COURT ORDERS AND DECLARES** that the Applicants are affiliated debtor companies to which the CCAA applies.

POSSESSION OF PROPERTY AND OPERATIONS

5. **THIS COURT ORDERS** that, subject to paragraph 17 the Applicants shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of this Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of their business (the "**Business**") and Property. The Applicants shall be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

6. **THIS COURT ORDERS** that the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

(a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and

(b) the fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges.

7. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course on and after the date of this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

(a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the completion of Phases II and III of the Puccini Project (as defined in the Jinnah Affidavit) including, without limitation, payments on account of insurance, maintenance and security services; and

(b) payment for goods or services actually supplied to the Applicants following the date of this Order.

8. **THIS COURT ORDERS** that the Applicants shall remit, in accordance with legal requirements, or pay:

(a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;

(b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and

(c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.

9. **THIS COURT ORDERS** that, except as specifically permitted herein, the Applicants are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of their creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

10. **THIS COURT ORDERS** that the Applicants shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents (as hereinafter defined), have the right to:

(a) permanently or temporarily cease, downsize or shut down any of their business or operations,

(b) terminate the employment of such of their employees or temporarily lay off such of their employees as they deems appropriate;

(c) pursue all avenues of refinancing of their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing; and

(d) complete the construction and sale of the remaining 10 homes in Phases II and III of the Puccini Project with the approval of the Monitor in respect of all sales made in the ordinary course of the Applicants' business and otherwise with prior Court approval,

all of the foregoing to permit the Applicants to proceed with the completion of Phases II and III of the Puccini Project (the "**Restructuring**").

NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY

11. **THIS COURT ORDERS** that until and including January 16, 2014, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court, including the action commenced in Newmarket, Ontario by Con-Drain Company (1983) Limited against certain Applicants and others bearing Court File Number CV-13-115757-00.

NO EXERCISE OF RIGHTS OR REMEDIES

12. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicants to carry on any business which the Applicants are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

13. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicants, except with the written consent of the Applicants and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

14. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Applicants or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the Applicants, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicants, and that the Applicants shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicants in accordance with normal payment practices of the Applicants or such other practices as may be

agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

15. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

16. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION

17. **THIS COURT ORDERS** that the Applicants shall indemnify their directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicants after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

APPOINTMENT OF MONITOR

18. **THIS COURT ORDERS** that Grant Thornton Limited is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs

of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

19. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

(a) monitor the Applicants' receipts and disbursements;

(b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;

(c) assist the Applicants, to the extent required by the Applicants, in their dissemination, to the DIP Lender (as defined below) and its counsel on a periodic basis of financial and other information as agreed to between the Applicants and the DIP Lender which may be used in these proceedings including reporting on a basis to be agreed with the DIP Lender;

(d) advise the Applicants in the preparation of the Applicants' cash flow statements and reporting, which information shall be reviewed with the Monitor and delivered to the DIP Lender and its counsel on a periodic basis or provided to the Court as required;

(e) to assist the Applicants with the Restructuring;

(f) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicants, to the extent that is necessary to adequately assess the Applicants' business and financial affairs or to perform its duties arising under this Order;

(g) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;

(h) perform the tasks requested to be performed by the Monitor under the DIP Term Sheet;

(i) to advise and assist the Applicants in their negotiations with their stakeholders;

(j) perform such other duties as are required by this Order or by this Court from time to time; and

(k) in the name and/or for the benefit of the Applicants, to exercise control over the receipts, disbursements and bank accounts of the Applicants and receive and collect all monies and accounts of the Applicants in respect of the Property.

20. **THIS COURT ORDERS** that, subject to paragraph 17(k) of this Order, the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

21. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of

any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

22. **THIS COURT ORDERS** that the Monitor shall provide any creditor of the Applicants and the DIP Lender with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

23. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

24. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the Applicants shall be paid their reasonable fees and disbursements, incurred both before and after the making of this Order, in each case at their standard rates and charges, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicants on a monthly basis upon receipt of an invoice.

25. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

26. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and the Applicants' counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of $500,000 as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of

these proceedings. The Administration Charge shall have the priority set out in paragraphs 31 and 33 hereof.

DIP FINANCING

27. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to obtain and borrow under a credit facility from Sandall Investments Limited (the "**DIP Lender**") in order to finance the Applicants' working capital requirements, including the cost of completing Phases II and III of the Puccini Project and the costs of these proceedings, provided that borrowings under such credit facility shall not exceed the principal amount of $1,000,000 unless permitted by further Order of this Court.

28. **THIS COURT ORDERS** that such credit facility shall be on the terms and subject to the conditions set forth in the term sheet among the Applicants and the DIP Lender dated as of December 11, 2013 (the "**Term Sheet**"), filed.

29. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, security documents, guarantees and other definitive documents (collectively, the "**Definitive Documents**"), as are contemplated by the Term Sheet or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Applicants are hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the Term Sheet and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

30. **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "**DIP Lender's Charge**") on the Property, which DIP Lender's Charge shall not secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs 31 and 33 hereof.

31. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

(a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;

(b) upon the occurrence of an event of default under the Definitive Documents or the DIP Lender's Charge, the DIP Lender may immediately terminate the facility and, upon seeking an Order of the Court on 5 days notice to the Applicants and the Monitor, may exercise any and all of its rights and remedies against the Applicants or the Property under or pursuant to the Term Sheet, Definitive Documents and the DIP Lender's Charge, including without limitation, to apply to this Court for the appointment of a receiver over the Property; and

(c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver, receiver and manager or lien trustee of the Applicants or the Property.

32. **THIS COURT ORDERS AND DECLARES** that the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Applicants under the CCAA with respect to any advances made under the Definitive Documents.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

33. **THIS COURT ORDERS** that the priorities of the Administration Charge and the DIP Lender's Charge, as among them, shall be as follows:

First – Administration Charge (to the maximum amount of $500,000); and

Second – DIP Lender's Charge.

34. **THIS COURT ORDERS** that the filing, registration or perfection of the Administration Charge or the DIP Lender's Charge (collectively, the "**Charges**") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

35. **THIS COURT ORDERS** that each of the Administration Charge and the DIP Lender's Charge (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges, construction

liens (whether or not perfected or preserved) and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person.

36. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Administration Charge or the DIP Lender's Charge, unless the Applicants also obtain the prior written consent of the Monitor, the DIP Lender and the beneficiaries of the Administration Charge, or further Order of this Court.

37. **THIS COURT ORDERS** that the Administration Charge, the Term Sheet, the Definitive Documents and the DIP Lender's Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") and/or the DIP Lender thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

(a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the Term Sheet or the Definitive Documents shall create or be deemed to constitute a breach by the Applicants of any Agreement to which they are a party;

(b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicants entering into the Term Sheet, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and

(c) the payments made by the Applicants pursuant to this Order, the Term Sheet or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

SERVICE AND NOTICE

38. **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in the Toronto Star or the Globe and Mail a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicants of more than $1000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

39. **THIS COURT ORDERS** that the Applicants and the Monitor be at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission to the Applicants' creditors or other interested parties at their respective addresses as last shown on the records of the Applicants and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

40. **THIS COURT ORDERS** that the Applicants, the Monitor, and any party who has filed a Notice of Appearance may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time, and the Monitor may post a copy of any or all such materials on its website at www.grantthornton.ca/silverstreams.

GENERAL

41. **THIS COURT ORDERS** that the Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of their powers and duties hereunder.

42. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, a trustee in bankruptcy or a lien trustee of the Applicants, the Business or the Property.

43. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

44. **THIS COURT ORDERS** that each of the Applicants and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

45. **THIS COURT ORDERS** that any interested party (including the Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

46. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

DEC 17 2013

16046568.2

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SILVER STREAMS HOMES INC., SILVER STREAMS HOMES (PUCCINI) INC., 2148993 ONTARIO INC., 2148990 ONTARIO INC., 2147681 ONTARIO INC. AND 2147650 ONTARIO INC.

Court File No. 13-10362-00-CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at TORONTO

INITIAL ORDER

CHAITONS LLP
Barristers and Solicitors
5000 Yonge Street, 10th Floor
Toronto, ON M2N 7E9

Harvey Chaiton (LSUC #21592F)
Tel: (416) 218-1129
Fax: (416) 218-1849

Stephen Schwartz (LSUC #25980A)
Tel: (416) 218-1132
Fax: (416) 218-1832

Maya Poliak (LSUC #54100A)
Tel: 416-218-1161
Fax: 416-218-1844

Lawyers for the Applicants

TAB 2

Court File No. CV-13-10362-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.	)	THURSDAY, THE 16TH DAY
	)	
JUSTICE WILTON-SIEGEL	)	OF JANUARY, 2014

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, C. C-36, AS AMENDED

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SILVER STREAMS HOMES INC., SILVER STREAMS HOMES (PUCCINI) INC., 2148993 ONTARIO INC., 2148990 ONTARIO INC., 2147681 ONTARIO INC. AND 2147650 ONTARIO INC.

Applicants

CLAIMS PROCESS ORDER

THIS MOTION, made by the Applicants for an order establishing a claims procedure was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of Imran Jinnah sworn January 10, 2014 and the Monitor's First Report to the Court dated January 14, 2013, and on hearing the submissions of counsel for the Applicants, counsel for the Monitor and such other counsel as were present, and on being advised that the Service List was served with the Notice of Motion and Motion Record of the Applicants:

DEFINITIONS

1. **THIS COURT ORDERS** that, for the purposes of this Order, the following terms shall have the following meanings:

(a) "**9:30 Appointment**" means an appearance before a Justice of this Court in chambers which may be made at 9:30 a.m. on any juridical day;

(b) "**Business Day**" means a day, other than Saturday, Sunday or a statutory holiday, on which banks are generally open for business in Toronto, Ontario;

(c) "**CCAA**" means the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C - 36, as amended;

(d) "**CCAA Proceeding**" means the CCAA proceeding of the Applicants initiated pursuant to the terms of the Initial Order;

(e) "**Claims Deadline**" means 5:00 p.m. (Eastern Standard Time) on February 14, 2014;

(f) "**Court**" means the Ontario Superior Court of Justice (Commercial List);

(g) "**Claimant**" means any Person having a Secured Claim;

(h) "**Filing Date**" means December 17, 2013;

(i) "**Initial Order**" means the Order of the Honourable Mr. Justice Newbould dated December 17, 2013 issued in the CCAA Proceeding;

(j) "**Known Creditors**" means any Person which the books and records of the Applicants disclose were owed money by one or more of the Applicants as of the Filing Date which obligations remains unpaid in whole or in part;

(k) "**Monitor**" means Grant Thornton Limited in its capacity as Court-appointed Monitor of the Applicants pursuant to the Initial Order;

(l) "**Notice of Disallowance**" means the notice that may be delivered to a Claimant disallowing such Claimant's Secured Claim in whole or in part, which notice shall include the grounds for the disallowance;

(m) "**Notice of Dispute**" means the notice that may be delivered by a Claimant who has received a Notice of Disallowance disputing such Notice of Disallowance, which notice shall include the grounds for the dispute;

(n) "**Notice to Creditors**" means the notice substantially in the form attached hereto as **Schedule "B"**;

(o) "**Person**" means any individual, partnership, firm, joint venture, trust, entity, corporation, unincorporated organization, trade union, employee or other association and any federal, provincial or municipal government or similar entity, howsoever designated or constituted;

(p) "**Property**" means the property of the Applicants described in **Schedule "A"** hereto and the proceeds thereof;

(q) "**Secured Claim**" means all claims against the Property whether as a mortgagee, construction lien claimant or otherwise, including the claim of Con-Drain Company (1983) Limited ("**Con-Drain**"), and subject to paragraph 3A of the Initial Order against the Property in an action commenced in Newmarket, Ontario by Con-Drain against certain Applicants and others bearing Newmarket Court File Number CV-13-115757-00, but excludes the claims of unsecured creditors and the beneficiaries of the Court ordered charges created pursuant to the Initial Order; and

(r) "**Vetting Committee**" means a committee established pursuant to the terms of this Order for the purpose of assisting the Monitor with the review and determination of the validity, quantum and priority of all Secured Claims and which shall have a maximum of six (6) members.

PURPOSE OF CLAIMS PROCESS

2. The claims process contemplated herein applies solely to those persons having Secured Claims against the Property, whether as a mortgagee, a construction lien claimant or otherwise and is not intended as a general claims process for all of the Applicants' creditors.

MONITOR'S ROLE

3. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights, duties, responsibilities and obligations under the CCAA and under the Initial Order, shall implement and oversee the claims process provided for herein, and is hereby authorized and directed to take such steps as may be necessary to implement and carry out this Order.

CLAIMS PROCESS

4. **THIS COURT ORDERS** that the Monitor shall cause a Notice to Creditors to be sent to each Known Creditor by facsimile transmission, electronic communication or regular prepaid mail on or before January 21, 2014.

5. **THIS COURT ORDERS** that the Monitor shall cause the Notice to Creditors to be placed once in each of the Toronto Star and the Daily Commercial News as soon as reasonably practicable after the date of this Order.

6. **THIS COURT ORDERS** that the Monitor shall cause the Notice to Creditors and a copy of this Order to be posted and maintained on the Monitor's website at www.grantthornton.ca/silverstreams as soon as reasonably practicable after the date of this Order.

7. **THIS COURT ORDERS** that the Monitor shall cause a copy of this Order and the Notice to Creditors to be sent to any Person requesting such material as soon as practicable.

FILING OF SECURED CLAIMS

8. **THIS COURT ORDERS** that all Claimants shall deliver to the Monitor their written submissions together with all supporting documentation respecting the validity, quantum and priority of their Secured Claims by the Claims Deadline or such later date as the Monitor may agree or the Court may order prior to the Claim Deadline failing which, the Secured Claim of such Claimant against the Property shall be extinguished and forever barred.

9. **THIS COURT ORDERS** that the information and documentation to be provided by a Claimant to the Monitor pursuant to paragraph 8 above, shall include, without limitation:

(a) in the case of lien claimants, a complete copy of the contract or subcontract, change orders, evidence of the date of last supply of work or services, a copy of all invoices, time sheets and a detailed statement of account including all payments received;

(b) in the case of mortgagees, a copy of the commitment letter, offer of finance or similar document, the dates and amounts of all advances, a detailed statement of account, and the amount of any holdback maintained by the mortgagee.

VETTING COMMITTEE

10. **THIS COURT ORDERS AND AUTHORIZES** the establishment of the Vetting Committee. The Vetting Committee shall initially have the following 6 members:

(a) James Klein - lawyer for various lien claimants

(b) Jeffrey Long – lawyer for Con Drain

(c) Jeffrey Spiegleman – lawyer for Bank of Montreal

(d) Marco Drudi – lawyer for private lenders

(e) Stephen Schwartz – lawyer for the Applicants

(f) Steven Graff or Ian Aversa – lawyers for the Monitor

A member of the Vetting Committee may only be replaced with the unanimous consent of the remaining members or an order of this Court.

CLAIMS REVIEW

11. **THIS COURT ORDERS** that the Monitor shall review each Secured Claim received by the Claims Deadline.

12. **THIS COURT ORDERS** that in response to a written request made by the Monitor, a Claimant shall forthwith, and in any event within seven (7) days of the date of the request, provide such further documentation and information as the Monitor may reasonably require with respect to the Claimant's Secured Claim.

13. **THIS COURT ORDERS** that the Monitor, in its sole discretion, upon consultation with the Vetting Committee, may accept or disallow a Secured Claim in part or in whole.

14. **THIS COURT ORDERS** that if the Monitor determines to disallow a Secured Claim, in part or in whole, the Monitor shall deliver to the Claimant a Notice of Disallowance.

15. **THIS COURT ORDERS** that any Claimant who disputes the disallowance of its Secured Claim as set forth in a Notice of Disallowance shall deliver a Notice of Dispute to the Monitor on or before 5:00 p.m. (Eastern Standard Time) on the day which is fourteen (14) days after the date of the Notice of Disallowance (the "**Dispute Deadline**"), or such later date as the Monitor may agree or the Court may order prior to the expiration of the Dispute Deadline.

16. **THIS COURT ORDERS** that any Claimant who fails to deliver a Notice of Dispute by the Dispute Deadline shall be deemed to accept the Monitor's determination as set out in the Notice of Disallowance.

RESOLUTION OF CLAIMS

17. **THIS COURT ORDERS** that the Monitor, with the assistance of the Vetting Committee, may attempt to consensually resolve any disputed Secured Claim.

18. **THIS COURT ORDERS** that upon the expiration of all of the Dispute Deadlines, the Monitor shall prepare, serve and file a report on the results of the claims process.

19. **THIS COURT ORDERS** that the Monitor shall schedule a 9:30 Appointment with the Court returnable within fourteen (14) days after service of its report pursuant to paragraph 18 herein for the purpose of setting a timetable for resolution of any unresolved disputed claims.

20. **THIS COURT ORDERS** that the Monitor may apply to this Court, at any time, for advice and directions regarding the claims process provided for herein.

GENERAL PROVISIONS

21. **THIS COURT ORDERS** that any notice or other communication to be given under this Order by a Claimant to the Monitor shall be in writing and will be sufficiently given only if delivered by facsimile transmission, personal delivery, electronic communication or prepaid mail addressed to:

The Monitor
c/o Grant Thornton Limited
Royal Bank Plaza, South Tower, 19th Floor,
Toronto, ON, M5J 2P9

Attention: Daniel Sobel
Telephone: (416) 369-7033
Fax: (416) 360-4949
Email: daniel.sobel@ca.gt.com

with a copy to

Aird & Berlis LLP
Brookfield Place. 181 Bay Street, Suite 1800
Toronto, ON, M5J 2T9

Attention: Ian Aversa
Telephone: (416) 865-3082
Fax: (416) 863-1515
Email: iaversa@airdberlis.com

Any such notice or other communication delivered by a Claimant shall be deemed to be received upon actual receipt by the Monitor thereof during normal business hours on a Business Day or, if delivered outside of normal business hours, on the next Business Day.

22. **THIS COURT ORDERS** that any notice or other communication to be given under this Order by the Monitor to a Claimant shall be addressed to the last recorded address appearing in the books and records of the Applicants, the address indicated on any security registration or in the submissions filed by the Claimant with the Monitor and will be sufficiently given only if delivered by facsimile transmission, personal delivery, electronic communication or prepaid mail. Any such notice or other communication delivered by the Monitor shall be deemed to be received upon actual receipt by the Claimant thereof during normal business hours on a Business Day or, if delivered outside of normal business hours, on the next Business Day.

ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

JAN 1 6 2014

W. Hon-Lat J.

SCHEDULE "A"

PROPERTY

1. Lot 1, Plan 65M4249, Town of Richmond Hill; Pin: 03206-3418 (LT)
2. Lot 23, Plan 65M4249, Town of Richmond Hill; Pin: 03206-3440 (LT)
3. Lot 24, Plan 65M4249, Town of Richmond Hill; Pin: 03206-3441 (LT)
4. Lot 18, Plan 65M4331, Town of Richmond Hill; Pin: 03206-3501 (LT)
5. Lot 19, Plan 65M4331, Town of Richmond Hill; Pin: 03206-3502 (LT)
6. Lot 20, Plan 65M4331, Town of Richmond Hill; Pin: 03206-3503 (LT)
7. Lot 22, Plan 65M4331, Town of Richmond Hill; Pin: 03206-3505 (LT)
8. Lot 23, Plan 65M4331, Town of Richmond Hill; Pin: 03206-3506 (LT)
9. Lot 24, Plan 65M4331, Town of Richmond Hill; Pin: 03206-3507 (LT)
10. Lot 25, Plan 65M4331, Town of Richmond Hill; Pin: 03206-3508 (LT)
11. Net sale proceeds from the sale of certain homes in the Puccini Project in the amount of $491,985.33 held in trust by Chaitons LLP pursuant to the Orders of Madam Justice Lack dated August 15, 2013 and Madam Justice Gilmore dated November 20, 2013 issued in the action commenced by Con-Drain Company (1983) Limited against certain applicants and other parties bearing Court File Number CV-13-115757-00

SCHEDULE "B"

NOTICE TO CREDITORS

NOTICE TO CREDITORS OF SILVER STREAMS HOMES INC., SILVER STREAMS HOMES (PUCCINI) INC., 2148993 ONTARIO INC., 2148990 ONTARIO INC., 2147681 ONTARIO INC. and 2147650 ONTARIO INC. (COLLECTIVELY, "SILVER STREAMS")

RE: NOTICE OF CLAIMS PROCEDURE FOR SILVER STREAMS PURSUANT TO THE COMPANIES' CREDITORS ARRANGEMENT ACT (THE "CCAA")

TAKE NOTICE that this notice is being published pursuant to an order of the Honourable Mr. Justice Wilton-Siegel of the *Ontario* Superior Court of Justice (Commercial List) dated January 16, 2014 (the "**Claims Process Order**"). Any person who believes that it has a claim against the Property (as defined in the Claims Process Order) whether as a mortgagee, construction lien claimant or otherwise, shall send the documents and information prescribed by the Claims Process Order to Grant Thornton Limited in its capacity as Court-appointed Monitor of Silver Streams (the "**Monitor**") to be received **by 5:00 p.m. (Eastern Standard Time) on February 14, 2014 (the "Claims Deadline")** or such later date as the Monitor may agree or the Court may order prior to the Claim Deadline, **failing which, the claim of such Claimant against the Property shall be extinguished and forever barred.**

A copy of the Claims Process Order is available on the Monitor's website at www.grantthornton.ca/silverstreams.

Dated at ________________ this _____ day of ______________________, 2014

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SILVER STREAMS HOMES INC., SILVER STREAMS HOMES (PUCCINI) INC., 2148993 ONTARIO INC., 2148990 ONTARIO INC., 2147681 ONTARIO INC. AND 2147650 ONTARIO INC.

Court File No. 13-10362-00-CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at TORONTO

CLAIMS PROCESS ORDER

CHAITONS LLP
Barristers and Solicitors
5000 Yonge Street, 10th Floor
Toronto, ON M2N 7E9

Harvey Chaiton (LSUC #21592F)
Tel: (416) 218-1129
Fax: (416) 218-1849

Stephen Schwartz (LSUC #25980A)
Tel: (416) 218-1132
Fax: (416) 218-1832

Maya Poliak (LSUC #54100A)
Tel: 416-218-1161
Fax: 416-218-1844

Lawyers for the Applicants

TAB 3

Court File No. 13-10362-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.	)	THURSDAY, THE 8TH
	)	
JUSTICE NEWBOULD	)	DAY OF JANUARY, 2015

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SILVER STREAMS HOMES INC., SILVER STREAMS HOMES (PUCCINI) INC., 2148993 ONTARIO INC., 2148990 ONTARIO INC., 2147681 ONTARIO INC. and 2147650 ONTARIO INC.

Applicants

ORDER

THIS MOTION, made by Grant Thornton Limited, in its capacity as the Court-appointed monitor of the Applicants (in such capacity, the "**Monitor**"), for an Order, among other things, referring the construction lien claims and other related issues in these proceedings (collectively, the "**Construction Claims**") to a referee (the "**Referee**"), and referring the action bearing Court File No. CV-13-115757-00 (the "**Con-Drain Action**") to a Judge of the Commercial List, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Seventh Report of the Monitor dated December 19, 2014, the consent of lien claimants (the "**Lien Claimants**") #s 1 through 11 (as more specifically listed and identified in **Schedule "A"** attached hereto), the consent of the Private Mortgagees and the Mortgagees (as listed in **Schedule "B"** attached hereto), and the consent of the proposed Referee, and on hearing the submissions of counsel for the Monitor, counsel for the Applicants, ~~counsel for certain of the Lien Claimants, counsel for certain of the Private Mortgagees, and counsel for certain of the Mortgagees,~~ no one appearing for the unsecured claimants (the "**Unsecured Claimants**") (as more specifically listed and identified in **Schedule "C"** attached hereto) (together with the Lien Claimants, the "**Claimants**") or any other person on the service list, although duly served as appears from the affidavit of Susy Moniz sworn December 22, 2014, filed,

1. **THIS COURT ORDERS** that the time for service and filing of the notice of motion and the motion record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that the following issues with respect to the Construction Claims be and are referred to Duncan Glaholt, who shall act as the Referee:

   (a) the validity and, if necessary, quantum, of the Construction Claims filed by the Claimants;

   (b) the determination of whether the Private Mortgagees are Statutory Owners (as defined in the *Construction Lien Act*, R.S.O. 1990, c. C.30, as amended (the "**Act**")), and, if so, the determination of their liability as Statutory Owners to the Lien Claimants;

   (c) the liability of the Private Mortgagees and Mortgagees with respect to any deficiency in holdback to the claims of the Lien Claimants;

   (d) the determination of priorities as amongst the Claimants regarding their claims as against the Claimants, the Private Mortgagees and Mortgagees; and

   (e) any ancillary or peripheral issues that need to be determined in order for the Referee to properly complete its mandate, including any and all issues regarding interest and costs.

3. **THIS COURT ORDERS** that the Referee's determination in respect of the issues enumerated in paragraph 2 above shall be set out in a report (the "**Report/Award**"), which shall be served on the Service List in these proceedings and filed with the Court, and that the Report/Award shall bind any and all affected parties without further confirmation by this Court. For greater certainty, each and every party that filed a claim against one or more of the Applicants in the present proceedings shall be deemed to be an affected party of the

Report/Award. Notwithstanding the foregoing, any and all affected parties shall maintain their right to appeal the Report/Award to the Divisional Court in accordance with the Act.

4. **THIS COURT ORDERS** that the anticipated costs of the Referee, up to the amount of \$100,000.00, shall be funded equally, and in advance of the Referee commencing its mandate, by the Private Mortgagees (50%) and the Lien Claimants (50%, such that costs shall be borne by each Lien Claimant on a pro rata basis, as calculated in **Schedule "A"** hereto), and that any additional costs of the Referee shall be secured by the Administration Charge (as defined in the Initial Order issued on December 17, 2013 in these proceedings) and paid by the Monitor (collectively, the "**Referee's Costs**"). Notwithstanding the above, the Referee shall maintain the right to assess costs in the Report/Award against any party, including, without limitation, the right to reallocate the Referee's Costs, and any such assessment shall attract the same deference and appeal rights as provided in paragraph 3 of this Order.

5. **THIS COURT ORDERS** that should a Lien Claimant refuse or neglect to pay its pro rata share of costs (a "**Defaulting Lien Claimant**"), then any other Lien Claimant shall be at liberty to advance the costs payable by the Defaulting Lien Claimant and shall be entitled to twice the amount advanced, which repayment shall form a first charge against any sums found to be due and payable to the Defaulting Lien Claimant and which sum shall be repaid before the Defaulting Lien Claimant receives any proceeds under this process.

6. **THIS COURT ORDERS** that the Con-Drain Action shall be transferred from the Superior Court of Justice in Newmarket, Ontario and shall be heard by a Judge of the Superior Court ~~Commercial List~~ in Toronto, separate from the present proceedings and without the participation of the Monitor, but that the funds in dispute in the Con-Drain Action, which are currently held in the trust account of Chaitons LLP (the "**Chaitons Trust Account**"), shall not be released or distributed from the Chaitons Trust Account without a further Order of this Court sitting in the context of the present proceedings.

NWJ

JAN 8 2015

SCHEDULE "A"

Lien Claimant		Court File No.	Lien Amount ($)	Lien Registration No.	% of Total Lien Amount Claimed by all Lien Claimants
1.	Con-Drain Company (1983) Limited	CV-13-116355-00	94,837	YR2016863	2.6%
2.	Pilbro III Inc.	CV-13-116840-00	554,354	YR2056986	15.5%
3.	Medi Group Incorporated	CV-13-116838-00	521,675	YR2057173	14.6%
4.	Cardell Flooring Ltd.	CV-13-116835-00	94,922	YR2057568	2.6%
5.	Foremont Drywall Inc.; 1382479 Ontario Inc.; 1382503 Ontario Inc.; 2203579 Ontario Inc. c/o Foremont Drywall Contracting	CV-13-116837-00	434,578	YR2057675	12.1%
6.	Canadian Concrete Forming Limited	CV-13-116834-00	216,202	YR2057676	6.0%
7.	Pave Plumbing & Heating Inc.	CV-13-116839-00	227,303	YR2057677	6.3%
8.	E.D. Carpenters Ltd.	CV-13-116836-00	328,674	YR2058240	9.2%
9.	Solo Electric Ltd.	CV-13-116841-00	186,364	YR2058688	5.2%
10.	1865721 Ontario Inc.	CV-13-116833-00	91,519	YR2059379	2.6%
11.	GM Exterior Inc.	CV-13-117058-00	46,559	YR2062198	1.3%
12.	Giancola Aluminum Contractors Inc.	CV-13-117059-00	82,579	YR2062199	2.3%
13.	Renova Recycling (2000) Inc.	CV-14-117811-00	29,392	YR2060384	0.8%
14.	Trudel & Sons Roofing Ltd.	CV-14-117658-00	31,745	YR2073073	0.9%
15.	L.I.U.N.A. Local 183 et al. (Massimo Digiovani as agent)	CV-13-117071-00	22,568	YR2050961	0.6%

16.	Argo Lumber Inc.	**CV-13-116990-00**	**135,060**	**YR2048904**	**3.8%**
17.	Newmar Window Manufacturing Inc.	**CV-13-116991-00**	**67,793**	**YR2050277**	**1.9%**
18.	The King-Con Corporation	**CV-13-116857-00**	**104,574**	**YR2049079**	**2.9%**
19.	The Sanderson-Harold Company Ltd. (Paris Kitchens)	**Not available as at the date hereof**	**203,870**	**YR2058638**	**5.7%**
20.	669857 Ontario Inc. o/a Alma Mechanical	**CV-13-117214-00**	**108,287**	**YR2060246**	**3.0%**
		TOTAL	**3,582,855**		**100.00%**

SCHEDULE "B"

Private Mortgagees

1. Puccini Mortgage Corp.
2. DaPaul Management Limited
3. 388242 Ontario Limited
4. 53 Puccini Mortgage Corp.
5. Nastell Investments Limited
6. Castle Lane Design Group Inc.

Mortgagees

1. Bank of Montreal
2. Foremost Mortgage Holding Corporation
3. Home Trust Company

SCHEDULE "C"

Claimant		Amount ($)
1.	J.S. Construction	**18,750**
2.	Benzi General Contracting	**6,106**
3.	Krcmar Surveyors Ltd.	**9,287**
4.	Quality Door Systems Inc.	**20,724**
5.	ConelCo Utility Contractors	**3,073**
6.	MAS Engineering (part of Cole Engineering)	**4,379**
7.	J.J. Home Products	**28,670**
8.	TorOnCa Fence and Deck	**24,860**
9.	Dream Work Canada Inc. o/a Stone Factory	**91,435**
10.	General Home Built-In Systems Ltd.	**33,594**
11.	ConelCo Utility Contractors	**3,073**
12.	Argyle Flooring*	***129,516**
	TOTAL	**373,467**

*Denotes a late claim filed after the deadline of February 14, 2014.

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SILVER STREAMS HOMES INC., SILVER STREAMS HOME (PUCCINI) INC., 2148993 ONTARIO INC., 2148990 ONTARIO INC., 2147681 ONTARIO INC. AND 2147650 ONTARIO INC.

Court File No. CV-13-10362-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

ORDER

AIRD & BERLIS LLP
Barristers and Solicitors
Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Steven L. Graff (LSUC # 31871V)
Tel: 416.865.7726 / Fax: 416.863.1515
Email: sgraff@airdberlis.com

Ian Aversa (LSUC # 55449N)
Tel: 416.865.3082 / Fax: 416.863.1515
Email: iaversa@airdberlis.com

Jeremy Nemers (LSUC # 66410Q)
Tel: 416.865.7724 / Fax: 416.863.1515
Email: jnemers@airdberlis.com

Lawyers for Grant Thornton Limited, in its capacity as the Court-appointed Monitor of the Applicants

20012065.9

TAB 4

Court File No. CV-13-10362-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SILVER STREAMS HOMES INC., SILVER STREAMS HOMES (PUCCINI) INC., 2148993 ONTARIO INC., 2148990 ONTARIO INC., 2147681 ONTARIO INC. AND 2147650 ONTARIO INC.

Applicants

EIGHTH REPORT TO COURT OF GRANT THORNTON LIMITED, MONITOR OF THE APPLICANTS UNDER THE *COMPANIES' CREDITORS ARRANGEMENT ACT*

APRIL 8, 2015

GrantThornton

Grant Thornton Limited,
Monitor of the Applicants under the *Companies' Creditors Arrangement Act*

Royal Bank Plaza
200 Bay Street, South Tower, 19th Floor
Toronto, Ontario, M5J 2P9

TABLE OF CONTENTS

APPENDICES

1. Initial Order dated December 17, 2013
2. Referral Order dated January 8, 2015
3. Settlement Agreement dated February 17, 2015
4. February Lien Claimants' Objection dated February 27, 2015
5. March Lien Claimants' Objection dated March 4, 2015

BACKGROUND INFORMATION

1. Silver Streams Homes Inc. ("**Silver Streams**") is a residential home builder in the Greater Toronto Area.

2. Silver Streams Homes (Puccini) Inc. ("**Puccini**") was incorporated in October 2008 for the purpose of developing and selling homes in a development located at Bathurst St. and King Rd. in Richmond Hill, Ontario (the "**Puccini Project**").

3. Title to the some (but not all) of the lands in phases I, II and III of the Puccini Project is held by 2148993 Ontario Inc. ("**2148993**"), 2148990 Ontario Inc. ("**2148990**"), 2147681 Ontario Inc. ("**2147681**") and 2147650 Ontario Inc. ("**2147650**" and, collectively, the "**Title Holders**"). Silver Streams, Puccini and the Title Holders are collectively referred to as the "**Companies**" or the "**Applicants**".

4. On December 17, 2013, the Companies made an application to the Ontario Superior Court of Justice (Commercial List) (the "**Court**") to commence proceedings under the *Companies' Creditors Arrangement Act* (the "**CCAA Proceedings**"). On that date, the Court issued an order (the "**Initial Order**"), *inter alia*, granting the Companies' the protection of a stay of proceedings until January 16, 2014 and appointing Grant Thornton Limited ("**GTL**") as the Companies' monitor under the CCAA (the "**Monitor**"). A copy of the Initial Order is attached as **Appendix "1"**.

5. On January 16, 2014, April 17, 2014, June 26, 2014, September 23, 2014, and January 8, 2015, the Court issued orders (the "**Extension Orders**"), *inter alia*, extending the stay of proceedings first from January 16, 2014 to April 18, 2014, then from April 18, 2014 to July 3, 2014, then from July 3, 2014 to September 26, 2014, then from September 26, 2014 to January 16, 2015, and finally from January 16, 2015 to July 16, 2015.

6. On January 8, 2015, the Court also issued an order (the "**Referral Order**"), *inter alia*, referring the construction lien claims and other related issues in these CCAA Proceedings to a referee and referring the action bearing Court File No. CV-13-115757-00 (the "**Con-Drain Action**") to a Judge of the Superior Court in Toronto. A copy of the Referral Order is attached as **Appendix "2"**.

7. This report (the "**Eighth Report**") has been prepared by GTL in its capacity as Monitor.

PURPOSE OF THE EIGHTH REPORT

8. The purpose of this Eighth Report is to advise the Court of the Monitor's understanding of the factual matrix surrounding the Settlement Agreement dated February 17, 2015 amongst, *inter alios*, Tarion Warranty Corporation ("**Tarion**"), Imran Jinnah and the Companies (the "**Settlement Agreement**"). A copy of the Settlement Agreement is attached as **Appendix "3"**.

9. Detailed background information concerning the Companies, their stakeholders and these CCAA Proceedings is provided in the affidavit of Imran Jinnah sworn December 11, 2013 (the "**Initial Jinnah Affidavit**"), the affidavit of Imran Jinnah sworn January 10, 2014, the affidavit of Imran Jinnah sworn April 9, 2014, the affidavit of Imran Jinnah sworn June 19, 2014, the affidavit of Imran Jinnah sworn August 5, 2014, the affidavit of Imran Jinnah sworn September 16, 2014, the affidavit of Imran Jinnah sworn November 18, 2014, the affidavit of Imran Jinnah sworn December 17, 2014, the affidavit of Imran Jinnah sworn February 26, 2015 (the "**February Jinnah Affidavit**"), and the affidavit of Imran Jinnah sworn March 25, 2015 (the "**March Jinnah Affidavit**"), all of which have been filed with the Court. Accordingly, the Monitor has not repeated information to this effect in this Eighth Report. Copies of all materials filed with the Court in these CCAA Proceedings are accessible on the Monitor's website at www.GrantThornton.ca/Silverstreams.

10. The February Jinnah Affidavit and the March Jinnah Affidavit were sworn, respectively, to advise of the Settlement Agreement and to support the Applicants' motion for approval of the Settlement Agreement. The Monitor has also received, reviewed and considered the affidavit of Zena Hanson sworn April 2, 2015 (the "**Hanson Affidavit**") and the affidavit of Frank Del Fatti sworn April 6, 2015 (the "**Del Fatti Affidavit**"), both of which were sworn in response to the March Jinnah Affidavit and in opposition to the Settlement Agreement.

SCOPE AND TERMS OF REFERENCE

11. In the course of its mandate, the Monitor has assumed the integrity and truthfulness of the information and explanations presented to it by the Companies and their management, within the context in which such information was presented. To date, nothing has come to the Monitor's attention that would cause it to question the reasonableness of these assumptions. The Monitor has requested that management bring to its attention any significant matters which were not addressed in the course of the Monitor's specific inquiries. Accordingly, this Eighth Report is based solely on the information (financial or otherwise) made available to the Monitor by the Companies.

12. This Eighth Report has been prepared for the use of this Court and the Companies' stakeholders as general information relating to the Companies and to assist the Court in deciding whether to grant the relief sought by the Applicants. Accordingly, the reader is cautioned that this Eighth Report may not be appropriate for any other purpose. The Monitor will not assume responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of this Eighth Report contrary to the provisions of this paragraph.

13. Capitalized terms not defined in this Eighth Report have the meanings ascribed to them in the Initial Jinnah Affidavit.

THE SETTLEMENT AGREEMENT

14. Silver Streams and the Title Holders are registered with Tarion under the *Ontario New Home Warranties Plan Act* (Ontario) (the "**Act**") as vendors, builders or both, as such terms are defined in the Act. In the February Jinnah Affidavit, Mr. Jinnah states that it was his understanding that Puccini was also registered with Tarion as a vendor, which understanding has been communicated to the Court in Mr. Jinnah's previous affidavits filed in these CCAA Proceedings (and referred to above) as well as in the previous reports prepared by the Monitor and filed in these CCAA Proceedings. Both prior and subsequent to the commencement of these CCAA Proceedings, Puccini has acted as a vendor under a number of agreements of purchase with respect to the Puccini Project.

15. In connection with their registrations under the Act, Silver Streams and the Title Holders were required to and did provide letters of credit in the aggregate amount of $920,000 (the "**Letters of Credit**") and a cash deposit in the amount of $320,000 in favour of Tarion to secure Silver Streams and the Title Holders' obligations to Tarion under the Act (collectively, the "**Security**"). The Letters of Credit are secured by $920,000 in cash collateral held on deposit at Bank of Montreal.

16. In the February Jinnah Affidavit, Mr. Jinnah states that in or around September 2014, he learned, for the first time, that contrary to his previous understanding, Puccini was not in fact registered as a vendor under the Act contemporaneously or otherwise with Silver Streams and the Title Holders.

17. On September 3, 2014, a summons was issued to Puccini pursuant to section 24 of the *Provincial Offences Act* (Ontario) (the "**POA Charge**"), which, among other things, charged Puccini with acting as a vendor of a new home without being properly registered under the Act.

18. In December 2014, the Monitor was advised by the Companies of the aforementioned deficiency. On January 9, 2015, the Monitor was asked to review a near final draft of the Settlement Agreement, which draft contemplated the possibility that one or more stakeholders in these CCAA Proceedings would object to the Settlement Agreement and provided a mechanism to bring any such dispute before the Court. Upon review, the Monitor agreed to acknowledge receipt of the Settlement Agreement and communicated to the Applicants and Tarion that it did not object to the parties entering into the agreement on the basis that is was supported by each of Tarion, the Applicants and the Private Mortgagees (as defined in the Referral Order).

19. In the February Jinnah Affidavit, Mr. Jinnah states that: (i) failure to register Puccini as a vendor under the Act was inadvertent; (ii) it was always the Applicants' intention that Puccini be a registered vendor under the Act; and (iii) at all relevant times, he verily believed that Puccini was in fact a registrant under the Act. As of the date of this Eighth Report, the Monitor has not been provided with or made aware of any information that would question the validity or accuracy of these statements.

20. In the February Jinnah Affidavit, Mr. Jinnah further states that: (i) it was always intended by the Applicants, and communicated to the Applicants' stakeholders and the Court in these CCAA Proceedings, that, in order to fulfill its mandate under the Act, Tarion would have recourse and access to the Security for the payment by Tarion of claims made by purchasers against the Applicants under the Act; and (ii) to remedy the issues raised by Puccini not being registered as a vendor under the Act, the Applicants, Mr. Jinnah and Tarion agreed to enter into the Settlement Agreement.

21. The Settlement Agreement provides, amongst other things, that Puccini will assign to Silver Streams all of its rights, title, interest and obligations under the agreements of purchase and sale related to the Puccini Project, which Puccini entered into in its capacity as vendor.

22. The Settlement Agreement remained conditional on, amongst other things, the Applicants advising the service list and the Court of the terms of the Settlement Agreement and requesting that any person wishing to oppose or object to the execution, delivery or performance of the Settlement Agreement serve notice of such objection (the "**Notice of Objection**") by no later than fourteen calendar days from the date on which notice to the service list of the Settlement Agreement was provided. If no such objections were received, the Settlement Agreement provided that the Applicants would perform the Settlement Agreement and take such additional steps and execute such additional documents as may be

necessary for the completion of the transactions contemplated by the Settlement Agreement.

23. If a Notice of Objection were received within fourteen calendar days from the date on which the Settlement Agreement was served on the Service List, the Settlement Agreement provided that the Companies were required to, amongst other things: (i) take steps to seek Court approval of the execution, delivery and performance of the Settlement Agreement; and (ii) request that the Monitor report to the Court on the Settlement Agreement.

24. The Monitor formally acknowledged receipt of the Settlement Agreement on February 4, 2015.

25. On February 26, 2015, the February Jinnah Affidavit was served on the service list. The February Jinnah Affidavit, which attached a copy of the Settlement Agreement, described the relevant terms of the Settlement Agreement, including the objection process described above.

26. On February 27, 2015, a Notice of Objection was served on the Applicants' counsel by counsel to Argo Lumber Inc. and Newmar Window Manufacturing Inc., a copy of which (the "**February Lien Claimants' Objection**") is attached as **Appendix "4"**. The February Line Claimants' Objection requested that the Applicants provide a copy of the POA Charge and related disclosure, and that the objectors may consider withdrawing their objection after receipt and review of such disclosure.

27. On March 4, 2015, a Notice of Objection was served on the service list by counsel to a number of other lien claimants, a copy of which (the "**March Lien Claimants' Objection**") is attached as **Appendix "5"**.

28. On March 6, 2015, counsel for Con-Drain Company (1983) Limited ("**Con-Drain**") advised the service list that Con-Drain also objects to the Settlement Agreement and adopts the grounds for objection set out in the March Lien Claimants' Objection.

29. On March 25, 2015, the Monitor received the March Jinnah Affidavit, which, among other things, responded to the Lien Claimants' Objection by concluding that the Settlement Agreement, if implemented, would restore all stakeholders to the positions in which they would have been had Puccini been properly registered under the Act. The March Jinnah Affidavit also responded to the POA Charge disclosure request, advising that the Applicants' counsel had requested permission from Tarion to release such material, but that Tarion had declined to grant such permission outside the prosecution.

30. On April 6, 2015, the Monitor received the Hanson Affidavit, wherein the affiant suggests that an adverse inference should be drawn from the refusal to provide the POA Charge disclosure, that the conclusion under these circumstances is that Tarion is seeking to obtain an improper preference with respect to the Security and that the Monitor ought to investigate this matter. The Monitor, without having seen the POA Charge disclosure and

having limited powers to compel production of same, can neither agree with nor adequately investigate the position advanced in the Hanson Affidavit.

31. Also on April 6, 2015, the Monitor received the Del Fatti Affidavit, wherein the affiant notes that, but for the Settlement Agreement, the Security and any underlying cash collateral would flow back to the Applicants' estate and be subject to the priorities determined in these CCAA Proceedings. The affiant in the Del Fatti Affidavit also notes that the Settlement Agreement would relieve Mr. Jinnah of his obligations under a guarantee given in favour of Tarion, and that the Settlement Agreement would elevate Tarion from an unsecured party to a secured party. While the Monitor generally agrees with these statements, it also observes that the lien claimants would equally benefit from a windfall but for the Settlement Agreement, having conducted themselves at all relevant times on the basis that Puccini was registered under the Act and that the Security was therefore properly held by Tarion.

All of which is respectfully submitted,

GRANT THORNTON LIMITED,
In its capacity as Monitor of the Applicants
under the *Companies' Creditors Arrangements Act*
and not in any other capacity

Per:

Daniel Sobel, CPA, CA, CIRP
Vice President

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SILVER STREAMS HOMES INC., SILVER STREAMS HOME (PUCCINI) INC., 2148993 ONTARIO INC., 2148990 ONTARIO INC., 2147681 ONTARIO INC. AND 2147650 ONTARIO INC.

Court File No. CV-13-10362-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

EIGHTH REPORT TO THE COURT OF GRANT THORNTON LIMITED, MONITOR OF THE APPLICANTS UNDER THE *COMPANIES' CREDITORS ARRANGEMENT ACT*

AIRD & BERLIS LLP
Barristers and Solicitors
Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Steven L. Graff (LSUC # 31871V)
Tel: 416.865.7726 / Fax: 416.863.1515
Email: sgraff@airdberlis.com

Ian Aversa (LSUC # 55449N)
Tel: 416.865.3082 / Fax: 416.863.1515
Email: iaversa@airdberlis.com

Jeremy Nemers (LSUC # 66410Q)
Tel: 416.865.7724 / Fax: 416.863.1515
Email: jnemers@airdberlis.com

Lawyers for Grant Thornton Limited, in its capacity as the Court-appointed Monitor of the Applicants

TAB 5

Court File No. CV-13-10362-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.	)	FRIDAY, THE 25TH
	)	
JUSTICE WILTON-SIEGEL	)	DAY OF SEPTEMBER, 2015

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, C. C-36, AS AMENDED

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SILVER STREAMS HOMES INC., SILVER STREAMS HOMES (PUCCINI) INC., 2148993 ONTARIO INC., 2148990 ONTARIO INC., 2147681 ONTARIO INC. AND 2147650 ONTARIO INC.

Applicants

ORDER

THIS MOTION, made by the Applicants for: (i) an order declaring that they have the requisite authority to enter into the Settlement Agreement dated February 17, 2015 (the "**Settlement Agreement**") between the Applicants, Imran Jinnah ("**Jinnah**") and Tarion Warranty Corporation ("**Tarion**") without the approval of the Court; or, in the alternative (ii) an order approving the Settlement Agreement, was heard on June 25, 2015 day at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavits of Imran Jinnah sworn March 25, 2015 and April 13, 2015, Affidavit of Zena Hanson sworn April 2, 2015, Affidavit of Frank Del Fatti sworn April 6, 2015 and the Eighth Report of Grant Thornton Limited in its capacity as the Court-appointed Monitor of the Applicants (in such capacity, the "**Monitor**") dated April 8, 2015 (the "**Eighth Report**"), and on hearing the submissions of counsel for the Applicants, counsel for the Monitor and counsel for various lien claimants:

1. **THIS COURT ORDERS** that the Applicants' motion be and hereby is denied.

ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

DEC 07 2015

Doc#3386643v2

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SILVER STREAMS HOMES INC., SILVER STREAMS HOMES (PUCCINI) INC., 2148993 ONTARIO INC., 2148990 ONTARIO INC., 2147681 ONTARIO INC. AND 2147650 ONTARIO INC.

Court File No. 13-10362-00-CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at TORONTO

ORDER

CHAITONS LLP
Barristers and Solicitors
5000 Yonge Street, 10th Floor
Toronto, ON M2N 7E9

Maya Poliak (LSUC #54100A)
Tel: 416-218-1161
Fax: 416-218-1844

Lawyers for the Applicants

CITATION: Silver Streams Homes Inc. (Re), 2017 ONSC 314
COURT FILE NO.: 13-10362-00CL
DATE: 20170113

SUPERIOR COURT OF JUSTICE - ONTARIO

RE: IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, C. C-36, AS AMENDED

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SILVER STREAMS HOMES INC., SILVER STREAMS HOMES (PUCCINI) INC., 2148993 ONTARIO INC., 2148990 ONTARIO INC., 2147681 ONTARIO INC. AND 2147650 ONTARIO INC.

BEFORE: Mr. Justice H.J. Wilton-Siegel

COUNSEL: *S. Schwartz* and *M. Poliak*, for the Applicants

A. Slavens, for Tarion Warranty Corporation

J. Klein, for MediGroup Incorporated and certain other lien claimants

E. Bisceglia, for Argo Lumber Inc. and Newmar Window Manufacturing Inc.

I. Aversa, for the Monitor

HEARD: In Writing

COSTS ENDORSEMENT

[1] The applicants in these proceedings brought a motion under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 ("CCAA") for approval of an agreement (the "Settlement Agreement") among the applicants, Tarion Warranty Corporation ("Tarion") and Imran Jinnah ("Jinnah"), the shareholder of the applicants. Certain lien claimants successfully challenged the motion (collectively the "Lien Claimants"). These lien claimants are: (1) Argo Lumber Inc. ("Argo") and Newmar Window Manufacturing Inc. ("Newmar"); and (2) Medi Group Incorporated ("Medi") and a number of other lien claimants associated with it (collectively, the "Trades"). The Lien Claimants have submitted costs submissions seeking costs of the motion against any or all of the applicants, Tarion, and Jinnah. In this endorsement, capitalized terms that are not defined have the meanings ascribed to them in the Court's endorsement dated September 25, 2015 which was reported at 2015 ONSC 5938 (the "Endorsement").

[2] The circumstances in this proceeding are novel. The Settlement Agreement was intended to rectify an apparently inadvertent failure to register the applicant Silver Streams Homes (Puccini) Inc. ("Puccini") that resulted in Tarion being unable to draw under certain letters of credit. The letters of credit had been posted by certain of the other applicants in these CCAA

proceedings, all of whom are affiliates of Puccini, to secure obligations in respect of homes being sold by Puccini. None of the applicants would have benefitted from enforcement of the Settlement Agreement. The only beneficiaries would have been Tarion and Jinnah. The Court denied approval of the Settlement Agreement for the reasons set out in the Endorsement.

[3] I will address the appropriateness of costs in respect of Tarion and Jinnah first and then in respect of the applicants and, by extension, the Private Mortgagees (as defined below).

Costs in Respect of Tarion

[4] Neither Tarion nor Jinnah brought this motion notwithstanding the fact that, as noted, they would have been the beneficiaries of the Settlement Agreement if approved. Instead, the motion was brought by the applicants. Upon receipt of the applicants' motion materials, however, Tarion chose to participate in the litigation in support of the motion. It filed a factum and made oral submissions in support of the motion at the hearing. Jinnah did not appear or otherwise make submissions in respect of the motion and has since filed a Notice of Intention to Make a Proposal under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the "BIA"). It appears that the Lien Claimants no longer seek a costs award against him for this reason.

[5] Regarding Tarion, I see no reason in principle why Tarion should not be responsible for the Lien Claimants' costs given that it participated in the motion with a view to improving the priority of its position over its status at the commencement of these CCAA proceedings. The fact that Tarion is a statutory creation that performs a regulatory function, which it inflates for present purposes, is not a sufficient basis for insulating it from a costs award. Tarion also argues that the nature of its participation on the motion should exclude costs consequences because it did not cause the Lien Claimants to bear any incremental costs. I do not think that this is, on its own, a basis for refraining from awarding costs against an interested party, such as Tarion, in respect of a motion to approve an agreement for the benefit of such party. Its actions can affect whether the motion is brought or, alternatively, whether the motion will have any economic consequences for the creditors of the debtor company.

[6] In circumstances such as are presented in this case, I think that if a party having an interest in a settlement agreement for which court approval is required has notice, in advance of the hearing, that the objecting party will seek costs if successful, the interested party should bear the risk of payment of costs. In such circumstances, the interested party has a choice. If it wishes to avoid the risk of paying costs, it can either require the debtor company to withdraw the motion, or renounce any benefit it would otherwise receive from the agreement. If, instead, it acquiesces in the bringing of the motion, the interested party should bear the risk of an adverse costs award, particularly if it actively supports approval of the motion.

[7] However, as mentioned, an important precondition to any such costs award is that the interested parties had adequate prior notice of the objecting parties' intention to seek costs against them if they are successful in having court approval denied. Such notice is necessary to provide an interested party with sufficient time to enable it to decide whether to take steps to cause an approval motion to be withdrawn or to otherwise divest itself of the benefit of the proposed agreement if court approval were granted.

[8] In the present circumstances, the Lien Claimants did not give such notice to Tarion. The Lien Claimants' Notice of Objection does not mention an intention to seek costs. The only written mention of such an intention appears in the factum of Argo and Newmar, which does not constitute prior adequate notice for two reasons. First, being set out in the factum, rather than in a Notice of Objection, such statement did not provide adequate time for Tarion to make its election. Second, any such notice should specifically refer to an intention to seek costs against the interested party. In this case, the notice referred only to an intention to seek costs, which could easily have been understood to mean in respect of the applicants only.

[9] The Lien Claimants say that the issue of costs was raised in settlement discussions prior to the motion. They say that, by proposing a settlement on a no-costs basis, it was clear to the other parties that the Lien Claimants would seek costs against the applicants and Tarion if the motion were not resolved. I do not think this is sufficient to constitute adequate prior notice of an intention to seek costs against Tarion. If objecting parties intend to pursue other creditors or other stakeholders in proceedings under the CCAA, express notice in writing should be required.

[10] Accordingly, I conclude that it is not appropriate to award costs against Tarion because there was no prior adequate notice of the Lien Claimants' intention to seek costs against it.

Costs in Respect of the Applicants and the Private Mortgagees

[11] The applicants submit that no costs should be awarded against them. They submit that, although they were required to bring the motion for approval of the Settlement Agreement, being a party to proceedings under the CCAA, they would not have received any economic benefit if it had been approved.

[12] In addition, the second mortgage lenders to the applicants also submit that no costs should be awarded against the applicants. These lenders comprise Puccini Mortgage Corporation, Depaul Management Limited, 388242 Ontario Limited, 53 Puccini Mortgage Corporation, Castle Lane Design Group Inc. and Nastell Investments Limited (collectively the "Private Mortgagees"). As the second secured creditors against the estate of the applicants, and given the assets of the estate, any costs award would be paid out of funds that would otherwise be available to satisfy the claims of the Private Mortgagees.

[13] The Monitor supports the position of the applicants, noting that costs awards under the CCAA are rarely made and only against unsuccessful parties rather than against a passive estate. The Monitor notes that the underlying rationale for this approach has been expressed by Romaine J. in *Re Calpine Canada Energy Limited*, 2008 ABQB 537, 46 C.B.R. (5th) 243 as follows, at para. 1: "generally, stakeholders in CCAA proceedings are involuntary parties in the process, compelled to participate by reason of the CCAA debtor seeking the protection of the Act." However, Romaine J. further reasoned that, where the parties are sophisticated commercial entities that commence litigation in an attempt to better their positions, the policy reasons that underlie the no-costs convention are not operative. In such circumstances, there is no reason to depart from the general rule of awarding costs to the successful parties, not as a punishment, but as recognition of the usual risks of litigation.

[14] I propose to first discuss the merits of the Lien Claimants' claim for costs in respect of the applicants without regard to the position of the Private Mortgagees, and then to address the merits of the position of the Private Mortgagees.

The Issue of Costs Against the Applicants

[15] The Lien Claimants were not parties to the Settlement Agreement, nor did they stand to benefit from their opposition except in the same manner as all other creditors of the applicants' estate, subject to the ranking of the claims of such creditors. As a result of the Lien Claimants' successful objection, the Security deposited with Bank of Montreal ("BMO") to secure the obligations of the applicants who posted the letters of credit issued in favour of Tarion is available to the estate of the applicants. Accordingly, the applicants have potentially benefitted from the successful objections of the Lien Claimants, as have the creditors of the applicants, including in particular the Private Mortgagees, notwithstanding the fact that they were passive participants. Given the foregoing, payment of the costs of the Lien Claimants would not constitute a preference in their favour, nor would it offend the principle that has informed the practice of refraining from awarding costs in the ordinary course.

[16] In my view, therefore, this is an appropriate circumstance in which to award costs against the applicants, subject to consideration of the equities in respect of the Private Mortgagees who would effectively be paying any such costs award.

The Issue of Costs as Between the Lien Claimants and the Private Mortgagees

[17] The position of the Private Mortgagees raises an additional complication.

[18] After the hearing of the motion, the Lien Claimants' claims were resolved in the context of a court-ordered reference. The minutes of settlement pertaining to Argo and Newmar provided that they were entitled to any costs that the Court may award in respect of this motion. The minutes of settlement pertaining to the Trades had a similar reservation regarding costs of this motion.

[19] I agree with the Lien Claimants that it would reasonably have been expected that the claim for costs that they reserved in the minutes of settlement were their respective claims against the applicants, rather than their claims against Tarion and Jinnah. These latter parties were not parties to the settlement discussions or to the documentation referred to above. As such, it was neither necessary to refer to a claim for costs against them, nor would any such reference have had any legal significance except if the parties intended to limit claims for costs to such parties, which was not the case in this proceeding. Accordingly, as between the Lien Claimants and the Private Mortgagees, the Lien Claimants are not prevented from asserting a claim for costs of this motion by virtue of the documentation discussed above.

[20] Turning to the relevant considerations, there is no suggestion that the Lien Claimants indicated to the Private Mortgagees that they would seek costs against the estate of the applicants. Moreover, the Private Mortgagees did not participate in the motion or in the settlement discussions regarding the motion in which the Lien Claimants say that their position should have become obvious. On the other hand, the Private Mortgagees benefitted from the Lien Claimants' opposition to the motion. At the present time, however, the quantum of the

Security to be released by Bank of Montreal remains an issue to be resolved between Tarion and the applicants.

[21] The justification for any costs award in favour of the Lien Claimants is their expenditure of funds for the benefit of all of the creditors. Balancing the foregoing considerations, I conclude that it would be appropriate to order that the reasonable costs of the Lien Claimants shall be payable by the applicants but only to the extent that the applicants actually receive the Security or the benefit thereof.

Quantum of Fair and Reasonable Costs

[22] Turning to quantum, Argo and Newmar seek costs of $20,458.89 while Medi seeks costs of $30,162.50, in each case on a partial indemnity basis. The Court is required to exercise its discretion to fix costs that are fair and reasonable in light of the specific facts and circumstances of the case in relation to the factors set out in Rule 57.01(1) of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194: see *Boucher v. Public Accountants Council for the Province of Ontario* (2004), 71 O.R. (3d) 291 (C.A.).

[23] I would observe that, in each case, the rates charged appear reasonable for counsel who were experienced in this area. However, I have adjusted the partial indemnity calculation of Argo and Newmar to reflect 60% of the actual rate charged. Further, some allowance should also be made for the duplication of effort of these two groups of Lien Claimants, as they essentially argued the same position.

[24] Turning to the factors in Rule 57.01, I note that the matter was important to the Lien Claimants and was also of benefit to the other creditors who share in the Security. Further, the matter was novel and relatively complex, both factually and legally. I have also taken into consideration the amount at issue, being approximately $1 million, as well as the duplication of effort referred to above.

[25] Based on the foregoing, I find fair and reasonable costs to be $17,500 payable to Newmar and Argo, collectively, and $17,500 payable to the Trades, collectively, provided, however, that such costs are payable by the applicants only to the extent that the applicants actually receive the Security, or the benefit thereof, it being understood that any lesser amount received should be shared between the Lien Claimants on a pro-rata basis.

Wilton-Siegel J.

Wilton-Siegel J.

Date: January 13, 2017

TAB 6

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36 AS AMENDED

AND IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO SILVER STREAMS HOMES INC et. al.

Court of Appeal No.M45666
Court File No. 13-10362-00CL

COURT OF APPEAL FOR ONTARIO

BEFORE MacPHERSON J.A. van Rensburg J.A. MILLER J.A.

DATE FEB 2 6 2016

DISPOSITION OF MOTION

The motion for leave to appeal is dismissed. Costs to the respondents fixed at $2000 inclusive of disbursements and HST.

JC MacPherson J.A.

K. van Rensburg J.A.

[illegible] J.A.

COURT OF APPEAL FOR ONTARIO

Proceedings commenced at TORONTO

MOTION RECORD
(VOLUME I OF III)

CHAITONS LLP
Barristers and Solicitors
5000 Yonge Street, 10th Floor
Toronto, ON M2N 7E9

Stephen Schwartz (LSUC # 25980A)
Tel: (416) 218-1131
Fax: (416) 218-1832

Lawyers for Silver Streams Homes Inc., Silver Streams Homes (Puccini) Inc., 2148993 Ontario Inc., 2148990 Ontario Inc., 2147681 Ontario Inc. and 2147659 Ontario Inc.

Doc#3467126v1

TAB 7

Court File No. 13-10362-00CL

ONTARIO SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, as amended

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SILVER STREAMS HOMES INC., SILVER STREAMS HOMES (PUCCINI) INC., 2148893 ONTARIO INC., 2148990 ONTARIO INC., 2147681 ONTARIO INC., and 2147650 ONTARIO INC.

Duncan W. Glaholt, Referee)	**Wednesday, the 28th**
)	**day of September, 2016**
)	

FINAL REPORT/AWARD
(Pursuant to the *Construction Lien Act*)

IN ACCORDANCE WITH the judgment of reference of The Honourable Mr. Justice Newbould dated 8 January 2015, (the "Judgment of Reference") a Partial Report/Award issued in this matter on 11 August 2016, reproduced at Schedule "A", attached;

UPON READING submissions regarding facility costs by counsel for Argo Lumber Inc. and Newmar Window Manufacturing Inc. dated 15 August 2016, by counsel for the Medi Group of Lien Claimants on 16 August 2016 and by counsel for the Private Mortgagees dated 15 August 2016; submissions regarding 25 July 2016 costs by counsel for Silver Streams Homes Inc. on 17 August 2016 and by counsel for Argo Lumber and Newmar Window dated 23 August 2016; and submissions regarding Bank of Montreal's costs by counsel for the Bank of Montreal dated 15 August 2016 amended 26 August 2016, by counsel for the Private Mortgagees dated 9 September 2016; reply submissions by counsel for the Bank of Montreal on 16 September 2016; reply submissions by counsel for the Private Mortgagees on 17 September 2016; and further reply costs submissions by counsel for the Bank of Montreal on 21 September 21 September 2016:

1. **I FIND AND DECLARE** that the Partial Report/Award, Schedule 'A' attached, is affirmed and incorporated by reference into this Final Report/Award.

2. **I FIND AND DECLARE** that the amount of costs to which the Bank of Montreal is entitled pursuant to paragraph 8 (b) of the Partial Report/Award, fixed and assessed by me inclusive of all fees, disbursements and taxes, is $50,000.

3. **I ORDER** that any and all other claims for interest and costs arising from this reference are dismissed.

4. **I ORDER** that the following payments be made forthwith by the Monitor in the following priority:

   a) *First in priority*, the Monitor shall pay the Lien Claimants the amounts found due and owing to them as set out in my Partial Report/Award, Schedule A hereto, and upon payment each Lien Claimant's corresponding lien shall be discharged, the certificate of action, if any, shall be vacated, and its lien action, if any, together with all crossclaims, if any, shall be dismissed without costs;

   b) *Second in priority*, the Monitor shall pay the Bank of Montreal, $50,000 in full satisfaction of the Bank of Montreal's costs of this reference;

   c) *Third in priority*, the Monitor shall pay to "Jack Greenberg, in Trust for Private Mortgagees", the balance of the funds held with respect to the subject lands and premises, up to but not exceeding the sum of $11,960,703.22.

   d) *Fourth*, any surplus remaining in the Monitor's hands after payments as above, if any, shall be retained by the Monitor subject to further disposition by the Court.

Dated at Toronto, this 28th day of September 2016

Duncan W. Glaholt
Referee

SCHEDULE A

Court File No. 13-10362-00CL

ONTARIO SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, as amended

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SILVER STREAMS HOMES INC., SILVER STREAMS HOMES (PUCCINI) INC., 2148893 ONTARIO INC., 2148990 ONTARIO INC., 2147681 ONTARIO INC., and 2147650 ONTARIO INC.

Duncan W. Glaholt, Referee)))	**Wednesday, the 11th** **day of August, 2016**

PARTIAL REPORT/AWARD
(Pursuant to Section 62(1)(b) and Form 21 of the *Construction Lien Act*)

IN ACCORDANCE WITH the judgment of reference of The Honourable Mr. Justice Newbould dated 8 January 2015, (the "Judgment of Reference") the trial of the actions referred to on Schedule "A" attached, commenced on 11 July, 2016, at the City of Toronto, Ontario, in the presence of counsel for the Lien Claimants Pilbro III Inc., Medi Group Incorporated, Cardell Flooring Ltd., Foremont Drywall Inc., 1382479 Ontario Inc., 1382503 Ontario Inc., 2203579 Ontario Inc. cob Foremont Drywall Contracting, Canadian Concrete Forming Limited, Pave Plumbing & Heating Inc., E.D. Carpenters Ltd., Solo Electric Ltd., 1865721 Ontario Inc., GM Exterior Inc., Giancola Aluminum Contractors Inc., counsel for the Lien Claimants Argo Lumber Inc. and Newmar Window Manufacturing Inc., counsel for Puccini Mortgage Corp., 53 Puccini Mortgage Corp., 388242 Ontario Limited, Dapaul Management Limited, Nastell Investments Limited and Castle Lane Design Group Inc. (the "Private Mortgagees"), and counsel the Bank of Montreal, all claims against Home Trust Company having been dismissed on consent without costs by order dated 29 June 2015, the claim by Trudel & Sons Roofing having been dismissed on consent without costs by order dated 29 June 2015, and the claims against Foremost

Mortgage Holding Corporation having been dismissed on consent without costs by order dated 9 September 2015;

AND UPON READING THE EVIDENCE FILED, including the Affidavit of Andreas Havenga sworn 24 March 2015 and exhibits thereto, filed on behalf of Argo Lumber Inc.; the affidavit of Lou D'Ambrosio sworn 24 March 2015 and exhibits thereto, filed on behalf of Newmar Window Manufacturing Inc.; the affidavit of Nunzio Bitondo sworn 30 March 2015 and exhibits thereto, filed on behalf of Con-Drain Company (1983) Limited); the affidavit of Tony Pileggi sworn 12 March 2015 and exhibits thereto, filed on behalf of Pilbro III Inc.; the affidavit of Dominic Montemurro sworn 24 March 2015 and exhibits thereto, filed on behalf of Medi Group Incorporated; the affidavit of Gord Ellis sworn 13 March 2015 and exhibits thereto, filed on behalf of Cardell Flooring Ltd.; the affidavit of Mary Montagner sworn 19 March 2015 and exhibits thereto, filed on behalf of Foremont Drywall Inc., 1382479 Ontario Inc., 1382503 Ontario Inc., 2203579 Ontario Inc. cob Foremont Drywall Contracting; the affidavit of Pat Lamanna sworn 17 March 2015 and exhibits thereto, filed on behalf of Canadian Concrete Forming Limited; the affidavit of Pat Di Stefano sworn 17 March 2015 and exhibits thereto, filed on behalf of Pave Plumbing & Heating Inc.; the affidavit of Sam Dibacco sworn 13 March 2015 and exhibits thereto, filed on behalf of E.D. Carpentry Limited; the affidavit of Sandy Ragno sworn 16 March 2015 and exhibits thereto, filed on behalf of Solo Electric Ltd.; the affidavit of Ismail Parmaksizoglu sworn 16 March 2016 and exhibits thereto, filed on behalf of 1865721 Ontario Inc.; the affidavit of John Giancola sworn 23 March 2015 and exhibits thereto, filed on behalf of GM Exterior Inc.; the affidavit of John Giancola sworn 23 March 2015 and exhibits thereto, filed on behalf of Giancola Aluminum Contractors Inc.; the affidavit of Munira Budhdeao sworn 8 July 2016 and exhibits thereto, filed on behalf of Argyle Hardwood & Flooring Ltd.; and the affidavit of Jack Greenberg sworn 27 March 2015 and exhibits thereto, along with the supplementary affidavit of Jack Greenberg sworn and filed 14 July 2016 filed on behalf of the Private Mortgagees;

AND ON READING THE PLEADINGS AND PROCEEDINGS HEREIN AND CONSENTS FILED, including the consents of the Private Mortgagees, the Bank of Montreal, and the Lien Claimants Labourers' Union of North America Local 183 Members' Benefit Trust Fund, 1865721

Ontario Inc., Paris Kitchens, a Division of The Sanderson-Harold Company Limited, Con-Drain Company (1983) Ltd., Argo Lumber Inc., Newmar Window Manufacturing Inc., King-Con Construction Corporation, 669857 Ontario Inc. o/a Alma Mechanical, Cardell Flooring Limited, Foremont Drywall Inc. et al. carrying on business as Foremont Drywall Contracting, Solo Electric Limited, 1865721 Ontario Inc., GM Exteriors Inc., Pilbro III Inc., Medi Group Incorporated, Canadian Concrete Forming Limited, Pave Plumbing & Heating Inc., E. D. Carpenters Limited, and Giancola Aluminum Contractors Inc., filed, no-one appearing for Renova Recycling or Argyle Hardwood & Flooring Ltd. (although not a Lien Claimant, a motion was filed on behalf of Argyle Hardwood & Flooring Ltd. and is dealt with herein), or any of the Schedule C claimants as identified in the Judgment of Reference;

AND UPON HEARING THE SUBMISSIONS OF COUNSEL attending, including submissions made on 14 July 2016 on behalf of the lien claimants Argo Lumber and Newmar Mechanical;

1. **I FIND AND DECLARE** that each of the persons named in Column 1 of Schedule A to this Partial Report/Award has a lien under the *Construction Lien Act* as against the lands described in Schedule "C" attached, in the amount shown opposite their names in Column 4 of Schedule A, constituting a charge under section 21 of the *Construction Lien Act* upon the holdback required to be retained by the defendant-owners Silver Streams Homes Inc., Silver Streams Homes (Puccini) Inc., 2148893 Ontario Inc., 2148990 Ontario Inc., 2147681 Ontario Inc., and 2147650 Ontario Inc., for which the said defendant-owners are jointly and severally personally liable to the Lien Claimants

2. **I FIND AND DECLARE** that each of the persons named in Column 1 of Schedule A to this Partial Report/Award is entitled to personal judgment in the amount set opposite their names in Column 6 of Schedule A.

3. **I FIND AND DECLARE** that the deficiency in holdback required to be kept by the Defendant Owners, Silver Streams Homes Inc., Silver Streams Homes (Puccini) Inc., 2148893 Ontario Inc., 2148990 Ontario Inc., 2147681 Ontario Inc., and 2147650 Ontario Inc., under the *Construction Lien Act* with respect to each Lien Claimant is the amount set out in Column 4 of

Schedule A, and that each said Lien Claimant has priority over each of the claims of each of the Private Mortgagees to the extent of such deficiency in holdback.

4. **I FIND AND DECLARE** pursuant to paragraph 2(c) of the Judgment of Reference, that Argyle Hardwood & Flooring Ltd. shall have personal judgment only as against the parties listed in Column 6 of Schedule B, for the amount set forth in Column 5 of Schedule B.

5. **I FIND AND DECLARE** that the amounts owed as of June 25th, 2016 by the parties listed in Column 7 of Schedule A to Puccini Mortgage Corp. is $1,612,338.61, to 53 Puccini Mortgage Corp. is $3,279,784.31, to 388242 Ontario Limited is $1,566,246.61, to Nastell Investments Limited $4,875,419.77, and to Castle Lane Design Group Inc. is $626,914.92 for an aggregate amount of $11,960,703.22.

6. **I ORDER** that all claims by all parties against the defendant Bank of Montreal be and the same are hereby dismissed, on consent, without costs.

7. **I ORDER** that the following payments be made forthwith by the Monitor in the following priority:

a) *First in priority*, the Monitor shall pay the Lien Claimants the amounts found due and owing to them for deficiency in holdback as set forth in Column 4 of Schedule A, and upon payment each Lien Claimant's corresponding lien shall be discharged, the certificate of action, if any, shall be vacated, and its lien action, if any, together with all crossclaims, if any, shall be dismissed without costs;

b) *Second in priority*, the Monitor shall pay the Bank of Montreal, or as it may in writing direct, the Bank of Montreal's costs of this reference fixed and assessed by me inclusive of all fees, disbursements and taxes according to the procedure set out in the consent of the Private Mortgagees and Bank of Montreal annexed as Schedule D hereto;

c) *Third in priority*, the Monitor shall pay to "Jack Greenburg, in Trust for Private Mortgagees", the balance of the funds held with respect to the subject lands and premises, up to but not exceeding the sum of $11,960,703.22.

d) *Fourth*, any surplus remaining in the Monitor's hands after payments as above, if any, shall be retained by the Monitor subject to further disposition by the Court.

8. **I FURTHER ORDER** that in view of the exceptional cooperation of counsel and parties in the resolution of this complex matter there shall be no further costs awarded to any party.

Dated at Toronto, this 11th day of August 2016

Duncan W. Glaholt
Referee

REVISED Schedule A Lien Claimants

Column 1 Name of person entitled to Construction Lien	Column 2 Principal	Col. 3 Costs	Column 4 Lien amount	Column 5 Interest (non-lienable)	Column 6 Personal Judgment (claim and interest)	Column 7 Primary Debtor
Con-Drain Company (1983) Limited Lien reg. as: YR2016863 Court File No. CV-13-116355-00	[Incl.]	[Incl.]	$25,000.00	$3,522.99	$98,359.70	Silver Streams Homes Inc., Silver Streams Homes (Puccini) Inc., 2148893 Ontario Inc., 2148990 Ontario Inc., 2147681 Ontario Inc., and 2147650 Ontario Inc.
Pilbro III Inc. Lien reg. as: YR2056986 Court File No. CV-13-116840-00	[Incl.]	[Incl.]	$91,798.91	$19,763.85	$574,117.67	Silver Streams Homes Inc., Silver Streams Homes (Puccini) Inc., 2148893 Ontario Inc., 2148990 Ontario Inc., 2147681 Ontario Inc., and 2147650 Ontario Inc.
Medi Group Incorporated Lien reg. as: YR2057173 Court File No. CV-13-116838-00	[Incl.]	[Incl.]	$99,714.00	$18,598.79	$540,273.79	Silver Streams Homes Inc., Silver Streams Homes (Puccini) Inc., 2148893 Ontario Inc., 2148990 Ontario Inc., 2147681 Ontario Inc., and 2147650 Ontario Inc.
Cardell Flooring Ltd. Lien reg. as: YR2057568	[Incl.]	[Incl.]	$24,663.34	$3,384.17	$98,306.27	Silver Streams Homes Inc., Silver Streams Homes (Puccini) Inc.,

Column 1 Name of person entitled to Construction Lien	Column 2 Principal	Col. 3 Costs	Column 4 Lien amount	Column 5 Interest (non-lienable)	Column 6 Personal Judgment (claim and interest)	Column 7 Primary Debtor
Court File No. CV-13-116835-00						2148893 Ontario Inc., 2148990 Ontario Inc., 2147681 Ontario Inc., and 2147650 Ontario Inc.
Foremont Drywall Inc./1382479 Ontario Inc./1382503 Ontario Inc./2203579 Ontario Inc./c.o.b. Foremont Drywall Contracting Lien reg. as: YR2057675 Court File No. CV-13-116837-00	[Incl.]	[Incl.]	$61,261.57	$15,493.60	$450,071.53	Silver Streams Homes Inc., Silver Streams Homes (Puccini) Inc., 2148893 Ontario Inc., 2148990 Ontario Inc., 2147681 Ontario Inc., and 2147650 Ontario Inc.
Canadian Concrete Forming Limited Lien reg. as: YR2057676 Court File No. CV-13-116834-00	[Incl.]	[Incl.]	$60,619.39	$7,708.03	$223,909.71	Silver Streams Homes Inc., Silver Streams Homes (Puccini) Inc., 2148893 Ontario Inc., 2148990 Ontario Inc., 2147681 Ontario Inc., and 2147650 Ontario Inc.
Pave Plumbing & Heating Inc. Lien reg. as: YR2057677	[Incl.]	[Incl.]	$26,198.70	$8,103.82	$235,406.77	Silver Streams Homes Inc., Silver Streams Homes (Puccini) Inc., 2148893 Ontario Inc., 2148990

Column 1 Name of person entitled to Construction Lien	Column 2 Principal	Col. 3 Costs	Column 4 Lien amount	Column 5 Interest (non-lienable)	Column 6 Personal Judgment (claim and interest)	Column 7 Primary Debtor
Court File No. CV-13-116839-00						Ontario Inc., 2147681 Ontario Inc., and 2147650 Ontario Inc.
E. D. Carpenters Ltd. Lien reg. as: YR2058240 Court File No. CV-13-116836-00	[Incl.]	[Incl.]	$19,527.89	$11,717.90	$340,391.91	Silver Streams Homes Inc., Silver Streams Homes (Puccini) Inc., 2148893 Ontario Inc., 2148990 Ontario Inc., 2147681 Ontario Inc., and 2147650 Ontario Inc.
Solo Electric Ltd. Lien reg. as: YR2058688 Court File No. CV-13-116841-00	[Incl.]	[Incl.]	$30,362.23	$6,644.27	$193,008.43	Silver Streams Homes Inc., Silver Streams Homes (Puccini) Inc., 2148893 Ontario Inc., 2148990 Ontario Inc., 2147681 Ontario Inc., and 2147650 Ontario Inc.
1865721 Ontario Inc. Lien reg. as: YR2059379 Court File No. CV-13-116833-00	[Incl.]	[Incl.]	$20,575.55	$3,262.82	$94,781.37	Silver Streams Homes Inc., Silver Streams Homes (Puccini) Inc., 2148893 Ontario Inc., 2148990 Ontario Inc., 2147681 Ontario Inc., and 2147650 Ontario Inc.

Column 1 Name of person entitled to Construction Lien	Column 2 Principal	Col. 3 Costs	Column 4 Lien amount	Column 5 Interest (non-lienable)	Column 6 Personal Judgment (claim and interest)	Column 7 Primary Debtor
GM Exterior Inc. Lien reg. as: YR2062198 Court File No. CV-13-117058-00	[Incl.]	[Incl.]	$9,451.58	$1,628.42	$48,187.62	Silver Streams Homes Inc., Silver Streams Homes (Puccini) Inc., 2148893 Ontario Inc., 2148990 Ontario Inc., 2147681 Ontario Inc., and 2147650 Ontario Inc.
Giancola Aluminum Contractors Inc. Lien reg. as: YR2062199 Court File No. CV-13-117059-00	[Incl.]	[Incl.]	$16,265.36	$2,888.23	$85,467.23	Silver Streams Homes Inc., Silver Streams Homes (Puccini) Inc., 2148893 Ontario Inc., 2148990 Ontario Inc., 2147681 Ontario Inc., and 2147650 Ontario Inc.
L.I.U.N.A. Local 183 et al. Lien reg. as: YR2050961	[Incl.]	[Incl.]	$7,500.00	$787.70	$23,355.71	Silver Streams Homes Inc., Silver Streams Homes (Puccini) Inc., 2148893 Ontario Inc., 2148990 Ontario Inc., 2147681 Ontario Inc., and 2147650 Ontario Inc.
Argo Lumber Inc. Lien reg. as: YR2048904 Court File No. CV-13-116990-00 Newmar Window Manufacturing Inc.	[Incl.]	[Incl.]	$140,000.00 collectively	$0	$0	Silver Streams Homes Inc., Silver Streams Homes (Puccini) Inc., 2148893 Ontario Inc., 2148990 Ontario Inc., 2147681 Ontario

Column 1 Name of person entitled to Construction Lien	Column 2 Principal	Col. 3 Costs	Column 4 Lien amount	Column 5 Interest (non-lienable)	Column 6 Personal Judgment (claim and interest)	Column 7 Primary Debtor
Lien reg. as: YR2050277 Court File No. CV-13-116991-00						Inc., and 2147650 Ontario Inc.
King-Con Corporation Lien reg. as: YR2049079 Court File No. CV-116857-00	[Incl.]	[Incl.]	$15,000.00	$3,724.56	$108,298.79	Silver Streams Homes Inc., Silver Streams Homes (Puccini) Inc., 2148893 Ontario Inc., 2148990 Ontario Inc., 2147681 Ontario Inc., and 2147650 Ontario Inc.
The Sanderson-Harold Company Ltd., Paris Kitchens Lien reg. as: YR2058638 Court File No. CV-15-539365	[Incl.]	[Incl.]	$45,000.00	$7,282.91	$211,152.91	Silver Streams Homes Inc., Silver Streams Homes (Puccini) Inc., 2148893 Ontario Inc., 2148990 Ontario Inc., 2147681 Ontario Inc., and 2147650 Ontario Inc.
669857 Ontario Inc. o/a Alma Mechanical Lien reg. as: YR2060246 Court File No. CV-13-117214-00	[Incl.]	[Incl.]	$25,000.00	$3,733.38	$112,020.38	Silver Streams Homes Inc., Silver Streams Homes (Puccini) Inc., 2148893 Ontario Inc., 2148990 Ontario Inc., 2147681 Ontario Inc., and 2147650 Ontario Inc.
TOTALS			**$717,938.52**			

Column 1 Name of person entitled to Construction Lien	Column 2 Principal	Col. 3 Costs	Column 4 Lien amount	Column 5 Interest (non-lienable)	Column 6 Personal Judgment (claim and interest)	Column 7 Primary Debtor

Schedule B Non-lien claims, personal judgment only

Column 1 Name of person entitled to personal judgment only	Column 2 Principal	Column 3 Costs	Column 4 Interest	Column 5 Personal judgment amount (claim and interest)	Column 6 Primary Debtor
Argyle Hardwood & Flooring Ltd.	$129,516.11	0	$4,226.95	$133,743.06	Silver Streams Homes Inc., Silver Streams Homes (Puccini) Inc., 2148893 Ontario Inc., 2148990 Ontario Inc., 2147681 Ontario Inc., and 2147650 Ontario Inc.
TOTAL:				$133,743.06	

SCHEDULE C Legal Description

1. Lot 1, Plan 65M4249, Town of Richmond Hill; PIN: 03206-3418 (LT)
2. Lot 23, Plan 65M4249, Town of Richmond Hill; PIN: 03206-3440 (LT)
3. Lot 24, Plan 65M4249, Town of Richmond Hill; PIN: 03206-3441 (LT)
4. Lot 18, Plan 65M4331, Town of Richmond Hill; PIN: 03206-3502 (LT)
5. Lot 19, Plan 65M4331, Town of Richmond Hill; PIN: 03206-3502 (LT)
6. Lot 20, Plan 65M4331, Town of Richmond Hill; PIN: 03206-3503 (LT)
7. Lot 22, Plan 65M4331, Town of Richmond Hill; PIN: 03206-3505 (LT)
8. Lot 23, Plan 65M4331, Town of Richmond Hill; PIN: 03206-3506 (LT)
9. Lot 24, Plan 65M4331, Town of Richmond Hill; PIN: 03206-3507 (LT)
10. Lot 25, Plan 65M4331, Town of Richmond Hill; PIN: 03206-3508 (LT)

SCHEDULE D

Court File No.: CV-13-10362-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE COMPANIES CREDITORS ARRANGEMENT ET. AL
R.S.C. 1985, C.C-36, AS AMENDED

IN THE MATTER OF A PLAN OF COMPROMISE OF ARRANGEMENT OF SILVER STREAMS HOMES INC., SILVER STREAMS HOMES (PUCCINI) INC., 2148993 ONTARIO INC., 2148990 ONTARIO INC., 2147681 ONTARIO INC. AND 2147650 ONTARIO INC.

CONSENT

THE PARTIES HERETO, Puccini Mortgage Corp., 53 Puccini Mortgage Corp., 388242 Ontario Limited, Dapaul Management Limited, Nastell Investments Limited, Castle Lane Design Group Inc and Bank of Montreal, by their lawyers, consent to the Procedural Order attached hereto and certify that no party to this proceeding is under any legal disability.

Date: Aug 13/2014

Drudi Alexiou Kuchar LLP
7050 Weston Road, Suite 610
Vaughan, Ontario L4L 8G7

Marco Drudi
Tel: (905) 850-6116 / Fax: (905) 850-9146

Lawyers for Puccini Mortgage Corp., 53 Puccini Mortgage Corp., 388242 Ontario Limited, Dapaul Management Limited, Nastell Investments Limited, Castle Lane Design Group Inc.

Date: July 13, 2016

Agueci & Calabretta per AF

Agueci & Calabretta
5700 Yonge Street
Suite 1100,
North York, Ontario,
Lawyers for Bank of Montreal

Court File No.: CV-13-10362-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENTS ACT, R.S.C. 1985, C.C-36, AS AMENDED

IN THE MATTER OF A PLAN OF COMPROMISE OF ARRANGEMENT OF SILVER STREAMS HOMES INC., SILVER STREAMS HOMES (PUCCINI) INC., 2148993 ONTARIO INC., 2148990 ONTARIO INC.. 2147681 ONTARIO INC. AND 2147650 ONTARIO INC.

PROCEDURAL ORDER # ____

An issue has arisen between the Bank of Montreal and the Private Mortgagees regarding the costs claimed by the Bank of Montreal in relation to this Reference and the source of the funds to pay such costs.

On the Consent of the Defendants Puccini Mortgage Corp., 53 Puccini Mortgage Corp., 388242 Ontario Limited, Dapaul Management Limited, Nastell Investments Limited and Castle Lane Design Group Inc. and the Bank of Montreal,

1. I hereby direct that the Monitor pay, on a without prejudice basis, from the funds held by the Monitor, after payment of the amounts found to be payable to the Lien Claimants from said funds, but before payment of the amounts owed to the Defendants, Puccini Mortgage Corp., 53 Puccini Mortgage Corp., 388242 Ontario Limited, Dapaul Management Limited, Nastell Investments Limited and Castle Lane Design Group Inc.(the "Private Mortgagees), the legal costs incurred by Bank of Montreal ("BMO") arising in relation to this Reference which have not been otherwise reimbursed, on the following terms and conditions:

    (a) By no later than August 15, 2016, BMO shall deliver to the Monitor, and to the lawyers for the Private Mortgagees, copies of all Accounts received by BMO and to be paid by the Monitor (the "Accounts");

(b) By no later than August 15, 2016, BMO will provide to the Private Mortgagees, and file with me, a Bill of Costs, the dockets of the lawyers involved in the Accounts and, where requested, will provide to the Private Mortgagees copies of the invoices/receipts for disbursements;

(c) The payment of the funds to BMO will be without prejudice to the rights of the parties herein and BMO will execute a reimbursement agreement in favour of the Private Mortgagees wherein BMO agrees to reimburse the Private Mortgagees after costs are fixed by me should I reduce the Accounts/Bill of Costs;

(d) I will set a date for the half-day hearing on the costs to be heard not later than September 15th, 2016. Where the amount paid by the Monitor pursuant to this Order to BMO exceeds the amount of costs I order payable to BMO, BMO shall remit the excess payment to the Private Mortgagees within 15 days from my finding; however, if at the time of my finding the Monitor has not yet paid the costs of BMO, then the Monitor shall pay to BMO, from the fund, the amount I order payable to BMO as costs; and

(e) Within 10 days from receipt of the payment by the Monitor to BMO, BMO is to register a discharge of their Mortgage on Lot 18, M-Plan 65M4331.

ALL OF WHICH IS ORDERED AND DIRECTED THIS ________ DAY OF JULY, 2016

____
DUNCAN W. GLAHOLT, REFEREE

TAB 8

Court File No. 13-10362-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	
	)	
JUSTICE WILTON-SIEGEL	)	MONDAY, THE 7TH DAY OF NOVEMBER, 2016,

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, as amended

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SILVER STREAMS HOMES INC., SILVER STREAMS HOMES (PUCCINI) INC., 2148893 ONTARIO INC., 2148990 ONTARIO INC., 2147681 ONTARIO INC., and 2146750 ONTARIO INC.

APPLICANTS

ORDER

THIS MOTION, made by the Bank of Montreal to oppose confirmation of the Final Report of Duncan Glaholt dated September 28th, 2016 (the "Report"),

ON READING the Motion Record of the Bank of Montreal ("BMO") and on reading the Consent of the Bank of Montreal and Puccini Mortgage Corp., Dapaul Management Limited, 388242 Ontario Limited, 53 Puccini Mortgage Corp., Nastell Investments Limited and Castle Lane Design Group Inc. (the "Private Mortgagees") on hearing the submissions of the lawyer(s) for the BMO and the Private Mortgagees,

1. **THIS COURT ORDERS** that the "Report" be confirmed "as-is" with the following exceptions:

a. The issue of the costs fixed by the Referee in paragraph 2 of the Report (the "Costs"), will be argued by BMO and the Private Mortgagees on a date to be scheduled by me with the involvement of counsel (the "New Motion Date");

b. Instead of BMO receiving the $50,000.00 from the Fund as set out in paragraph 4(b) of the Report, $456,125.72 shall be paid by the Monitor into the trust account of Agueci, Calabretta ("A&C"), to be held in escrow, pending the outcome of this Motion and/or any Appeal from any Order made on this Motion regarding the Costs.

c. Agueci, Calabretta shall pay to BMO the costs as determined by the Court upon final Order and shall remit the balance to Jack Greenberg, in trust;

d. Upon receipt of the $456,125.72 from the Monitor as per paragraph 1(b) herein, BMO will discharge all of its security on Lot 18 as agreed to in paragraph 1(e) of the Procedural Order which was attached to the Partial Report dated August 11th, 2016; and

e. The issue regarding the priorities as between BMO and the Private Mortgagees referred to in paragraph 4 (c) of the Report will be argued on the New Motion Date.

G. Hor- LLJ.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

NOV 07 2016

PER / PAR:

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. c.-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SILVER STREAMS HOMES INC., SILVER STREAMS HOMES (PUCCINI) INC., 2148993 ONTARIO INC., 2148990 ONTARIO INC., 2147681 ONTARIO INC. and 2146750 ONTARIO INC.

Court File No. 13-10362-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

Proceeding commenced at TORONTO

ORDER

AGUECI & CALABRETTA
Barristers & Solicitors
5700 Yonge Street, Suite 1110
Toronto, Ontario M2M 4K2

Jeffrey Spiegelman - LSUC #312990
Tel: (416) 250-5700
Fax: (416) 250-5797
Lawyer for the Bank of Montreal

TAB 9

Court File No. CV-13-10362-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.	)	TUESDAY, THE 29[TH] DAY
	)	
JUSTICE WILTON-SIEGEL	)	OF NOVEMBER, 2016

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, C. C-36, AS AMENDED

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SILVER STREAMS HOMES INC., SILVER STREAMS HOMES (PUCCINI) INC., 2148993 ONTARIO INC., 2148990 ONTARIO INC., 2147681 ONTARIO INC. AND 2147650 ONTARIO INC.

Applicants

ORDER

THIS MOTION, made by the Applicants for, *inter alia*, an order for the relief set out herein and in the Applicants' Notice of Motion, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of Imran Jinnah sworn November 11, 2016 (the "**Jinnah Affidavit**") and the Eleventh Report of the Monitor dated November 23, 2016 (the "**Eleventh Report**"), and on hearing the submissions of counsel for the Applicants, counsel for the Monitor and such other counsel as were present, and on being advised that the Service List was served with the Notice of Motion and Motion Record of the Applicants:

1. **THIS COURT ORDERS** and directs the Monitor to make distributions to the Lien Claimants, as such term is defined in the Final Report/Award of Duncan W. Glaholt dated September 28, 2016, as amended (the "**Final Award**"), in the amounts set out for the Lien Claimants in the Final Award.

2. **THIS COURT ORDERS** and directs the Monitor to make a distribution in an amount of $456,125.72 to Agueci Calabretta in trust pursuant to the terms of the Order of Justice Wilton-Siegel dated November 7, 2016.

3. **THIS COURT ORDERS** and directs the Monitor to make an interim distribution of the proceeds from the sale of the Puccini Homes (as defined in the Jinnah Affidavit) to Jack Greenberg, in Trust for Private Mortgagees, pursuant to the terms of the Final Award, and in such interim amount to be determined by the Monitor, subject to a reserve by the Monitor for the
and the claims for costs of the Lien Claimants in the Tarion motion
satisfaction of the professional fees of the Applicants' counsel, the Monitor and the Monitor's counsel incurred to date and to be incurred to the completion of these CCAA proceedings and subject to paragraph 9 herein.

4. **THIS COURT ORDERS** and directs Chaitons LLP to distribute the money held in its trust account (the "**Con-Drain Fund**") pursuant to an Order of Justice Lack dated August 15, 2013 and Endorsement of Justice Gilmore dated November 20, 2013 in Con-Drain Company (1983) Limited v. Silver Streams Homes Inc. et. al. bearing Court File No. CV-13-115757-00 (the "**Con-Drain Action**") in accordance with an order of the Court in the Con-Drain Action, provided, however, that no distribution shall take place unless the proposed beneficiary of such distribution provides notice of no less than thirty (30) days of the final resolution and pending distribution to the Applicants' Service List posted on the Monitor's website and subject to paragraph 9 herein.

5. **THIS COURT ORDERS** that the stay period as defined in paragraph 11 of the Initial Order (the "**Stay Period**") of Mr. Justice Newbould dated December 17, 2013 (the "**Initial Order**") is hereby extended to and including January 30, 2017. This Court further orders that notwithstanding the relief set out herein, the extension of the Stay Period shall not apply to the claims against the Applicants' former, current or future directors and officers and to the following proceedings against the Applicants: (i) proceeding commenced by Foremont Drywall Inc., et al. in the Newmarket Superior Court of Justice bearing Court File Number CV-11-102579; proceeding commenced by Medi Group Incorporated, et. al. in the Superior Court of Justice in the City of Toronto bearing Court File Number CV-14-10742-00CL; and (iii)

proceeding commenced by Argo Lumber Inc. et al. in the Superior Court of Justice in the City of Toronto bearing Court File Number.

6. **THIS COURT ORDERS** that the Eleventh Report, and the activities described therein be and hereby are approved.

7. **THIS COURT ORDERS** that the fees and disbursements of the Monitor and its legal counsel, Aird & Berlis LLP, as described in the Eleventh Report, the affidavit of Jonathan Krieger sworn November 22, 2016 and the affidavit of Steven L. Graff sworn November 21, 2016, be and are hereby approved.

8. **THIS COURT ORDERS** that the Monitor's interim statement of the Applicants' receipts and disbursements from December 18, 2013 to and including November 22, 2016, be and is hereby approved.

9. **THIS COURT ORDERS** that the Monitor shall create a holdback in the amount of $283,000.00 (the "**Con-Drain Holdback**") from the net proceeds from the sale of 18 Rossini (as defined in the Jinnah Affidavit) available for distribution to the Private Mortgagees to be held in trust by the Monitor pending a final resolution of the cross-motion by Con-Drain Company (1983) Limited ("**Con-Drain**") for the relief set out in Con-Drain's Notice of Cross-Motion dated November 18, 2016 (the "**Con-Drain Motion**"). The Monitor shall hold the Con-Drain Holdback in trust until the earliest of: (i) the final resolution of the issues raised in the Con-Drain Motion by order of the Court or a settlement between Con-Drain and the Private Mortgagees (the "**Final Resolution**"); or (ii) January 31, 2017. If the issues raised in the Con-Drain Motion are not finally determined prior to January 31, 2017, the Monitor shall release the Con-Drain Holdback to Chaitons LLP to be held by Chaitons LLP in trust pending the Final Resolution. In the event the Con-Drain Holdback is deemed to form part of the Con-Drain Funds, pursuant to an order of this Court or a settlement between Con-Drain and the Private Mortgagees, such funds shall be distributed by Chaitons LLP in accordance with the terms of paragraph 4 of this Order.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

NOV 2 9 2016

A. Hainey J.

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SILVER STREAMS HOMES INC., SILVER STREAMS HOMES (PUCCINI) INC., 2148993 ONTARIO INC., 2148990 ONTARIO INC., 2147681 ONTARIO INC. AND 2147650 ONTARIO INC.

Court File No. 13-10362-00-CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at TORONTO

ORDER

CHAITONS LLP
Barristers and Solicitors
5000 Yonge Street, 10th Floor
Toronto, ON M2N 7E9

Stephen Schwartz LSUC#: 25980A
Tel: 416-218-1132
Fax: 416-218-1832

Maya Poliak LSUC# 54100A
Tel: (416) 218-1161
Fax: (416) 218-1844

Lawyers for the Applicants

Court File No. 13-10362-00-CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.	)	TUESDAY, THE 29TH DAY
	)	
JUSTICE WILTON - SIEGEL	)	OF NOVEMBER, 2016

BETWEEN:

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, C. C-36, AS AMENDED

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SILVER STREAMS HOMES INC., SILVER STREAMS HOMES (PUCCINI) INC., 2148993 ONTARIO INC., 2148990 ONTARIO INC., 2147681 ONTARIO INC. AND 2147650 ONTARIO INC.

Applicants

VESTING ORDER
(LOT 18)

THIS MOTION, made by the Applicants for, *inter alia*, an order vesting in Country Wide Homes at King South Inc. (the "**Purchaser**") the right, title and interest of 2148990 Ontario Inc. ("**214**") in and to the assets (the "**Purchased Assets**") described in the Agreement of Purchase and Sale dated November 7, 2016 (the "**Sale Agreement**") between the Purchaser and 214, appended as Exhibit C to the Affidavit of Imran Jinnah sworn November 11, 2016 (the "**Affidavit**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit and the exhibits thereto and the Eleventh Report of Grant Thornton Limited in its capacity as the Court-appointed monitor of the Applicants (the "**Monitor**") and on hearing the submissions of counsel for the Applicants, counsel for the Monitor and such other counsel as listed on the counsel slip, and no one appearing for any other person on the service list, although properly served as appears from the affidavit of Lynn Lee sworn November 15, 2016, filed:

1. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Monitor's Certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "**Monitor's Certificate**"), all of 214's right, title and interest in and to the Purchased Assets described in the Sale Agreement and listed on Schedule B hereto shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Newbould dated December 17, 2013 (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule C hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule D) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

2. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the Land Titles Division of York Region (No. 65) of an Application for Vesting Order in the form prescribed by the *Land Titles Act*, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in Schedule B hereto (the "**Real Property**") in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule C hereto.

3. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Monitor's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the

sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

4. **THIS COURT ORDERS AND DIRECTS** the Monitor to file with the Court a copy of the Monitor's Certificate, forthwith after delivery thereof.

5. **THIS COURT ORDERS** that, notwithstanding:

(a) the pendency of these proceedings;

(b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Applicants and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made in respect of the Applicants;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Applicants and shall not be void or voidable by creditors of the Applicants, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

6. **THIS COURT ORDERS AND DECLARES** that the transaction contemplated by the Sale Agreement is exempt from the application of the *Bulk Sales Act* (Ontario).

7. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Applicants, the Monitor and their agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and the Monitor as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Applicants, the Monitor and their agents in carrying out the terms of this Order.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

NOV 2 9 2016

PER / PAR

Schedule A – Form of Monitor's Certificate

Court File No. 13-10362-00-CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

B E T W E E N:

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, C. C-36, AS AMENDED

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SILVER STREAMS HOMES INC., SILVER STREAMS HOMES (PUCCINI) INC., 2148993 ONTARIO INC., 2148990 ONTARIO INC., 2147681 ONTARIO INC. AND 2147650 ONTARIO INC.

Applicants

MONITOR'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Newbould of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated December 17, 2013, the restructuring proceedings of the Applicants were commenced under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, and Grant Thornton Limited was appointed as the Monitor of the Applicants (the "**Monitor**").

B. Pursuant to an Order of the Court dated November 29, 2016, the Court granted an order vesting in Country Wide Homes at King South Inc. (collectively, the "**Purchaser**") the right, title and interest of 2148990 Ontario Inc. ("214") in the assets (the "**Purchased Assets**") described in the agreement of purchase and sale made as of November 7, 2016 between 214 and the Purchaser (the "**Sale Agreement**"), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to closing as set out in the Sale Agreement have been satisfied or waived by 214 and the Purchaser; and (iii) the transaction contemplated by the Sale Agreement has been completed to the satisfaction of the Monitor.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE MONITOR CERTIFIES the following:

1. The Purchaser has paid and 214 has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;

2. The conditions to closing as set out in the Sale Agreement have been satisfied or waived by 214 and the Purchaser; and

3. The Transaction has been completed to the satisfaction of the Monitor.

4. This Certificate was delivered by the Monitor at ________ [TIME] on _______ [DATE].

GRANT THORNTON LIMITED, in its capacity as Court-appointed monitor of the Applicants, and not in its personal capacity

Per: ______________________________

Name:

Title:

Schedule B – Purchased Assets

Lot 18 on Plan 65M4331; Town of Richmond Hill; PIN 03206-3503 (LT)

Schedule C – Claims to be deleted and expunged from title to Real Property

1. Instrument No. YR1084937 registered on November 9, 2007 is a Transfer/Deed of Land registered in favour of 2148990 Ontario Inc.

2. Instrument No. YR1273792 registered on January 5, 2009 is a Charge/Mortgage of Land in the principal amount of $12,387,000 in favour of the Bank of Montreal.

3. Instrument No. YR1273793 registered on January 5, 2009 is a Notice of General Assignment of Rents in favour of the Bank of Montreal.

4. Instrument No. YR1315616 registered on May 12, 2009 is a Notice of Agreement Amending Mortgage relating to Instrument No. YR1273792.

5. Instrument No. YR1388186 registered on October 13, 2009 is a Postponement by Bank of Montreal in favour of The Corporation of the Town of Richmond Hill relating to Instrument Nos. YR1273792 to YR1376244.

6. Instrument No. YR1493832 registered on June 10, 2010 is a Notice of Agreement Amending Mortgage relating to Instrument No. YR1273792.

7. Instrument No. YR1562903 registered on October 18, 2010 is a Charge/Mortgage of Land in the principal amount of $2,000,000 in favour of 53 Puccini Mortgage Corp.

8. Instrument No. YR1578126 registered on November 22, 2010 is a Postponement by 53 Puccini Mortgage Corp. in favour of Bank of Montreal relating to Instrument Nos. YR1562903 to YR1273792.

9. Instrument No. YR1657652 registered on June 2, 2011 is a Notice of Agreement Amending Mortgage relating to Instrument No. YR1562903.

10. Instrument No. YR1657656 registered on June 2, 2011 is a Charge/Mortgage of Land in the principal amount of $3,200,000 in favour of Nastell Investments Limited.

11. Instrument No. YR1783162 registered on February 13, 2012 is a Notice of Agreement Amending Mortgage relating to Instrument No. YR1657656.

12. Instrument No. YR1812191 registered on April 23, 2012 is a Postponement by Bank of Montreal in favour of The Corporation of the Town of Richmond Hill relating to Instrument Nos. YR1273792, YR1273793, YR1315616 and YR1493832 to YR1811419.

13. Instrument No. YR1812192 registered on April 23, 2012 is a Postponement by 53 Puccini Mortgage Corp. in favour of The Corporation of the Town of Richmond Hill relating to Instrument Nos. YR1562903 and YR1657652 to YR1811419.

14. Instrument No. YR1812193 registered on April 23, 2012 is a Postponement by Nastell Investments Limited in favour of The Corporation of the Town of Richmond Hill relating to Instrument Nos. YR1657656 and YR1783162 to YR1811419.

15. Instrument No. YR1858108 registered on July 20, 2012 is a Postponement by Bank of Montreal in favour of The Corporation of the Town of Richmond Hill relating to Instrument Nos. YR1273792, YR1273793, YR1315616 & YR1493832 TO YR 1858108.

16. Instrument No. YR1858124 registered on July 23, 2012 is a Postponement by 53 Puccini Mortgage Corp. in favour of The Corporation of the Town of Richmond Hill relating to Instrument Nos. YR1562903 & YR1657652 TO YR1858108

17. Instrument No. YR1858125 registered on July 23, 2012 is a Postponement by Nastell Investments Limited in favour of The Corporation of the Town of Richmond Hill relating to Instrument Nos. YR1657656 and YR1783162 to YR1811419..

18. Instrument No. YR2016863 registered on August 9, 2013 is a Construction Lien in the amount of $94,837 in favour of Con-Drain Company (1983) Limited.

19. Instrument No. YR2016890 registered on August 9, 2013 is a Notice registered by Con-Drain Company (1983) Limited.

20. Instrument No. YR2043150 registered on October 3, 2013 is a Certificate registered by Con-Drain Company (1983) Ltd. relating to the Construction Lien registered as Instrument No. YR2016863.

21. Instrument No. YR2048904 registered on October 18, 2013 is a Construction Lien in the amount of $135,060 in favour of Argo Lumber Inc.

22. Instrument No. YR2049079 registered on October 18, 2013 is a Construction Lien in the amount of $104,574 in favour of The King-Con Corporation.

23. Instrument No. YR2050277 registered on October 22, 2013 is a Construction Lien in the amount of $67,793 in favour of Newmar Window Manufacturing Inc.

24. Instrument No. YR2056986 registered on November 6, 2013 is a Construction Lien in the amount of $554,354 in favour of Pilbro III Inc.

25. Instrument No. YR2057173 registered on November 6, 2013 is a Construction Lien in the amount of $521,675 in favour of Medi Group Incorporated.

26. Instrument No. YR2057568 registered on November 7, 2013 is a Construction Lien in the amount of $94,922 in favour of Cardell Flooring Ltd.

27. Instrument No. YR2057675 registered on November 7, 2013 is a Construction Lien in the amount of $434,578 in favour of Foremont Drywall Inc., 1382479 Ontario Inc., 1382503 Ontario Inc., and 2203579 Ontario Inc.

28. Instrument No. YR2057676 registered on November 7, 2013 is a Construction Lien in the amount of $216,202 in favour of Canadian Concrete Forming Limited.

29. Instrument No. YR2057677 registered on November 7, 2013 is a Construction Lien in the amount of $227,303 in favour of Pave Plumbing & Heating Inc.

30. Instrument No. YR2058240 registered on November 8, 2013 is a Construction Lien in the amount of $328,674 in favour of E. D. Carpenters Limited.

31. Instrument No. YR2058638 registered on November 12, 2013 is a Construction Lien in the amount of $203,870 in favour of The Sanderson-Harold Company Limited.

32. Instrument No. YR2058688 registered on November 12, 2013 is a Construction Lien in the amount of $186,364 in favour of Solo Electric Ltd.

33. Instrument No. YR2059379 registered on November 13, 2013 is a Construction Lien in the amount of $91,519 in favour of 1865721 Ontario Inc.

34. Instrument No. YR2060246 registered on November 14, 2013 is a Construction Lien in the amount of $108,287 in favour of 669857 Ontario Inc.

35. Instrument No. YR2060384 registered on November 14, 2013 is a Construction Lien in the amount of $29,392 in favour of Renova Recycling (2000) Inc.

36. Instrument No. YR2060546 registered on November 15, 2013 is a Certificate registered by 1865721 Ontario Inc. relating to the Construction Lien registered as Instrument No. YR2059379.

37. Instrument No. YR2060547 registered on November 15, 2013 is a Certificate registered by Medi Group Incorporated relating to the Construction Lien registered as Instrument No. YR2057173.

38. Instrument No. YR2060548 registered on November 15, 2013 is a Certificate registered by Cardell Flooring Ltd. relating to the Construction Lien registered as Instrument No. YR2057568.

39. Instrument No. YR2060549 registered on November 15, 2013 is a Certificate registered by Canadian Concrete Forming Limited relating to the Construction Lien registered as Instrument No. YR2057676.

40. Instrument No. YR2060550 registered on November 15, 2013 is a Certificate registered by Foremont Drywall Inc., 1382479 Ontario Inc., 1382503 Ontario Inc. and 2203579 Ontario Inc., c.o.b. Foremont Drywall Contracting relating to the Construction Lien registered as Instrument No. YR2057675.

41. Instrument No. YR2060551 registered on November 15, 2013 is a Certificate registered by E. D. Carpenters Limited relating to the Construction Lien registered as Instrument No. YR2058240.

42. Instrument No. YR2060571 registered on November 15, 2013 is a Certificate registered by Solo Electric Ltd. relating to the Construction Lien registered as Instrument No. YR2058688.

43. Instrument No. YR2060572 registered on November 15, 2013 is a Certificate registered by Pilbro III Inc. relating to the Construction Lien registered as Instrument No. YR2056986.

44. Instrument No. YR2060573 registered on November 15, 2013 is a Certificate registered by Pave Plumbing & Heating Inc. relating to the Construction Lien registered as Instrument No. YR2057677.

45. Instrument No. YR2061882 registered on November 18, 2013 is a Certificate of Action registered by The King-Con Corporation relating to the Construction Lien registered as YR2049079.

46. Instrument No. YR2062198 registered on November 19, 2013 is a Construction Lien in the amount of $46,559 in favour of GM Exteriors Inc.

47. Instrument No. YR2062199 registered on November 19, 2013 is a Construction Lien in the amount of $82,579 in favour of Giancola Aluminum Contractors Inc.

48. Instrument No. YR2067687 registered on November 29, 2013 is a Certificate of Action registered by Argo Lumber Inc. relating to the Construction Lien registered as Instrument No. YR2048904.

49. Instrument No. YR2067695 registered on November 29, 2013 is a Certificate of Action registered by Newmar Window Manufacturing Inc. relating to the Construction Lien registered as Instrument No. YR2050277.

50. Instrument No. YR2070295 registered on December 5, 2013 is a Certificate registered by GM Exteriors Inc. relating to the Construction Lien registered as Instrument No. YR2062198.

51. Instrument No. YR2070296 registered on December 5, 2013 is a Certificate registered by Giancola Aluminum Contractors Inc. relating to the Construction Lien registered as Instrument No. YR2062199.

52. Instrument No. YR2075688 registered on December 17, 2013 is a Certificate registered by 669857 Ontario Inc. relating to the Construction Lien registered as Instrument No. YR2060246.

53. Instrument No. YR2095047 registered on February 12, 2014 is a Certificate of Action registered by Renova Recycling (2000) Inc. relating to the Construction Lien registered as Instrument No. YR2060384.

Schedule D – Permitted Encumbrances, Easements and Restrictive Covenants related to the Real Property

(unaffected by the Vesting Order)

1. Instrument No. YR1376244 registered on September 18, 2009 is a Notice of Subdivision Agreement in favour of The Corporation of the Town of Richmond Hill.

2. Instrument No. YR1811419 registered on April 20, 2012 is a Notice of Subdivision Agreement in favour of The Corporation of the Town of Richmond Hill.

3. Instrument No. 65M4331 registered on July 20, 2012 is a Plan of Subdivision.

4. Instrument No. 65R33751 registered on July 20, 2012 is a Plan Reference.

5. Instrument No. YR185108 registered on July 23, 2012 is a Transfer Easement from 2148990 Ontario Inc. to The Corporation of the Town of Richmond Hill.

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SILVER STREAMS HOMES INC., SILVER STREAMS HOMES (PUCCINI) INC., 2148993 ONTARIO INC., 2148990 ONTARIO INC., 2147681 ONTARIO INC. AND 2147650 ONTARIO INC.

Court File No. 13-10362-00-CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at TORONTO

VESTING ORDER
(LOT 18)

CHAITONS LLP
Barristers and Solicitors
5000 Yonge Street, 10th Floor
Toronto, ON M2N 7E9

Stephen Schwartz LSUC#: 25980A
Tel: 416-218-1132
Fax: 416-218-1832

Maya Poliak LSUC# 54100A
Tel: (416) 218-1161
Fax: (416) 218-1844

Lawyers for the Applicants

TAB 10

Court File No. CV-13-10362-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT,* R.S.C. 1985, c. C-36, AS AMENDED

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SILVER STREAMS HOMES INC., SILVER STREAMS HOMES (PUCCINI) INC., 2148993 ONTARIO INC., 2148990 ONTARIO INC., 2147681 ONTARIO INC. AND 2147650 ONTARIO INC.

Applicants

ELEVENTH REPORT TO COURT OF GRANT THORNTON LIMITED, MONITOR OF THE APPLICANTS UNDER THE *COMPANIES' CREDITORS ARRANGEMENT ACT*

NOVEMBER 23, 2016

GrantThornton

Grant Thornton Limited,
Monitor of the Applicants under the *Companies' Creditors Arrangement Act*

200 King Street West, 11th Floor
Toronto, Ontario, M5H 3T4

TABLE OF CONTENTS

APPENDICES

1. Initial Order dated December 17, 2013
2. Claims Process Order dated January 16, 2014
3. Referral Order dated January 8, 2015
4. Monitor's Eighth Report to Court dated April 8, 2015 (without appendices)
5. Settlement Agreement Order dated September 25, 2015
6. Endorsement dated February 26, 2016 dismissing the motion for leave to appeal the Settlement Agreement Order
7. Final Award/Report of the Referee dated September 28, 2016
8. November 7 Order dated November 7, 2016
9. Monitor's Tenth Report to Court dated March 9, 2016 (without appendices)
10. Sale Agreement in respect of Lot 18 dated November 7, 2016
11. Monitor's Ninth Report to Court dated July 9, 2015 (without appendices)
12. Cash Flow Projection and Management's Report on the Cash Flow Projection for the period ending January 30, 2017
13. Affidavit of Jonathan Krieger sworn November 22, 2016
14. Affidavit of Steven L. Graff sworn November 21, 2016
15. Interim R&D to November 22, 2016

BACKGROUND INFORMATION

1. Silver Streams Homes Inc. ("**Silver Streams**") is a residential home builder in the Greater Toronto Area.

2. Silver Streams Homes (Puccini) Inc. ("**Puccini**") was incorporated in October 2008 for the purpose of developing and selling homes in a development located at Bathurst St. and King Rd. in Richmond Hill, Ontario (the "**Puccini Project**").

3. Title to some (but not all) of the lands in phases II and III of the Puccini Project was held by 2148993 Ontario Inc. ("**2148993**"), 2148990 Ontario Inc. ("**2148990**"), 2147681 Ontario Inc. ("**2147681**") and 2147650 Ontario Inc. ("**2147650**" and, collectively, the "**Title Holders**"). Silver Streams, Puccini and the Title Holders are collectively referred to as the "**Companies**".

4. On December 17, 2013, the Companies made an application to the Ontario Superior Court of Justice (Commercial List) (the "**Court**") to commence proceedings under the *Companies' Creditors Arrangement Act* (the "**CCAA Proceedings**"). On that date, the Court issued an order (the "**Initial Order**"), *inter alia*, granting the Companies the protection of a stay of proceedings until January 16, 2014 and appointing Grant Thornton Limited ("**GTL**") as the Companies' monitor under the CCAA (the "**Monitor**"). A copy of the Initial Order is attached as **Appendix "1"**.

5. On January 16, 2014, April 17, 2014, June 26, 2014, September 23, 2014, January 8, 2015, July 15, 2015 and March 29, 2016, the Court issued orders (collectively, the "**Extension Orders**"), *inter alia*, extending the stay of proceedings first from January 16, 2014 to April 18, 2014, then from April 18, 2014 to July 3, 2014, then from July 3, 2014 to September 26, 2014, then from September 26, 2014 to January 16, 2015, then from January 16, 2015 to July 16, 2015, then from July 16, 2015 to March 31, 2016 and most recently from March 31, 2016 to November 30, 2016.

6. Certain of the Extension Orders also approved interim distributions to Bank of Montreal ("**BMO**"), Home Trust Company ("**Home Trust**") and Foremost Financial Corporation ("**Foremost**" and together with BMO and Home Trust collectively, the "**Mortgagees**") from the proceeds of the sale of nine lots that have occurred in the context of these CCAA Proceedings, which distributions remain subject to reimbursement agreements between these parties and the Monitor.

7. On January 16, 2014, the Court issued an order (the "**Claims Process Order**"), *inter alia*, establishing a claims procedure for secured claims against the Companies' property (the "**Claims Process**"). A copy of the Claims Process Order is attached as **Appendix "2"**.

8. On January 8, 2015, the Court issued an order (the "**Referral Order**"), *inter alia*, referring to a referee (the "**Referee**") the construction lien claims and other related issues in these CCAA Proceedings (the "**Referee's Proceedings**") and ordering the transfer of the action bearing Court File

No. CV-13-115757-00 (the "**Con-Drain Action**" from the Newmarket Region of the Ontario Superior Court of Justice (the "**Newmarket SCJ**") to the Toronto Region of the Ontario Superior Court of Justice (the "**Toronto SCJ**"), such that the Con-Drain Action would be heard separately from the CCAA Proceedings without the Monitor's involvement. A copy of the Referral Order is attached as **Appendix "3"**.

9. On June 25, 2015, the Court heard a motion brought by the Companies (the "**Settlement Agreement Motion**") in connection with a settlement agreement dated February 17, 2015 amongst, *inter alios*, Tarion Warranty Corporation ("**Tarion**"), Imran Jinnah and the Companies (the "**Settlement Agreement**"). The motion was for an order: (i) declaring that the Companies had the requisite authority to enter into the Settlement Agreement; or, in the alternative (ii) approving the Settlement Agreement. A number of lien claimants opposed the Companies' motion (collectively, the "**Settlement Agreement Relief**"). The Monitor's understanding of the factual matrix surrounding the Settlement Agreement was outlined in the Monitor's Eighth Report to Court dated April 8, 2015 (the "**Eighth Report**"), which Eighth Report is attached without appendices as **Appendix "4"**.

10. Pursuant to an order of the Court dated September 25, 2015 (the "**Settlement Agreement Order**"), the Honourable Justice Wilton-Siegel dismissed the Companies' request for the Settlement Agreement Relief. A copy of the Settlement Agreement Order is attached as **Appendix "5"**. Certain lien claimants then sought costs from Tarion, the Companies and

their principals (the "**Settlement Agreement Costs Motion**"), a decision in respect of which is pending.

11. The Companies filed a motion for leave to appeal the Settlement Agreement Order to a panel of three judges of the Court of Appeal for Ontario, which motion for leave to appeal was dismissed on February 26, 2016. A copy of the endorsement dismissing the motion for leave to appeal is attached as **Appendix "6"**.

12. On August 11, 2016, the Referee issued reasons for a Partial Award/Report in the Referee's Proceedings, reflecting the terms of a settlement reached by the Lien Claimants (as defined in the Referral Order) and the Private Mortgagees (as listed in the Referral Order) (collectively, the "**Partial Award/Report**"), pursuant to which, after reserving sufficient amounts for the Settlement Agreement Costs Motion and the costs of administering the CCAA proceedings, the following distributions would occur:

    i) first in priority to all other secured creditors, the Monitor would pay $717,938.52 to the Lien Claimants;

    ii) second in priority, the Monitor would pay BMO its costs of participating in the Referee's Proceedings, as assessed by the Referee; and

    iii) the balance (up to an amount that exceeds the amount available for distribution) would be payable to the Private Mortgagees.

13. On October 4, 2016, the Referee issued its Final Award/Report, which included the Partial Award/Report, an award of costs to BMO dated September 28, 2016 in amount of $50,000.00 and the reasons therefor (collectively, the "**Final Award/Report**"). A copy of the Final Award/Report is attached as **Appendix "7"**.

14. BMO, which had sought a greater costs award in the Referee's Proceedings, brought a motion in this Court (the "**BMO Motion**") opposing: (i) confirmation by this Court of the Final Award/Report; and (ii) any distribution to the Private Mortgagees pending the hearing of the BMO Motion. BMO also filed a notice of appeal to the Divisional Court from the Final Award/Report.

15. Pursuant to an Order of the Honourable Justice Wilton-Siegel dated November 7, 2016 (the "**November 7 Order**"), which was obtained on the consent of BMO and the Private Mortgagees, this Court confirmed the Final Award/Report subject to certain exceptions, most notably that $456,125.72 is to be paid from the funds held by the Monitor into the trust account of BMO's counsel, Agueci Calbretta ("**Agueci**"), to be held in escrow pending the outcome of a motion to be argued by BMO and the Private Mortgagees dealing with costs and related matters (the "**BMO-Private Mortgagees Motion**") and any appeal arising therefrom. A copy of the November 7 Order is attached as **Appendix "8"**.

16. This report (the "**Eleventh Report**") has been prepared by Grant Thornton Limited in its capacity as Monitor.

PURPOSE OF THE ELEVENTH REPORT

17. The purpose of this Eleventh Report is to advise the Court with respect to:

 i) the status of the CCAA Proceedings, including the details of the activities of the Monitor and the Companies since the issuance of the Monitor's Tenth Report to Court dated March 9, 2016 (the "**Tenth Report**"), a copy of which is attached without appendices as **Appendix "9"**;

 ii) the status of the Referee's Proceedings and associated matters, including the BMO-Private Mortgagees Motion;

 iii) the status of the Con-Drain Action;

 iv) the status of the marketing and sale efforts relating to the final building lot available for sale ("**Lot 18**");

 v) the Companies' revised cash flow projection to January 30, 2017, (the "**Cash Flow Projection**");

 vi) the Companies' receipts and disbursements from December 18, 2013 to and including November 22, 2016 (the "**Interim R&D**");

 vii) the Companies' request for orders, *inter alia*:

  a. approving the distribution by the Monitor of $717,938.52 to the Lien Claimants in accordance with the terms of the Final Report/Award;

b. approving the distribution by the Monitor of $456,125.72 to Agueci in trust, to be held in escrow in accordance with the terms of the November 7 Order;

c. approving an interim distribution by the Monitor to the Private Mortgagees, subject to a reserve/holdback by the Monitor to satisfy any potential Order from the Settlement Agreement Costs Motion and to satisfy the professional fees of the Companies' counsel, the Monitor and the Monitor's counsel incurred to date and to be incurred to the completion of these CCAA Proceedings (as set out in the Cash Flow Projection);

d. vesting in Country Wide Homes at King South Inc. (the "**Purchaser**") all 2148990's rights, title and interests in and to Lot 18, free and clear of any encumbrances, except as otherwise provided by the Sale Agreement (as defined herein);

e. authorizing the Companies to distribute certain funds in accordance with the priorities determined in the Con-Drain Action (the "**Con-Drain Funds**"), subject to the beneficiary of such distribution giving 30-days' notice to the service list in the CCAA Proceedings prior to the making of any such proposed distribution;

f. extending the stay of proceedings in favour of the Companies (but not their directors or officers, and without restricting the Lien Claimants' ability to proceed with breach of trust actions) from

November 30, 2016, being the date that the stay of proceedings currently expires, to and including January 30, 2017;

g. approving this Eleventh Report and the Monitor's activities as described herein;

h. approving the Interim R&D; and

i. approving the fees and disbursements of the Monitor and its independent counsel, Aird & Berlis LLP ("**A&B**"), as described herein.

18. Detailed background information concerning the Companies, their stakeholders and these CCAA Proceedings is provided in the affidavits of Imran Jinnah sworn December 11, 2013, January 10, 2014, April 9, 2014, June 19, 2014, August 5, 2014, September 16, 2014, November 18, 2014, December 17, 2014, February 26, 2015, March 25, 2015, July 7, 2015, March 8, 2016 and November 11, 2016 (collectively, the "**Jinnah Affidavits**"), all of which have been filed with the Court. Accordingly, the Monitor has not repeated information to this effect in this Eleventh Report. Copies of all materials filed with the Court in these CCAA Proceedings are accessible on the Monitor's website at www.GrantThornton.ca/Silverstreams.

SCOPE AND TERMS OF REFERENCE

19. In preparing this Eleventh Report, the Monitor has relied upon unaudited financial information, the Companies' records, financial information and

projections and discussions with the Companies' management and employees. While the Monitor reviewed various documents provided by the Companies and believes that the information therein provides a fair summary of the transactions as reflected in the documents, such work does not constitute an audit or verification of such information for accuracy, completeness or compliance with Generally Accepted Accounting Principles ("**GAAP**") or International Financial Reporting Standards ("**IFRS**"). Accordingly, the Monitor expresses no opinion or other form of assurance pursuant to GAAP or IFRS with respect to such information.

20. Some of the information used in preparing this Eleventh Report consists of financial projections, including the Cash Flow Projection. The Monitor cautions that these projections are based upon assumptions about future events and conditions that are not ascertainable. The Companies' actual results may vary from the Cash Flow Projection, even if the hypothetical and probable assumptions contained therein materialize, and the variations could be significant. The Monitor's review of the future oriented information used to prepare this Eleventh Report did not constitute an audit of such information under GAAP or IFRS.

21. In the course of its mandate, the Monitor has assumed the integrity and truthfulness of the information and explanations presented to it by the Companies and their management, within the context in which such information was presented. To date, nothing has come to the Monitor's attention that would cause it to question the reasonableness of these

assumptions. The Monitor has requested that management bring to its attention any significant matters which were not addressed in the course of the Monitor's specific inquiries. Accordingly, this Eleventh Report is based solely on the information (financial or otherwise) made available to the Monitor by the Companies.

22. This Eleventh Report has been prepared for the use of this Court and the Companies' stakeholders as general information relating to the Companies and to assist the Court in deciding whether to grant the relief sought by the Companies. Accordingly, the reader is cautioned that this Eleventh Report may not be appropriate for any other purpose. The Monitor will not assume responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of this Eleventh Report contrary to the provisions of this paragraph.

23. All references to dollars are in Canadian currency unless otherwise noted.

24. Capitalized terms not defined in this Eleventh Report have the meanings ascribed to them in the Jinnah Affidavits, as applicable.

ACTIVITIES OF THE COMPANIES AND STATUS OF THE CCAA PROCEEDINGS

25. The activities of the Companies and the status of each of the properties owned by the Companies are detailed in the Jinnah Affidavits. Since the issuance of the Tenth Report, the Companies have, among other things:

(i) communicated and corresponded with various stakeholders and creditors regarding the CCAA Proceedings, including, without limitation, the Mortgagees, Tarion, the Lien Claimants, BMO, the Private Mortgagees and their counsel;

(ii) corresponded with legal counsel;

(iii) corresponded and took action in respect of the completion of servicing of Lot 18;

(iv) planned and executed the marketing and sale (subject to the vesting relief sought by the Companies) of Lot 18;

(v) revised the Cash Flow Projection;

(vi) made payments to post-filing vendors as contemplated by the Companies' cash flow projections; and

(vii) negotiated the terms of the relief being sought on the Companies' motion.

ACTIVITIES OF THE MONITOR

26. Since the date of the Tenth Report, the Monitor's activities have included, among other things:

(i) corresponding with the Companies, their management and their legal counsel;

(ii) corresponding and meeting with the Monitor's legal counsel;

(iii) reviewing and controlling receipts and disbursements of the Companies, in accordance with the Initial Order;

(iv) corresponding with certain of the Companies' stakeholders and their counsel, including, without limitation, counsel for certain of the Lien Claimants, BMO, the Private Mortgagees and Tarion;

(v) assisting the Companies to revise the Cash Flow Projection;

(vi) maintaining a public website for the CCAA Proceedings;

(vii) attending to telephone calls and emails from the Companies' creditors and other stakeholders;

(viii) preparing and filing this Eleventh Report;

(ix) corresponding periodically in respect of the Settlement Agreement Order, the Referee's Proceedings, the November 7 Order and the Con Drain Action; and

(x) reviewing all materials filed with the Court in respect of the CCAA Proceedings and attending at Court where necessary.

LOT 18

27. Lot 18 is located at the end of the existing Puccini development and abuts lands for future residential development by a different developer. Until late 2015, Lot 18 was not fully serviced, and, as such, the Monitor was advised by the Companies that interest was limited. At the time of the Tenth Report, the Monitor had been advised by the Companies that servicing had recently been completed for the future adjoining development, during which time servicing of Lot 18 was also completed, such that it was anticipated by the Companies that Lot 18 would be more marketable to interested purchasers. The Companies therefore advised the Monitor that they intended to list Lot 18 for sale via The Multiple Listing Service ("**MLS**").

28. The most recent of the Jinnah Affidavits sets out the marketing and sale process conducted by the Companies in respect of Lot 18. The Applicants listed Lot 18 on MLS in June 2016 for a purchase price of $825,000. In addition, the Applicants marketed Lot 18 directly to real estate agents working in the area. In the summer of 2016, the Applicants received two offers for Lot 18, which included an offer from a representative of the Purchaser, both of which were below asking price. In the fall of 2016, the Purchaser made a further offer in the amount of $830,000, which was accepted by the Applicants.

29. As a result of that marketing and sale process, and as set out in the most recent of the Jinnah Affidavits, the Companies are now seeking a vesting order in respect of the sale of Lot 18 to the Purchaser pursuant to an

agreement of purchase and sale dated November 7, 2016 between 2148990, as vendor, and the Purchaser, as purchaser (collectively, the "**Sale Agreement**"), a copy of which is attached as **Appendix "10"**.

30. As a result of the Final Award/Report and the November 7 Order, and as more particularly detailed in the Jinnah Affidavits, the Private Mortgagees appear to be the only parties with an economic interest in the proceeds from the sale of Lot 18, and the Monitor understands from the Companies that the Private Mortgagees are supportive of the Sale Agreement.

31. The Sale Agreement requires the Purchaser to submit a deposit of $50,000 to the Monitor to be held in escrow (the "**Lot 18 Deposit**"), which amount has been deposited with the Monitor in trust.

THE CLAIMS PROCESS, THE REFEREE'S PROCEEDINGS AND THE PROPOSED DISTRIBUTION

32. Following the Monitor's review of the claims that were submitted pursuant to the Claims Process and the issuance of notices of allowance and disallowance thereunder, the details of which are discussed in the Ninth Report that is attached without appendices as **Appendix "11"**, the Monitor and its counsel engaged in lengthy discussions with the Vetting Committee regarding the possible determination of construction liens and related issues in the context of binding arbitration by a claims adjudicator.

33. After months of negotiation among the Companies' counsel, the Monitor's counsel and the other members of the Vetting Committee, the parties agreed upon the form of the Referral Order, which was granted by the Court

on January 8, 2015. Capitalized terms in the paragraph below that are not otherwise defined herein are as defined in the Referral Order.

34. Pursuant to the Referral Order, the following issues were referred to the Referee for determination in the Referee's Proceedings for the purpose of completing the Claims Process:

i) the validity and, if necessary, quantum, of the Construction Claims *filed by the Claimants*;

ii) whether the Private Mortgagees are Statutory Owners (as defined in the CLA), and, if so, the determination of their liability as Statutory Owners to the Lien Claimants;

iii) the liability of the Private Mortgagees and Mortgagees with respect to any deficiency in holdback to the claims of the Lien Claimants;

iv) the determination of priorities as amongst the Claimants regarding their claims as against the Claimants, the Private Mortgagees and Mortgagees; and

v) any ancillary or peripheral issues that need to be determined in order for the Referee to properly complete its mandate, including any and all issues regarding interest and costs.

35. As contemplated by the Referral Order, the Monitor had only a limited involvement in the Referee's Proceedings. The Ninth Report and the Tenth Report summarize the various steps that had been taken in the Referee's Proceedings up to the date of the Tenth Report, being March 9, 2016.

36. Since the Tenth Report, the Referee issued the Partial Award/Report and the Final Award/Report, as discussed earlier in this Eleventh Report.

37. Pursuant to the terms of the Referral Order, the Final Award/Report shall bind any and all affected parties without further confirmation by the Court, subject to the right of such parties to appeal the Final Award/Report to the Divisional Court in accordance with the CLA.

38. In accordance with the terms of the Referral Order, the Referee served the Final Award/Report on the Service List in the CCAA Proceedings and filed the Final Award/Report with the Court.

39. As discussed earlier, the Final Award/Report provides that, after reserving sufficient amounts to satisfy any potential Order in the Settlement Agreement Costs Motion and to satisfy the costs of administering the CCAA proceedings, the following distributions would occur:

   i) first in priority to all other secured creditors, the Monitor would distribute \$717,938.52 to the Lien Claimants (the "**First Distribution**");

   ii) second in priority, the Monitor would distribute to BMO its costs of participating in the Referee's Proceedings, which the Referee has assessed at \$50,000 (the "**Second Distribution**"); and

   iii) the balance (up to an amount that exceeds the amount available for distribution) would be distributed to the Private Mortgagees (the "**Third Distribution**").

40. The only objection to and corresponding appeal from the Final Award/Report of which the Monitor is aware is from BMO, which ultimately resulted in the confirmation of the Final Award/Report by this Court in the November 7 Order, subject to certain exceptions. In substance, the effect of the November 7 Order is that:

i) the Monitor would still proceed with the First Distribution of $717,938.52 to the Lien Claimants;

ii) in lieu of the Second Distribution of $50,000 to BMO for its costs of participating in the Referee's Proceedings, the Monitor would now distribute $456,125.72 to BMO's counsel, Agueci, in trust, to be held in escrow pending the outcome of the BMO-Private Mortgagees Motion dealing with BMO's costs and related matters/appeals; and

iii) the remaining funds would be distributed to the Private Mortgagees.

41. Inclusive of the Lot 18 Deposit, the Monitor is currently holding approximately $2.2 million.

THE CON-DRAIN ACTION

42. The Con-Drain Action was commenced in the Newmarket SCJ by one of the Lien Claimants, Con-Drain (1983) Limited ("**Con-Drain**"), by way of a Notice of Action issued on August 15, 2013 and a subsequent Statement of Claim on September 3, 2013.

43. The Monitor understands that the subject matter of the Con-Drain Action is an $800,000 claim brought by Con-Drain. The Monitor also understands

that, prior to the commencement of the CCAA Proceedings, several Orders and endorsements were made in the Con-Drain Action requiring that the net proceeds from the sale of homes in the Puccini Project be paid in trust to the Companies' counsel at Chaitons LLP (the "**Chaitons Trust Account**"), and that $491,985.33 was being held in the Chaitons Trust Account for this purpose as of the date of the commencement of the CCAA Proceedings.

44. The Referral Order in the CCAA Proceedings provided that the Con-Drain Action was to be transferred from the Newmarket SCJ to the Toronto SCJ, separate from the CCAA Proceedings and without the participation of the Monitor, but that the Con-Drain Funds held in trust by the Companies' counsel at Chaitons LLP (the "**Chaitons Trust Account**") shall not be released or distributed from the Chaitons Trust Account without a further Order of this Court sitting in the context of the CCAA Proceedings. Further details with respect to the Con-Drain Action are discussed in previous materials, including, the Jinnah Affidavits and the Ninth Report.

45. As discussed in the Ninth Report and the Tenth Report, the Monitor was copied on a letter from the Honourable Regional Senior Justice Morawetz, dated June 9, 2015, which was written following a request by the Newmarket SCJ, wherein His Honour directed the registrar of the Newmarket SCJ to transfer the Con-Drain Action to the Toronto SCJ.

46. As intended from the outset, neither the Monitor nor its counsel has participated in the Con-Drain Action; however, the Monitor and its counsel understand that the Con-Drain Action is currently in the discovery stage.

47. The Companies are seeking an Order authorizing their counsel to distribute the Con-Drain Funds in accordance with the priorities determined by the Toronto SCJ in the Con-Drain Action without further Order of this Court in the CCAA Proceedings but on 30 days' notice to the service list in the CCAA Proceedings. The Monitor is supportive of this proposed relief, in light of the late stage of the CCAA Proceedings relative to the current status of the Con-Drain Action.

48. In tandem with the above relief, Con-Drain is seeking an Order in the CCAA Proceedings directing that the sum of $308,014.67 less certain adjustments (being the $800,000 claim in the Con-Drain Action less the $491,985.33 of Con-Drain Funds currently held in the Chaitons Trust Account) from the pending sale of Lot 18 and funds being held by the Monitor be paid into Chaitons Trust Account to "top-up" the Con-Drain Funds already held in the Chaitons Trust Account (collectively, the "**Con-Drain Motion**"). The Monitor does not take a position on the Con-Drain Motion.

OUTSTANDING ISSUES AND THE COMPANIES' REQUEST FOR AN EXTENSION OF THE STAY OF PROCEEDINGS

49. The Monitor understands, as detailed in the most recent of the Jinnah Affidavits, that the Companies recently became aware of Tarion having drawn down approximately $220,000 from certain letters of credit between December 9, 2015 and October 18, 2016 in satisfaction of claims against the Title Holders in their capacity as registrants, and that legal counsel for the Companies and Tarion are working to understand the basis for the

draws made thus far and what additional claims Tarion may have against the Title Holders moving forward.

50. If the affected parties are unable to resolve the above issue, the Monitor understands that there may be a need to timetable the matter and seek the Court's assistance.

51. The stay of proceedings currently expires on November 30, 2016. The Companies have requested that the Court extend the stay to and including January 30, 2017 in respect of the Companies only, and that the stay not be extended in respect of the Companies' directors or officers.

52. In response to enquiries from certain of the Lien Claimants' counsel, the Companies have clarified that the stay extension, as contemplated, would not restrict the Lien Claimants' ability to proceed with breach of trust actions against the Companies from which certain Lien Claimants seek productions.

53. It is the Monitor's view that the CCAA Proceedings are substantially at an end, and that the Companies' request for a limited stay extension will facilitate resolution of the outstanding issue with Tarion and allow for final distributions as a result of same and the Monitor's discharge.

54. Should this Court grant a stay extension, it is anticipated that the Monitor's planned activities would be limited to:

(i) controlling receipts and disbursements in accordance with the Initial Order;

(ii) assisting with the preparation of motion materials regarding the draft distribution and discharge orders, as applicable;

(iii) corresponding with the relevant stakeholders and their counsel, as necessary; and

(iv) reporting to this Court.

CASH FLOW PROJECTION

55. The Companies have prepared the Cash Flow Projection, on a monthly basis, for the period ending January 30, 2017. The Cash Flow Projection together with management's report on the Cash Flow Projection is attached as **Appendix "12"**. The Cash Flow Projection has been prepared by management using probable and hypothetical assumptions set out therein.

56. The Monitor makes the following comments on the Cash Flow Projection:

i) expenses appear to be consistent with the level of operations contemplated by management for the Companies during the projection period;

ii) the Cash Flow Projection reflects the sale of Lot 18 and the interim distributions requested by the Applicants (as described in the most recent of the Jinnah Affidavits and in this Eleventh Report); and

iii) even if the transaction in respect of Lot 18 were not to close, the Companies would still have sufficient cash on hand during the Cash Flow Projection period.

57. The Monitor's review of the Cash Flow Projection consisted of inquiries, analytical procedures and discussions related to information supplied to the Monitor by the management and employees of the Companies. Since hypothetical assumptions need not be supported, the Monitor's procedures with respect to such assumptions were limited to evaluating whether they were consistent with the purpose of the Cash Flow Projection. The Monitor has also reviewed the support provided by management for the probable assumptions and the preparation and presentation of the Cash Flow Projection. Based on the Monitor's review, nothing has come to its attention that causes it to believe that, in all material respects:

i) the hypothetical assumptions are not consistent with the purpose of the Cash Flow Projection;

ii) as at the date of this Eleventh Report, the probable assumptions developed by management are not suitably supported and consistent with the Companies' plans or do not provide a reasonable basis for the Cash Flow Projection, given the hypothetical assumptions; or

iii) the Cash Flow Projection does not reflect the probable and hypothetical assumptions.

58. The Cash Flow Projection prepared by the Companies projects that the Companies will have sufficient funds on hand to maintain their operations throughout the Cash Flow Projection period, including a reserve/holdback to satisfy the professional fees of the Companies' counsel, the Monitor and

the Monitor's counsel to be incurred to the completion of these CCAA Proceedings.

PROFESSIONAL FEES AND DISBURSEMENTS

59. The Monitor and its independent legal counsel have maintained detailed records of their professional time and costs since the Initial Order was granted.

60. Pursuant to paragraphs 24 and 25 of the Initial Order, the Monitor and its counsel shall be paid their reasonable fees and disbursements and shall pass their accounts before the Court. In addition, pursuant to paragraph 26 of the Initial Order, the Monitor and its counsel, among other parties, were granted an Administration Charge on the property of the Companies as security for their fees and disbursements, up to a maximum of $500,000.

61. The fees and disbursements of the Monitor through January 31, 2016 were previously approved by the Court.

62. The total fees of the Monitor for the period from February 1, 2016 to November 18, 2016 amount to $18,401.16, plus HST in the amount of $2,392.15, totaling $20,793.31. The details of the time spent and services provided by the Monitor are more particularly described in the Affidavit of Jonathan Krieger, the Senior Vice-President of GTL having carriage of GTL's mandate as the Monitor, sworn November 22, 2016 in support hereof, a copy of which is attached as **Appendix "13"**.

63. The legal fees and disbursements incurred by the Monitor for services provided to the Monitor by the Monitor's independent legal counsel, A&B, through January 31, 2016 were previously approved by the Court.

64. The total legal fees and disbursements incurred by the Monitor for services provided to the Monitor by the Monitor's independent legal counsel, A&B, during the period February 1, 2016 to November 18, 2016 amount to $54,193.21, inclusive of HST. The details of the time spent and services provided by A&B are more particularly described in the Affidavit of Steven L. Graff, sworn November 21, 2016 in support hereof, a copy of which is attached as **Appendix "14"**.

65. The Monitor respectfully requests that the Court approve its fees and disbursements and those of its legal counsel, as set out in this Eleventh Report.

66. In accordance with the terms of the Referral Order, the costs of the Referee up to the amount of $100,000.00 were funded by the Private Mortgagees and the Lien Claimants, and any additional costs of the Referee, being $23,101.94, were secured by the Administration Charge and paid by the Monitor. The Monitor understands from the Referee that no further amount is owing to the Referee.

INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

67. In accordance with the Initial Order, the Monitor has controlled the Companies' receipts and disbursements since the date of the Initial Order.

68. **Appendix "15"** provides the Interim R&D for the period from December 18, 2013 to November 22, 2016.

CONCLUSION

69. In the Monitor's view, the Companies have acted in accordance with the Initial Order. The Companies have also been working cooperatively with the Monitor to facilitate the carrying out of their respective mandates. Accordingly, the Monitor is satisfied that the Companies are acting in good faith and with due diligence.

70. Given the forgoing, the Monitor respectfully recommends that this Court grant the Companies' request for relief as set out in paragraph 17 vii) of this Eleventh Report and in the Companies' notice of motion.

All of which is respectfully submitted,

GRANT THORNTON LIMITED,
In its capacity as Monitor of the Companies
under the *Companies' Creditors Arrangements Act*
and not in any other capacity

Per:

Jonathan Krieger, CPA, CA, CIRP, LIT
Senior Vice President

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SILVER STREAMS HOMES INC., SILVER STREAMS HOMES (PUCCINI) INC., 2148993 ONTARIO INC., 2148990 ONTARIO INC., 2147681 ONTARIO INC. AND 2147650 ONTARIO INC.

Court File No. CV-13-10362-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceedings commenced at Toronto

ELEVENTH REPORT TO THE COURT OF GRANT THORNTON LIMITED, MONITOR OF THE APPLICANT UNDER THE *COMPANIES' CREDITORS ARRANGEMENT ACT*

AIRD & BERLIS LLP
Barristers and Solicitors
Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Steven L. Graff (LSUC #31871V)
Tel: (416) 865-7726
Fax: (416) 863-1515
Email: sgraff@airdberlis.com

Ian Aversa (LSUC # 55449N)
Tel: (416) 865-3082
Fax: (416) 863-1515
Email: iaversa@airdberlis.com

Jeremy Nemers (LSUC # 66410Q)
Tel: (416) 865-7724
Fax: (416) 863-1515
Email: jnemers@airdberlis.com

Lawyers for Grant Thornton Limited, in its capacity as the Monitor

TAB 11

Court File No. CV-13-10362-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SILVER STREAMS HOMES INC., SILVER STREAMS HOMES (PUCCINI) INC., 2148993 ONTARIO INC., 2148990 ONTARIO INC., 2147681 ONTARIO INC. AND 2147650 ONTARIO INC.

Applicants

NINTH REPORT TO COURT OF GRANT THORNTON LIMITED, MONITOR OF THE APPLICANTS UNDER THE *COMPANIES' CREDITORS ARRANGEMENT ACT*

JULY 9, 2015

GrantThornton

Grant Thornton Limited,
Monitor of the Applicants under the *Companies' Creditors Arrangement Act*

Royal Bank Plaza
200 Bay Street, South Tower, 19th Floor
Toronto, Ontario, M5J 2P9

TABLE OF CONTENTS

APPENDICES

1. Initial Order dated December 17, 2013
2. Claims Process Order dated January 16, 2015
3. Referral Order dated January 8, 2015
4. Monitor's Eighth Report to Court dated April 8, 2015 (with appendices)
5. Email dated May 21, 2015, attaching letter from the Referee dated May 21, 2015 and the February Referee's Order
6. June Referee's Order
7. Email exchange with the Referee dated June 26, 2015 to June 30, 2015
8. Letter from the Honourable Regional Senior Justice Morawetz dated June 9, 2015
9. Cash Flow Projection and Management's Report on the Cash Flow Projection
10. Interim Statement of Receipts and Disbursements
11. Affidavit of Jonathan Krieger sworn July 8, 2015
12. Affidavit of Steven L. Graff sworn July 8, 2015

BACKGROUND INFORMATION

1. Silver Streams Homes Inc. ("**Silver Streams**") is a residential home builder in the Greater Toronto Area.

2. Silver Streams Homes (Puccini) Inc. ("**Puccini**") was incorporated in October 2008 for the purpose of selling homes in a development located at Bathurst St. and King Rd. in Richmond Hill, Ontario (the "**Puccini Project**").

3. Title to some (but not all) of the lands in phases II and III of the Puccini Project is held by 2148993 Ontario Inc. ("**2148993**"), 2148990 Ontario Inc. ("**2148990**"), 2147681 Ontario Inc. ("**2147681**") and 2147650 Ontario Inc. ("**2147650**" and, collectively, the "**Title Holders**"). Silver Streams, Puccini and the Title Holders are collectively referred to herein as the "**Companies**".

4. On December 17, 2013, the Companies made an application to the Ontario Superior Court of Justice (Commercial List) (the "**Court**") to commence proceedings under the *Companies' Creditors Arrangement Act* (the "**CCAA Proceedings**"). On that date, the Court issued an order (the "**Initial Order**"), *inter alia*, granting the Companies the protection of a stay of proceedings until January 16, 2014 and appointing Grant Thornton Limited ("**GTL**") as the Companies' monitor under the CCAA (the "**Monitor**"). A copy of the Initial Order is attached as **Appendix "1"**.

5. On January 16, 2014, April 17, 2014, June 26, 2014, September 23, 2014 and January 8, 2015, the Court issued orders (collectively, the "**Extension Orders**"), *inter alia*, extending the stay of proceedings first from January 16,

2014 to April 18, 2014, then from April 18, 2014 to July 3, 2014, then from July 3, 2014 to September 26, 2014, then from September 26, 2014 to January 16, 2015, and most recently from January 16, 2015 to July 16, 2015.

6. Certain of the Extension Orders also approved interim distributions to Bank of Montreal ("**BMO**"), Home Trust Company ("**Home Trust**") and Foremost Financial Corporation ("**Foremost**" and, together with BMO and Home Trust, the "**Institutional Mortgagees**") from the proceeds of the sale of 9 lots that have occurred in the context of these CCAA Proceedings, which distributions remain subject to reimbursement agreements between these parties and the Monitor.

7. On January 16, 2015, the Court issued an order (the "**Claims Process Order**"), *inter alia*, establishing a claims procedure for secured claims against the Companies' property (the "**Claims Process**"). A copy of the Claims Process Order is attached as **Appendix "2"**

8. On January 8, 2015, the Court issued an order (the "**Referral Order**"), *inter alia*, referring the construction lien claims and other related issues in these CCAA Proceedings to a referee (the "**Referee**") and ordering the transfer of the action bearing Court File No. CV-13-115757-00 (the "**Con-Drain Action**") from the Newmarket Region of the Ontario Superior Court of Justice (the "**Newmarket SCJ**") to the Toronto Region of the Ontario Superior Court of Justice (the "**Toronto SCJ**") such that the Con-Drain

Action would be heard separately from the CCAA Proceedings. A copy of the Referral Order is attached as **Appendix "3"**.

9. On June 25, 2015, the Court heard a motion brought by the Companies (the "**Settlement Agreement Motion**") in connection with a settlement agreement dated February 17, 2015 amongst, *inter alios*, Tarion Warranty Corporation ("**Tarion**"), Imran Jinnah and the Companies (the "**Settlement Agreement**"). The motion was for an order: (i) declaring that the Companies have the requisite authority to enter into the Settlement Agreement; or, in the alternative (ii) approving the Settlement Agreement. A number of lien claimants opposed the Companies' motion. The Monitor's understanding of the factual matrix surrounding the Settlement Agreement is outlined in the Monitor's Eighth Report to Court dated April 8, 2015 (the "**Eighth Report**"), which Eighth Report is attached as **Appendix "4"**. The Court reserved on its decision with respect to the Companies' motion, and the determination of same remains pending as at the date hereof.

10. This report (the "**Ninth Report**") has been prepared by Grant Thornton Limited in its capacity as Monitor.

PURPOSE OF THE NINTH REPORT

11. The purpose of this Ninth Report is to advise the Court with respect to:

    i) the status of the CCAA Proceedings, including the details of the activities of the Monitor and the Companies since the issuance of the

Monitor's Seventh Report to Court dated December 19, 2014 (the "**Seventh Report**");

ii) the status of the Claims Process established pursuant to the Claims Process Order, which was conducted by the Monitor;

iii) the status of the referral established pursuant to the Referral Order, which is being conducted by the Referee (the "**Referee's Proceedings**");

iv) the status of the Con-Drain Action;

v) the Companies' revised cash flow projection to March 31, 2016, 2015 (the "**Cash Flow Projection**");

vi) the Companies' receipts and disbursements from December 17, 2013 to and including July 6, 2015 (the "**Interim R&D**"); and

vii) the Companies' request for an order, *inter alia*:

a. extending the stay of proceedings from July 16, 2015, being the date that the stay of proceedings currently expires, to and including March 31, 2016;

b. approving the Eighth Report and the Ninth Report and the Monitor's activities as described therein and herein;

c. approving the Interim R&D; and

d. approving the fees and disbursements of the Monitor and its independent counsel, Aird & Berlis LLP ("**A&B**"), as described herein.

12. Detailed background information concerning the Companies, their stakeholders and these CCAA Proceedings is provided in the affidavits of Imran Jinnah sworn December 11, 2013, January 10, 2014, April 9, 2014, June 19, 2014, August 5, 2014, September 16, 2014, November 18, 2014, December 17, 2014, February 26, 2015, March 25, 2015 and July 7, 2015 (collectively, the "**Jinnah Affidavits**"), all of which have been filed with the Court. Accordingly, the Monitor has not repeated information to this effect in this Ninth Report. Copies of all materials filed with the Court in these CCAA Proceedings are accessible on the Monitor's website at *www.GrantThornton.ca/Silverstreams*.

SCOPE AND TERMS OF REFERENCE

13. In preparing this Ninth Report, the Monitor has relied upon unaudited financial information, the Companies' records, financial information and projections and discussions with the Companies' management and employees. While the Monitor reviewed various documents provided by the Companies and believes that the information therein provides a fair summary of the transactions as reflected in the documents, such work does not constitute an audit or verification of such information for accuracy, completeness or compliance with Generally Accepted Accounting Principles ("**GAAP**") or International Financial Reporting Standards

("**IFRS**"). Accordingly, the Monitor expresses no opinion or other form of assurance pursuant to GAAP or IFRS with respect to such information.

14. Some of the information used in preparing this Ninth Report consists of financial projections, including the Cash Flow Projection. The Monitor cautions that these projections are based upon assumptions about future events and conditions that are not ascertainable. The Companies' actual results may vary from the Cash Flow Projection, even if the hypothetical and probable assumptions contained therein materialize, and the variations could be significant. The Monitor's review of the future oriented information used to prepare this Ninth Report did not constitute an audit of such information under GAAP or IFRS.

15. In the course of its mandate, the Monitor has assumed the integrity and truthfulness of the information and explanations presented to it by the Companies and their management, within the context in which such information was presented. To date, nothing has come to the Monitor's attention that would cause it to question the reasonableness of these assumptions. The Monitor has requested that management bring to its attention any significant matters which were not addressed in the course of the Monitor's specific inquiries. Accordingly, this Ninth Report is based solely on the information (financial or otherwise) made available to the Monitor by the Companies.

16. This Ninth Report has been prepared for the use of this Court and the Companies' stakeholders as general information relating to the Companies

and to assist the Court in deciding whether to grant the relief sought by the Companies. Accordingly, the reader is cautioned that this Ninth Report may not be appropriate for any other purpose. The Monitor will not assume responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of this Ninth Report contrary to the provisions of this paragraph.

17. All references to dollars are in Canadian currency unless otherwise noted.

18. Capitalized terms not defined in this Ninth Report have the meanings ascribed to them in the Jinnah Affidavits, as applicable.

ACTIVITIES OF THE COMPANIES AND STATUS OF THE CCAA PROCEEDINGS

19. The activities of the Companies and the status of each of the properties owned by the Companies are detailed in the Jinnah Affidavits. Since the date of the Seventh Report, the Companies have, among other things:

    i) communicated and corresponded with the Monitor and the various stakeholders and creditors on a regular basis regarding the CCAA Proceedings, including, without limitation, Canada Revenue Agency ("**CRA**"), the secured lenders, Tarion, the lien claimants and their counsel;

    ii) corresponded with legal counsel;

    iii) planned and executed the marketing of the remaining lot;

    iv) participated in the Referee's Proceedings;

v) prepared the Settlement Hearing Motion and participated in the hearing of same;

vi) revised the Cash Flow Projection; and

vii) made payments to post-filing vendors as contemplated by the Companies' cash flow projections.

ACTIVITIES OF THE MONITOR

20. Since the date of the Seventh Report, the Monitor's activities have included, among other things:

i) corresponding and meeting with the Companies, their management and their legal counsel;

ii) corresponding and meeting with the Monitor's legal counsel;

iii) reviewing and controlling receipts and disbursements of the Companies, in accordance with the Initial Order;

iv) corresponding with certain of the Companies' secured lenders and their counsel, as well as counsel for Tarion and certain of the lien claimants;

v) assisting the Companies to revise the Cash Flow Projection;

vi) maintaining a public website for the CCAA Proceedings;

vii) attending to telephone calls and emails from the Companies' creditors and other stakeholders;

viii) preparing and filing the Eighth Report and the Ninth Report;

ix) corresponding periodically with the Referee and certain stakeholders in respect of the Claims Process, the Referee's Proceedings and the Con-Drain Action;

x) participating in the Settlement Hearing Motion; and

xi) reviewing all materials filed with the Court in respect of the CCAA Proceedings.

THE CLAIMS PROCESS

21. As set out in the materials previously filed by the Companies, as of the date of the Initial Order, the Companies had numerous secured creditors, including, but not limited to, mortgagees, lien claimants and CRA.

22. Pursuant to the Claims Process Order, the Court authorized and established the Claims Process. A Vetting Committee (as defined in the Claims Process Order) was established that includes the Monitor's counsel, the Companies' counsel and counsel to certain of the Companies' secured creditors.

23. In accordance with the Claims Process, and as set out in the Monitor's prior reports, the Monitor received 42 claims. Pursuant to an order granted by the Court on October 16, 2014, the claims deadline was subsequently extended for the sole purpose of permitting the claims of two additional lien claimants.

24. The Monitor and its counsel reviewed all of the claims that were submitted in the context of the Claims Process, and the Monitor, with the agreement of the Vetting Committee:

i) sent Notices of Allowance to CRA with respect to CRA's two claims for source deductions with the caveat that: (a) the claims are against Silver Streams and Puccini; (b) neither Silver Streams nor Puccini holds any title in the ten lots that existed at the time of the Companies' application under the CCAA; and (c) accordingly, the proceeds arising from the sale of said homes are not those to which CRA's deemed trust claims against Silver Streams or Puccini attach;

ii) sent a Notice of Disallowance to CRA with respect to CRA's GST/HST claim on the basis that the claim is an unsecured claim in the CCAA Proceedings and the Claims Process Order established a claims process that was limited to secured claims;

iii) sent Notices of Allowance to each of BMO, Home Trust and Foremost with respect to their mortgage claims with the caveat that each of their claims remains subject to the extent of any deficiency in any holdback, if any, that was required to be maintained under the Ontario *Construction Lien Act* (the "**CLA**"), and any trust claim that has been or may be made;

iv) sent a Notice of Disallowance to Imran and Humera Hussain; and

v) sent a Notice of Disallowance to Horizons Holdings Inc., Africana Investments Inc. and Mr. Japanwala.

25. Subsequent to the issuance of the aforementioned notices by the Monitor, CRA's claim for unpaid source deductions became subject to a settlement agreement that was approved by the Court on November 25, 2014.

THE REFEREE'S PROCEEDINGS

26. Following the Monitor's review of the claims that were submitted pursuant to the Claims Process and the issuance of the notices referred to in paragraph 24 above, the Monitor and its counsel engaged in lengthy discussions with the Vetting Committee regarding the possible determination of construction liens and related issues in the context of binding arbitration by a claims adjudicator.

27. After months of negotiation among the Companies' counsel, the Monitor's counsel and the other members of the Vetting Committee, the parties agreed upon the form of the Referral Order, which was granted by the Court on January 8, 2015. Capitalized terms in the paragraph below that are not otherwise defined herein are as defined in the Referral Order.

28. Pursuant to the Referral Order, the following issues were referred to the Referee for determination in the Referee's Proceedings for the purpose of completing the Claims Process:

i) the validity and, if necessary, quantum, of the Construction Claims filed by the Claimants;

ii) whether the Private Mortgagees are Statutory Owners (as defined in the CLA), and, if so, the determination of their liability as Statutory Owners to the Lien Claimants;

iii) the liability of the Private Mortgagees and Mortgagees with respect to any deficiency in holdback to the claims of the Lien Claimants;

iv) the determination of priorities as amongst the Claimants regarding their claims as against the Claimants, the Private Mortgagees and Mortgagees; and

v) any ancillary or peripheral issues that need to be determined in order for the Referee to properly complete its mandate, including any and all issues regarding interest and costs.

29. As contemplated by the Referral Order, the Monitor has had, and will continue to have, a limited involvement in the Referee's Proceedings.

30. Shortly after the Referee's appointment, the Monitor's counsel, A&B, provided the Referee with, amongst other things: (i) copies of the Referral Order; (ii) all documents submitted to the Monitor and/or A&B by the various stakeholders pursuant to the Claims Process; and (iii) all notices that were issued by the Monitor pursuant to the Claims Process.

31. On May 19, 2015, A&B wrote to the Referee, requesting a general update with respect to the status of the Referee's Proceedings. In response, on May 21, 2015, the Referee provided A&B and counsel for certain stakeholders with the requested update by letter, and also provided a copy

of an order for directions that had been issued in the Referee's Proceedings dated February 9, 2015 (the "**February Referee's Order**"). The February Referee's Order contained, among other things, a timetable with respect to the Referee's Proceedings, which timetable culminated with an evidentiary hearing scheduled for the week of August 31, 2015 (the "**August Referee's Hearing**"). The email attaching the Referee's responding letter and the February Referee's Order, together with attachments, is attached as **Appendix "5"**.

32. Upon the Monitor's review of these materials, it became apparent that the Referee's Proceedings had been advancing without the participation of the Institutional Mortgagees. Accordingly, A&B advised the Referee and the various stakeholders of same, to ensure that all stakeholders were being given the opportunity to participate in the Referee's Proceedings.

33. On June 29, 2015, a procedural order was issued in the Referee's Proceedings (the "**June Referee's Order**"), which, *inter alia*:

   i) acknowledged the participation of the Institutional Mortgagees in the Referee's Proceedings;

   ii) bifurcated the issues to be determined by the Referee; and

   iii) revised the timetable that had been originally provided in the February Referee's Order.

34. The revised timetable still scheduled the August Referee's Hearing for the week of August 31, 2015, but now provided that such hearing would only

address the first set of the bifurcated issues. The June Referee's Order is attached as **Appendix "6"**

35. In late June, 2015, A&B wrote to the Referee requesting both a general update and a best estimate as to the time required to complete the Referee's Proceedings. In response, the Referee advised, among other things, that:

    i) the August Referee's Hearing would deal with general lien issues and had been scheduled for the week of August 31, 2015;

    ii) the Referee expected that a further hearing (if necessary) on the balance of the issues would occur in November 2015; and

    iii) the Referee's final Report (as defined in the Referral Order) was expected to be released by the end of 2015. This correspondence is attached as **Appendix "7"**.

36. Pursuant to the terms of the Referral Order, the final Report shall bind any and all affected parties without further confirmation by the Court, subject to the right of such parties to appeal the Report to the Divisional Court in accordance with the CLA.

37. The Referral Order provides that the Referee shall, among other things, serve the Report on the Service List in the CCAA Proceedings and file the Report with the Court.

THE CON-DRAIN ACTION

38. The Con-Drain Action was commenced in the Newmarket SCJ by one of the lien claimants, Con-Drain (1983) Limited ("**Con-Drain**"), by way of a Notice of Action issued on August 15, 2013 and a subsequent Statement of Claim on September 3, 2013. Further background and details with respect to the Con-Drain Action are discussed in the Jinnah Affidavits.

39. As outlined above, the Referral Order provided that the Con-Drain Action was to have been transferred from the Newmarket SCJ to the Toronto SCJ, such that the Con-Drain Action was to be heard separately from the CCAA Proceedings. The Referral Order further provided that the Con-Drain Action was to proceed without the participation of the Monitor, and that, notwithstanding the outcome of the Con-Drain Action, the funds in dispute therein were not to be released or distributed from the trust account of Chaitons LLP, counsel for the Companies, without further order of the Court sitting in the context of the CCAA Proceedings.

40. Subsequent to the issuance of the Referral Order, the Monitor understands that counsel for Con-Drain requested that the Newmarket SCJ transfer the Con-Drain Action to the Toronto SCJ in accordance with the terms of the Referral Order. Following a request by the Newmarket SCJ that such transfer be directed by the Regional Senior Judge of the Toronto SCJ, the Monitor was copied on a letter from the Honourable Regional Senior Justice Morawetz, dated June 9, 2015, wherein His Honour directed the registrar of

the Newmarket SCJ to transfer the Con-Drain Action to the Toronto SCJ. His Honour's letter is attached as **Appendix "8"**.

COMPANIES' REQUEST FOR AN EXTENSION OF THE STAY OF PROCEEDINGS

41. The stay of proceedings currently expires on July 16, 2015. The Companies have requested that the Court extend the stay to and including March 31, 2016.

42. The Companies' request for an eight and one-half month stay extension is commensurate with the anticipated timeline for the Referee to complete the Referee's Proceedings (and, in turn, the Claims Process) and serve and file its Report, as estimated by the Referee, and to attend, if necessary, to possible appeals arising from the Report, as permitted by the Referral Order.

43. Once the Referee's Proceedings have concluded, the Monitor anticipates that the Companies and/or the Monitor, as applicable, will be in a position to move for an order from this Court to make distributions to the Companies' stakeholders in accordance with the Report, terminate the CCAA Proceedings and discharge the Monitor.

44. The requested extension also allows for the attempted sale of the remaining vacant lot. According to the most recent Jinnah Affidavit, sworn July 7, 2015, the Companies have reduced their full-time staff to one employee, Asma Jinnah, the wife of Imran Jinnah, who has agreed to waive her management fees until the completion of the CCAA Proceedings, and who

will be assisted by the Companies' remaining part-time employee in marketing the vacant lot for sale and managing any of the Companies' ongoing obligations to past purchasers.

45. During the requested extension, it is not anticipated that there will be further material activity taking place in the CCAA Proceedings, other than with respect to the Referee's Proceedings, in which the Companies, the Monitor and their respective counsel have limited roles. During the requested stay extension period, it is anticipated that the Monitor's planned activities will be limited to:

i) controlling receipts and disbursements in accordance with the Initial Order;

ii) reviewing the outcome of the Settlement Agreement Motion and its impact on the CCAA Proceedings;

iii) monitoring the Referee's Proceedings and the sale process for the remaining lot;

iv) assisting with the preparation of motion materials regarding draft distribution, approval and vesting and discharge orders, as applicable;

v) corresponding with the relevant stakeholders and their counsel, as necessary; and

vi) reporting to this Court.

46. Subject to the sale of the remaining lot, the Companies have monetized substantially all of their assets and are now in the claims adjudication phase of the CCAA Proceedings. An extension of the stay of proceedings is necessary if it is deemed appropriate by this Court to allow for the completion of the Referee's Proceedings (and, in turn, the Claims Process) and the marketing of the final lot for sale.

CASH FLOW PROJECTION

47. The Companies have prepared the Cash Flow Projection, on a monthly basis, for the period ending March 31, 2016. The Cash Flow Projection together with management's report on the Cash Flow Projection is attached as **Appendix "9"** and also as Appendix E to the most recent Jinnah Affidavit sworn July 7, 2015. The Cash Flow Projection has been prepared by management using probable and hypothetical assumptions set out therein.

48. The Monitor makes the following comments on the Cash Flow Projection:

    i) expenses appear to be consistent with the level of operations contemplated by management for the Companies during the projection period;

    ii) the Cash Flow Projection reflects the sale of the Companies' remaining lot, although it is possible that it will not be sold during the Cash Flow Projection period;

iii) even if the remaining lot is not sold during the Cash Flow Projection period, the Companies would still have sufficient cash on hand during the Cash Flow Projection period; and

iv) the Cash Flow Projection does not contemplate making payments to the Companies' secured creditors nor servicing interest on such obligations during the CCAA Proceedings.

49. The Monitor's review of the Cash Flow Projection consisted of inquiries, analytical procedures and discussions related to information supplied to the Monitor by the management and employees of the Companies. Since hypothetical assumptions need not be supported, the Monitor's procedures with respect to such assumptions were limited to evaluating whether they were consistent with the purpose of the Cash Flow Projection. The Monitor has also reviewed the support provided by management for the probable assumptions and the preparation and presentation of the Cash Flow Projection. Based on the Monitor's review, nothing has come to its attention that causes it to believe that, in all material respects:

i) the hypothetical assumptions are not consistent with the purpose of the Cash Flow Projection;

ii) as at the date of this Ninth Report, the probable assumptions developed by management are not suitably supported and consistent with the Companies' plans or do not provide a reasonable basis for the Cash Flow Projection, given the hypothetical assumptions; or

iii) the Cash Flow Projection does not reflect the probable and hypothetical assumptions.

50. The Cash Flow Projection prepared by the Companies projects that the Companies will have sufficient funds on hand throughout the Cash Flow Projection period.

INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

51. In accordance with the Initial Order, the Monitor has controlled the Companies' receipts and disbursements since the date of the Initial Order.

52. **Appendix "10"** provides a statement of the Companies' receipts and disbursements for the period from December 17, 2013 to July 6, 2015.

PROFESSIONAL FEES

53. The Monitor and its independent legal counsel have maintained detailed records of their professional time and costs since the Initial Order was granted.

54. Pursuant to paragraphs 24 and 25 of the Initial Order, the Monitor and its counsel shall be paid their reasonable fees and disbursements and shall pass their accounts before the Court. In addition, pursuant to paragraph 26 of the Initial Order, the Monitor and its counsel, among other parties, were granted an Administration Charge on the property of the Companies as security for their fees and disbursements, up to a maximum of $500,000.

55. The fees and disbursements of the Monitor through November 30, 2014 were previously approved by the Court.

56. The total fees of the Monitor for the period from December 1, 2014 to June 30, 2015 amount to $39,519.39, together with disbursements of $125.32 and HST of $5,153.82, totalling $44,798.53. The details of the time spent and services provided by the Monitor are more particularly described in the Affidavit of Jonathan Krieger, the Senior Vice-President of GTL having carriage of GTL's mandate as the Monitor, sworn July 8, 2015, which is attached hereto as **Appendix "11"**.

57. The legal fees and disbursements incurred by the Monitor for services provided to the Monitor by the Monitor's independent legal counsel, A&B, through November 30, 2014 were previously approved by the Court.

58. The total legal fees and disbursements incurred by the Monitor for services provided to the Monitor by the Monitor's independent legal counsel, A&B, during the period December 1, 2014 to June 30, 2015 amount to $49,159.54, inclusive of HST. The details of the time spent and services provided by A&B are more particularly described in the Affidavit of Steven L. Graff, sworn July 8, 2015, which is attached hereto as **Appendix "12"**.

59. The Monitor respectfully requests that the Court approve its fees and disbursements and those of its legal counsel, as set out in the Ninth Report.

RECOMMENDATION REGARDING REQUESTED RELIEF

60. In the Monitor's view, the Companies have acted in accordance with the Initial Order. The Companies have also been working cooperatively with the Monitor to facilitate the carrying out of their respective mandates. Accordingly, the Monitor is satisfied that the Companies are acting in good faith and with due diligence.

61. Given the forgoing, the Monitor respectfully recommends that this Court grant the Companies' request for relief as set out in paragraph 11 of this Ninth Report and in the Companies' notice of motion.

All of which is respectfully submitted,

GRANT THORNTON LIMITED,
In its capacity as Monitor of the Companies
under the *Companies' Creditors Arrangements Act*
and not in any other capacity

Per:

Jonathan Krieger, CPA, CA, CIRP
Senior Vice President

23307769.5

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SILVER STREAMS HOMES INC., SILVER STREAMS HOME (PUCCINI) INC., 2148993 ONTARIO INC., 2148990 ONTARIO INC., 2147681 ONTARIO INC. AND 2147650 ONTARIO INC.

Court File No. CV-13-10362-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

NINTH REPORT TO THE COURT OF GRANT THORNTON LIMITED, MONITOR OF THE APPLICANTS UNDER THE *COMPANIES' CREDITORS ARRANGEMENT ACT*

AIRD & BERLIS LLP
Barristers and Solicitors
Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Steven L. Graff (LSUC # 31871V)
Tel: 416.865.7726 / Fax: 416.863.1515
Email: sgraff@airdberlis.com

Ian Aversa (LSUC # 55449N)
Tel: 416.865.3082 / Fax: 416.863.1515
Email: iaversa@airdberlis.com

Jeremy Nemers (LSUC # 66410Q)
Tel: 416.865.7724 / Fax: 416.863.1515
Email: jnemers@airdberlis.com

Lawyers for Grant Thornton Limited, in its capacity as the Court-appointed Monitor of the Applicants

TAB 12

Court File No. CV-13-10362-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, C. c-36, AS AMENDED

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SILVER STREAMS HOMES INC., SILVER STREAMS HOMES (PUCCINI) INC., 2148993 ONTARIO INC., 2148990 ONTARIO INC., 2147681 ONTARIO INC. AND 2147650 ONTARIO INC.

Applicants

AFFIDAVIT OF JONATHAN KRIEGER

I, **JONATHAN KRIEGER**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY** as follows:

1. I am Senior Vice President of Grant Thornton Limited, ("**GTL**") which was appointed as the Monitor ("**Monitor**") without security, of all the assets, undertakings and properties of Silver Streams Homes Inc., Silver Streams Homes (Puccini) Inc., 2148993 Ontario Inc., 2148990 Ontario Inc., 2147681 Ontario Inc. and 2147650 Ontario Inc. (collectively the "**Company**"). As such, I have knowledge of the matters hereinafter deposed to, except where stated to be on information and belief and whereso stated I verily believe such to be true.

2. Attached and marked as Exhibit "A" to this my affidavit is a true copy of the detailed billing setting out the fees and disbursements of GTL incurred in its role as Monitor of the Company from November 19, 2016 to January 25, 2017, in the total amount of $9,537.46, plus HST and such is summarized on Exhibit "**B**" to this my affidavit.

3. Given the complexity of this insolvency matter, I believe the hourly rates and the total amount of fees are reasonable and comparable for insolvency services of this nature rendered by other firms in the City of Toronto.

4. This affidavit is sworn in connection with the approval of the fees and disbursements of GTL and for no improper purpose.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario, this 26th day of January, 2017.	
Commissioner for Taking Affidavits, etc.	JONATHAN KRIEGER

David Lawrence Goldband, a Commissioner, etc.,
Province of Ontario, for Grant Thornton Limited.
Expires April 1, 2019.

Exhibit "**A**" to the Affidavit of Jonathan Krieger, sworn before me this 26th day of January, 2017.

DLG

____

Commissioner for Taking Affidavits, etc.

David Lawrence Goldband, a Commissioner, etc.,
Province of Ontario, for Grant Thornton Limited.
Expires April 1, 2019.

Court File No. CV-13-10362-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, C. c-36, AS AMENDED

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SILVER STREAMS HOMES INC., SILVER STREAMS HOMES (PUCCINI) INC., 2148993 ONTARIO INC., 2148990 ONTARIO INC., 2147681 ONTARIO INC. AND 2147650 ONTARIO INC.

Applicants

BILLING

BN 12738 4717 RT0001
Client #181330
Invoice#LSON-2952

To professional services rendered as Court Appointed CCAA Monitor for the period from January 1, 2017 to January 25, 2017.

Date	Description	Hours
January 3, 2017	Rosa Wilford	
	• Correspondences with Bank, review print screens, prepare disbursements, posting entries, and general banking administration.	0.25 hours
January 5, 2017	Jan Oros	
	• Review and respond to J. Greenberg email, review and respond to emails with counsel.	0.50 hours
January 6, 2017	Jan Oros	
	• Calls/emails with counsel, calls/emails with BMO regarding request from Tarion to cash in LC, further calls/emails with BMO to identify LC being cashed and confirming that BMO to proceed with cashing in of LC per debtors counsel and counsel for Tarion, respond to J. Greenberg email, request cheque to Greenberg to be issued.	1.25 hours

January 6, 2017	<u>Jonathan Krieger</u>	
	• Correspondence re: matters related to payments to Greenberg; Correspondence with counsel; Correspondence with banking team re: payment; Correspondence with team re: DTB.	0.50 hours
January 6, 2017	<u>Rosa Wilford</u>	
	• Review instructions re: payment of invoices; Complete cheque requisition forms, prepare and issue cheque and general banking administration; Review instructions from J. Oros re GIC and payments. Draft letter to Bank for partial redemption of GIC, prepare receipts and post GIC entries, prepare and issue cheque, email correspondences to and from Bank and general banking administration; Reconcile December 2016 statements.	1.50 hours
January 9, 2017	<u>Jan Oros</u>	
	• Review emails from counsel and Tarion's counsel re LC's.	0.25 hours
January 9, 2017	<u>Jonathan Krieger</u>	
	• Review of materials related to Tarion matter; Correspondence with counsel and team thereto.	0.30 hours
January 9, 2017	<u>Rosa Wilford</u>	
	• Review email from Bank, re partial GIC redemption, posting entries, respond to email and general banking administration.	0.50 hours
January 10, 2017	<u>Rosa Wilford</u>	
	• Review banking reports and approve estate balances and update GIC term deposits.	0.25 hours
January 11, 2017	<u>Jan Oros</u>	
	• Review emails from counsel and debtors counsel.	0.10 hours
January 13, 2017	<u>Jan Oros</u>	
	• Conference call with counsel and J. Krieger to discuss Tarion cost award and other outstanding issues.	0.15 hours
January 13, 2017	<u>Jonathan Krieger</u>	
	• Correspondence re: matters related to Tarion position; Call with counsel.	0.50 hours

January 13, 2017	**Rosa Wilford**	
	• Review instructions from team re: payment of invoices; Complete cheque requisition form, prepare and issue cheque and general banking administration.	0.25 hours
January 17, 2017	**Jan Oros**	
	• Review emails and materials from counsel, debtors counsel, lien claimants and Tarion.	0.25 hours
January 18, 2017	**Jan Oros**	
	• Review emails and materials from counsel, debtors counsel, lien claimants and Tarion, call with counsel to discuss Tarion claim worksheet.	0.25 hours
January 19, 2017	**Jan Oros**	
	• Review emails and materials from counsel, debtors counsel, lien claimants and Tarion, send court materials for posting to website.	0.25 hours
January 23, 2017	**Jan Oros**	
	• Review emails form counsel regarding final report, Tarion matters.	0.10 hours
January 23, 2017	**Jonathan Krieger**	
	• Review of correspondence from counsel re: matters related to completion of materials.	0.30 hours
January 24, 2017	**Jan Oros**	
	• Review emails form counsel regarding final report, Tarion matters.	0.10 hours
January 25, 2017	**Jan Oros**	
	• Review Jinnah affidavit and provide comments, review draft order and provide comments, review receiver 12th report and provide comments, prepare final SRD, respond to counsel emails, call with counsel to discuss final report.	2.00 hours

Time Summary

J. Krieger, Sr. Vice President	0.80	hours @	$	575.00	per hour	$	460.00
	0.80	hours @	$	550.00	per hour	$	440.00
J. Oros, Manager	3.20	hours @	$	285.00	per hour	$	912.00
	2.00	hours @	$	280.00	per hour	$	560.00
R. Wilford, Manager	0.25	hours @	$	250.00	per hour	$	62.50
	2.50	hours @	$	235.00	per hour	$	587.50
	9.55					$	3,022.00
5% Technology and Administration						$	151.10
						$	3,173.10
HST (13%)						$	412.50
Total Invoice Due						$	**3,585.60**

Court File No. CV-13-10362-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, C. c-36, AS AMENDED

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SILVER STREAMS HOMES INC., SILVER STREAMS HOMES (PUCCINI) INC., 2148993 ONTARIO INC., 2148990 ONTARIO INC., 2147681 ONTARIO INC. AND 2147650 ONTARIO INC.

Applicants

BILLING

BN 12738 4717 RT0001
Client #181330
Invoice#LSON-2870

To professional services rendered as Court Appointed CCAA Monitor for the period from December 1, 2016 to December 31, 2016.

Date	Description	Hours
December 1, 2016	Jonathan Krieger	
	• Correspondence re: matters related to distribution; Correspond with team thereto; Call to counsel re: queries thereto.	0.50 hours
December 1, 2016	Rosa Wilford	
	• Review email instructions re GIC and payments. Draft letter to Bank for partial redemption of GIC, prepare receipts and post GIC entries, issue cheques, email correspondences to and from Bank and general banking administration.	1.50 hours
December 5, 2016	Jonathan Krieger	
	• Correspond with team and counsel re: matters related to Order re: distribution.	0.50 hours

December 5, 2016	<u>Rosa Wilford</u>	
	• Follow up email and phone call with Bank; for partial redemption of GIC, review print screens, prepare receipts and post GIC entries, update schedule, meeting with team review disbursements and general banking administration.	0.80 hours
December 6, 2016	<u>Rosa Wilford</u>	
	• Respond to phone call from Bank; re cheque verification #100800, review ledger and respond to call.	0.20 hours
December 9, 2016	<u>Jan Oros</u>	
	• Review emails from counsel, forward invoices from monitors and debtors counsel for payment.	0.50 hours
December 9, 2016	<u>Rosa Wilford</u>	
	• Review email instructions re: payment of invoices; Complete cheque requisition forms, prepare and issue cheques and general banking administration.	0.50 hours
December 12, 2016	<u>Jan Oros</u>	
	• Review email approval for payment of invoice from debtor, review emails from counsel.	0.20 hours
December 13, 2016	<u>Jan Oros</u>	
	• Review emails from counsel and from those of the lien claimants.	0.20 hours
December 14, 2016	<u>Rosa Wilford</u>	
	• Review instructions from J. Krieger re: payment of invoices; Complete cheque requisition form, prepare and issue cheque and general banking administration; Review estate bank account and reconcile November 2016 statement.	0.50 hours
December 15, 2016	<u>Jan Oros</u>	
	• Review emails from counsel and lien claimant's counsel.	0.25 hours
December 15, 2016	<u>Rosa Wilford</u>	
	• Review banking reports and approve estate balances and update GIC term deposits.	0.30 hours

December 16, 2016	**Rosa Wilford**	
	• General banking administration.	0.30 hours
December 19, 2016	**Jan Oros**	
	• Review emails from counsel and debtor's counsel and lien claimant's counsel.	0.20 hours
December 20, 2016	**Rosa Wilford**	
	• General banking administration.	0.10 hours
December 21, 2016	**Jan Oros**	
	• Review emails from debtor's counsel, review email from Monitor's counsel.	0.20 hours
December 22, 2016	**Jan Oros**	
	• Review emails from debtors' counsel, review email from Monitor's counsel, obtain information from closing of lot 22.	0.30 hours
December 22, 2016	**Rosa Wilford**	
	• Review email instructions; Provide incoming wire instructions, letter, respond to email and general banking administration.	0.30 hours
December 23, 2016	**Jan Oros**	
	• Review emails from debtor's counsel, review email from monitor's counsel.	0.50 hours
December 23, 2016	**Rosa Wilford**	
	• Correspondences with Bank, review print screens for expecting wire, prepare deposit, posting entries, email to team re notification of wire and general banking administration.	0.70 hours
December 29, 2016	**Rosa Wilford**	
	• Correspondences with Bank, review print screens for expecting wire, prepare deposit, posting entries, email to team re notification of wire, review and follow email instructions and general banking administration.	1.00 hours

Time Summary

J. Krieger, Sr. Vice President	1.00	hours @	$ 550.00	per hour	$	550.00
J. Oros, Manager	2.35	hours @	$ 280.00	per hour	$	658.00
R. Wilford, Manager	6.20	hours @	$ 235.00	per hour	$	1,457.00
	9.55				$	2,665.00
5% Technology and Administration					$	132.75
					$	2,797.75
Disbursement (courier)					$	78.51
					$	2,876.26
HST (13%)					$	372.62
Total Invoice Due					**$**	**3,248.88**

Accounts are due when rendered. All accounts outstanding over 30 days will be charged interest at a rate of 1 ½% per month (18% per annum) until paid.

Court File No. CV-13-10362-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, C. c-36, AS AMENDED

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SILVER STREAMS HOMES INC., SILVER STREAMS HOMES (PUCCINI) INC., 2148993 ONTARIO INC., 2148990 ONTARIO INC., 2147681 ONTARIO INC. AND 2147650 ONTARIO INC.

Applicants

BILLING

BN 12738 4717 RT0001
Client #181330
Invoice#LSON-2764

To professional services rendered as Court Appointed CCAA Monitor for the period from November 19, 2016 to November 30, 2016.

Date	Description	Hours
November 21, 2016	Ian Oros	
	• Review draft monitors 11th report and provide comments to counsel.	0.75 hours
November 22, 2016	Ian Oros	
	• Review email from counsel and respond, update SRD and cash flow, send email to debtors counsel to review and approve cash flow and SRD.	1.00 hours
November 22, 2016	Jonathan Krieger	
	• Review and comments on report to Court; Finalize report; Review of draft SRD, CF projection; Comments thereto; Correspondence with counsel.	1..60 hours

November 22, 2016	**Rosa Wilforld**		
	•	Review email instructions from J. Oros re: payment of invoice; Complete cheque requisition form, prepare and issue cheque, correspondence with Bank, review screens for cleared and un-cleared items and general banking administration.	0.80 hours
November 23, 2016	**Jan Oros**		
	•	Review emails from counsel and respond to matters, get materials posted to website, send counsel signed court report.	0.50 hours
November 24, 2016	**Jan Oros**		
	•	Review and comment on email from counsel regarding Con-Drain motion.	0.10 hours
November 24, 2016	**Rosa Wilforld**		
	•	General banking administration.	0.10 hours
November 28, 2016	**Jan Oros**		
	•	Review emails from counsel.	0.25 hours
November 28, 2016	**Jonathan Krieger**		
	•	Review of correspondence from counsel re: matters related to Silver Streams project and lien claimants position.	0.20 hours
November 29, 2016	**Jan Oros**		
	•	Review emails from counsel, confirm payouts to lien claimants and BMO, get court endorsement posted to our website.	0.25 hours
November 30, 2016	**Jan Oros**		
	•	Call with counsel regarding payments to issue for lien payments, send instructions and cover letter to R. Wilford to accompany payments.	1.00 hours
November 30, 2016	**Jonathan Krieger**		
	•	Correspondence with team re matters related to distribution; Correspondence with counsel thereto.	0.40 hours

November 30, 2016 **Rosa Wilforld**

- Review multiple email instructions from J. Oros: re GIC and payments. Draft letter to Bank for partial redemption of GIC. Prepare payments; Complete cheque requisition forms, emails to and from team, review supporting documentation, update ascend proof of claims, addresses, draft letters and general banking administration. 3.50 hours

Time Summary

J. Krieger, Sr. Vice President	2.20	hours @	$ 550.00	per hour	$	1,210.00
J. Oros, Manager	3.85	hours @	$ 280.00	per hour	$	1,078.00
R. Wilford, Manager	4.40	hours @	$ 235.00	per hour	$	1,034.00
	10.45				$	3,322.00
5% Technology and Administration					$	166.10
					$	3,488.10
HST (13%)					$	453.45
Total Invoice Due					**$**	**3,941.55**

Exhibit "**B**" to the Affidavit of Jonathan Krieger, sworn before me this 26th day of November, 2017.

D Gd

Commissioner for Taking Affidavits, etc.

David Lawrence Goldband, a Commissioner, etc.,
Province of Ontario, for Grant Thornton Limited.
Expires April 1, 2019.

Exhibit "B"

Silver Streams Homes Inc. - CCAA
Summary of Fees of the Monitor
For the period from November 19, 2016 to January 25, 2017

Period		Fees	Disbursements	Subtotal	HST		Total
November 19-30, 2016	$	3,488.10	-	3,488.10	453.45	$	3,941.55
December 1-31, 2016	$	2,797.75	78.51	2,876.26	372.62	$	3,248.88
January 1-25, 2017	$	3,173.10	-	3,173.10	412.50	$	3,585.60
	$	**9,458.95**	**78.51**	**9,537.46**	**1,238.57**	**$**	**10,776.03**

SILVER STREAMS HOMES INC., SILVER STREAMS HOMES (PUCCINI) INC., 2148993 ONTARIO INC., 2148990 ONTARIO INC., 2147681 ONTARIO INC. AND 2147650 ONTARIO INC.

Applicants

Court File No.: CV-13-10362-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

AFFIDAVIT OF JONATHAN KRIEGER

Aird & Berlis LLP
181 Bay St, Suite 1800
Brookfield Place, Box 754
Toronto, ON M5J 2T9

Steven Graff
Tel: (416) 865-7726
Fax: (416) 863-1515
Email. sgraff@airdberlis.com

Ian Aversa
Tel. (416) 865-3082
Fax: (416) 863-1515
Email. iaversa@airdberlis.com

Lawyers for the Court-appointed Monitor

TAB 13

Court File No. 13-10362-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SILVER STREAMS HOMES INC., SILVER STREAMS HOMES (PUCCINI) INC., 2148993 ONTARIO INC., 2148990 ONTARIO INC., 2147681 ONTARIO INC. AND 2147650 ONTARIO INC.

Applicants

AFFIDAVIT OF STEVEN L. GRAFF
(sworn January 26, 2017)

I, **STEVEN L. GRAFF**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS**:

1. I am a lawyer at Aird & Berlis LLP and, as such, I have knowledge of the matters to which I hereinafter depose. Aird & Berlis LLP is acting as counsel for Grant Thornton Limited ("**GTL**"), in its capacity as the Court-appointed Monitor of the Applicants.

2. Aird & Berlis LLP has prepared statements of account in connection with its mandate as counsel to GTL, detailing its services rendered and disbursements incurred, namely:

   (a) an account dated November 30, 2016 in the amount of $7,909.09 in respect of the period from November 19, 2016 to November 30, 2016; and

   (b) an account dated January 26, 2017 in the amount of $21,861.67 in respect of the period from December 1, 2016 to January 25, 2017,

   (collectively, the "**Statements of Account**").

   Attached hereto and marked as **Exhibit "A"** to this Affidavit are copies of the Statements of Account. The average hourly rate of Aird & Berlis LLP is $415.42.

3. Attached hereto and marked as **Exhibit "B"** to this Affidavit is a chart detailing the lawyers, law clerks and articling students who have worked on this matter.

4. This Affidavit is made in support of a motion to, *inter alia,* approve the attached accounts of Aird & Berlis LLP and the fees and disbursements detailed therein, and for no improper purpose whatsoever.

SWORN before me at the City of Toronto, in the Province of Ontario this 26th day of January, 2017	))))))	**STEVEN L. GRAFF**
A commissioner, etc. IAN AVERSA		

Attached is Exhibit "A"

Referred to in the

AFFIDAVIT OF STEVEN L. GRAFF

Sworn before me

this 26th day of January, 2017

IAN AVERSA

Commissioner for taking Affidavits, etc

IN ACCOUNT WITH:

AIRD & BERLIS LLP

Barristers and Solicitors

Brookfield Place, 181 Bay Street
Suite 1800, Box 754, Toronto, ON M5J 2T9 Canada
T 416.863.1500 F 416.863.1515
www.airdberlis.com

Grant Thornton Limited
200 King Street West, 11th Floor
Toronto, ON
Canada M5H 3T4

Attention: Mr. Jonathan Krieger and Mr. Jan Oros

Account No.: 551249

PLEASE WRITE ACCOUNT NUMBERS ON THE BACK OF ALL CHEQUES

File No.: 25227/118506

November 30, 2016

Re: Silver Streams Homes Inc.

FOR PROFESSIONAL SERVICES RENDERED on your behalf throughout the period ended November 30, 2016

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
IEA	21/11/16	$450.00	1.50	$675.00	Engaged with reviewing draft report and providing comments; Discussions and instructions to J. Nemers regarding same; Engaged with preparing fee affidavit; Emails to and from client and J. Nemers regarding draft report and next steps
JTN	21/11/16	$305.00	0.70	$213.50	Engaged with revisions to draft report
IEA	22/11/16	$450.00	2.10	$945.00	Emails to and from Applicants' counsel, clients and J. Nemers; Engaged with reviewing the cash flow projections; Engaged with further revisions to the draft 11th report; Emails to and from clients and J. Nemers regarding same
IEA	23/11/16	$450.00	2.20	$990.00	Emails to and from Applicants' counsel, clients and J. Nemers regarding cash flows; Engaged with compiling the 11th report and coordinating service and filing of same; Emails to and from clients and J. Nemers

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
IEA	24/11/16	$450.00	1.00	$450.00	Emails to and from Applicants' counsel, other counsel, clients and J. Nemers; Telephone call with M. Poliak and J. Nemers; Discussions and instructions to J. Nemers
JTN	24/11/16	$305.00	0.40	$122.00	Receipt and review of emails from M. Poliak and others; Telephone call with M. Poliak and I. Aversa
IEA	25/11/16	$450.00	0.40	$180.00	Emails to and from Applicants' counsel, client and J. Nemers; Discussions and instructions to J. Nemers
PW	25/11/16	$170.00	0.60	$102.00	Filed 11th Report of Monitor for November 29, 2016
IEA	26/11/16	$450.00	0.20	$90.00	Emails to and from Applicants' counsel, clients and J. Nemers regarding draft order and hearing
IEA	27/11/16	$450.00	0.20	$90.00	Emails to and from Applicants' counsel, clients and J. Nemers regarding draft order and hearing
IEA	28/11/16	$450.00	1.10	$495.00	Emails to and from Applicants' counsel, other counsel, clients and J. Nemers regarding the draft order and the hearing; Discussions with J. Nemers regarding same; Engaged with reviewing revised draft order; Update to clients; Update to S. Graff
IEA	29/11/16	$450.00	2.90	$1,305.00	Attend court; Discussions and instructions to J. Nemers; Emails to and from service list, client and J. Nemers; Engaged with reviewing order and endorsement; Emails to and from M. Poliak
JTN	29/11/16	$305.00	0.30	$91.50	Receipt and review of issued and entered Orders and endorsement; Discussion with I. Aversa re same; Email to service list enclosing Monitor's letter
IEA	30/11/16	$450.00	1.10	$495.00	Telephone call and emails to and from client and J. Nemers regarding distribution and next steps regarding

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
					same; Discussions and instructions to J. Nemers regarding same; Emails to and from counsel and J. Nemers regarding distributions
JTN	30/11/16	$305.00	0.90	$274.50	Telephone call and emails with J. Oros; Engaged with assembly of payment instructions for distributions; Emails to J. Spiegelman and E. Bisceglia re same
TOTAL:			15.60	$6,518.50	

Name	Hours	Rate	Value
Ian E. Aversa (IEA)	12.70	$450.00	$5,715.00
Jeremy T. Nemers (JTN)	2.30	$305.00	$701.50
Patrick Williams (PW)	0.60	$170.00	$102.00

OUR FEE		$6,518.50
HST at 13%		$847.41

DISBURSEMENTS

Subject to HST

Photocopies - Local	$183.00	
Binding and Tabs	$30.75	
Deliveries/Parss	$26.44	
Photocopies	$173.25	
Imaging/Scanning	$67.25	
Total Disbursements		$480.69
HST at 13%		$62.49

AMOUNT NOW DUE	**$7,909.09**

THIS IS OUR ACCOUNT HEREIN
Aird & Berlis LLP

Ian E Aversa

E.&O.E.

PAYMENT OF THIS ACCOUNT IS DUE ON RECEIPT

IN ACCORDANCE WITH THE SOLICITORS ACT, ONTARIO, INTEREST WILL BE CHARGED AT THE RATE OF 0.8% PER ANNUM ON UNPAID AMOUNTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS ACCOUNT IS DELIVERED.

GST / HST Registration # 12184 6539 RT0001

NOTE: This account may be paid by wire transfer in Canadian funds to our account at The Toronto-Dominion Bank, TD Centre, 55 King Street West, Toronto, Ontario, M5K 1A2. Account number 5221521, Transit number 10202, Swift Code TDOMCATTTOR. Please include the account number as reference.

27834942.1

REMIT TO:
Aird & Berlis LLP
Brookfield Place, Suite 1800
Box 754, 181 Bay Street
Toronto, Ontario M5J 2T9
T 416 863 1500
F 416 863 1515

Grant Thornton Limited
File No.: 25227-118506
Account No.: 551249
Date: November 30, 2016

REMITTANCE SLIP

Total Fees	$6,518.50
Total Taxable Disbursements	$480.69
Total HST	$909.90
AMOUNT TO BE PAID	**$7,909.09**

PLEASE REMIT WITH PAYMENT IN CANADIAN FUNDS

This account may be paid by wire transfer in Canadian funds to our account at The Toronto-Dominion Bank, TD Centre, 55 King Street West, Toronto, Ontario, M5K 1A2. Account number 5221521, Transit number 10202, Swift Code TDOMCATTTOR. Please include the account number as reference.

IN ACCOUNT WITH:

AIRD & BERLIS LLP

Barristers and Solicitors

Brookfield Place, 181 Bay Street
Suite 1800, Box 754, Toronto, ON M5J 2T9 Canada
T 416.863.1500 F 416.863.1515
www.airdberlis.com

Grant Thornton Limited
200 King Street West, 11th Floor
Toronto, ON
Canada M5H 3T4

Attention: Mr. Jan Oros

Account No.: 555061

PLEASE WRITE ACCOUNT NUMBERS ON THE BACK OF ALL CHEQUES

File No.: 25227/118506

January 26, 2017

Re: Silver Streams Homes Inc.

FOR PROFESSIONAL SERVICES RENDERED on your behalf throughout the period ended January 25, 2017

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
IEA	01/12/16	$450.00	0.10	$45.00	Voicemails to and from client
IEA	05/12/16	$450.00	0.20	$90.00	Emails to and from client and J. Nemers
IEA	06/12/16	$450.00	0.20	$90.00	Emails to and from clients and J. Nemers and discussions with J. Nemers regarding same
IEA	07/12/16	$450.00	0.20	$90.00	Discussions and instructions to J. Nemers regarding correspondence to Justice Wilton-Siegel
IEA	09/12/16	$450.00	0.60	$270.00	Emails to and from counsel, J. Nemers and client regarding responses to Monitor's letter to Court; Engaged with reviewing same; Discussions and instructions to J. Nemers regarding same
JTN	09/12/16	$305.00	0.50	$152.50	Engaged with drafting of letter to His Honour re Tarion issue; Email to I. Aversa re same
IEA	12/12/16	$450.00	1.00	$450.00	Engaged with reviewing letter to Justice Wilton-Siegel and providing

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
					comments; Several emails to and from counsel, client and J. Nemers regarding same; Engaged with reviewing documents provided by counsel
JTN	12/12/16	$305.00	0.20	$61.00	Engaged with review of draft letter to His Honour; Email exchange with S. Moniz re same
IEA	13/12/16	$450.00	1.00	$450.00	Several emails to and from counsel, client, court and J. Nemers regarding correspondence to the court; Engaged with reviewing documents from various parties regarding same; Telephone call with A. Slavens; Emails to and from client and J. Nemers
JTN	13/12/16	$305.00	0.10	$30.50	Engaged with review of draft email to service list
IEA	14/12/16	$450.00	0.30	$135.00	Emails to and from counsel, court, client and J. Nemers regarding 9:30 hearing; Emails to and from M. Poliak
IEA	15/12/16	$450.00	1.00	$450.00	Emails to and from counsel, client and J. Nemers regarding 9:30 appointment and next steps re same; Telephone call with M. Poliak re update and next steps; Emails to and from M. Poliak, A. Slavens and J. Nemers regarding Tarion letters of credit; Update to client
IEA	16/12/16	$450.00	0.30	$135.00	Emails to and from Applicants' counsel and J. Nemers regarding update re LCs; Emails to and from clients and J. Nemers regarding same; Emails to and from counsel and client regarding cost issue
IEA	19/12/16	$450.00	0.50	$225.00	Emails to and from counsel, client and J. Nemers regarding 9:30 hearing; Engaged with reviewing documents regarding same; Discussions with J. Nemers regarding same; Emails to and from Applicants' counsel, client and J. Nemers regarding closing re Lot 22

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
IEA	20/12/16	$450.00	0.50	$225.00	Engaged with reviewing letter from S. Turajlich to Court and emails to and from counsel, client and J. Nemers regarding same
IEA	22/12/16	$450.00	0.20	$90.00	Emails to and from Applicant's counsel, client and J. Nemers regarding closing re Lot 18
IEA	23/12/16	$450.00	0.30	$135.00	Emails to and from Applicants' counsel, client and J. Nemers regarding closing re Lot 18
IEA	29/12/16	$450.00	0.30	$135.00	Engaged with reviewing email from J. Greenberg and emails to and from client and J. Nemers regarding same
IEA	03/01/17	$495.00	0.20	$99.00	Emails to and from clients and J. Nemers re correspondence from J. Greenberg
IEA	05/01/17	$495.00	1.50	$742.50	Emails to and from clients and J. Nemers; Emails to and from M. Drudi, clients and J. Nemers; Engaged with reviewing order and endorsement re distribution; Discussion with J. Nemers re same; Emails to and from clients and J. Nemers re same
JTN	05/01/17	$325.00	0.20	$65.00	Receipt and review of emails re distributions; Discussion with I. Aversa re same
IEA	06/01/17	$495.00	0.60	$297.00	Emails to and from Applicants' counsel, clients, Tarion's counsel and J. Nemers regarding LCs and next steps regarding same; Telephone call with M. Poliak and clients; Emails to and from clients, A. Slavens and M. Poliak regarding same; Emails to and from J. Greenberg, clients and J. Nemers regarding distribution of funds
IEA	09/01/17	$495.00	0.60	$297.00	Emails to and from J. Greenberg and client regarding distribution; Emails to and from M. Poliak, A. Slavens, client and J. Nemers

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
					regarding LCs and next steps regarding same
IEA	10/01/17	$495.00	1.00	$495.00	Telephone call and emails to and from A. Slavens, M. Poliak, client and J. Nemers regarding letters of credit
KBP	10/01/17	$395.00	0.80	$316.00	Review and consider email from I. Aversa; review and consider emails from Torys and Chaitons regarding upcoming motion returnable January 30, 2017.
IEA	11/01/17	$495.00	1.20	$594.00	Engaged with reviewing correspondence from A. Slavens regarding letters of credit; Emails to and from clients, A. Slavens and M. Poliak regarding same; Telephone call with M. Poliak; Discussions and instructions to J. Nemers
JTN	11/01/17	$325.00	0.90	$292.50	Receipt and review of Tarion spreadsheet; Email exchange with M. Poliak re J. Greenberg security; Email exchange re tomorrow's court attendance
IEA	12/01/17	$495.00	1.00	$495.00	Emails to and from client and J. Nemers regarding hearing and next steps; Discussions with J. Nemers regarding reviewing of materials re LCs; Telephone call with J. Nemers and J. Greenberg; Discussions and emails regarding same
KC	12/01/17	$300.00	0.50	$150.00	Review legal descriptions; conduct searches in Teraview to determine municipal addresses
KC	12/01/17	$300.00	1.10	$330.00	Discussion with A. Silver to receive instructions; order title search; order off title compliance letters
JTN	12/01/17	$325.00	1.90	$617.50	Prepare for and attend 9:30 court appointment; Engaged with further review of Tarion spreadsheet and related matters; Email to K. Connell and A. Silver re requisite searches and confirmations re same; Engaged with review of and

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
					consider implications of same; Telephone call and email exchange with J. Greenberg re security; Receipt of materials from J. Greenberg re same; Instruct S. Morris re same
AYS	12/01/17	$350.00	1.50	$525.00	Prepare updated PIN maps and determine municipal addresses for properties on Puccini and Rossini Drive, Richmond Hill
IEA	13/01/17	$495.00	1.10	$544.50	Engaged with reviewing the endorsement of Justice Wilton-Siegel and emails to and from Applicants' counsel, other counsel and J. Nemers regarding same; Telephone call and emails to and from client and J. Nemers regarding distribution, costs endorsement and next steps; Telephone call with M. Poliak and J. Nemers
JTN	13/01/17	$325.00	0.70	$227.50	Telephone call with M. Poliak re next steps; Telephone call with client re same
IEA	14/01/17	$495.00	0.20	$99.00	Emails to and from S. Morris and J. Nemers
SRM	14/01/17	$350.00	0.50	$175.00	Review additional material and report on same
JTN	14/01/17	$325.00	0.20	$65.00	Email chain with S. Morris re updated security review re J. Greenberg security
IEA	15/01/17	$495.00	0.20	$99.00	Emails to and from M. Poliak and J. Nemers
IEA	16/01/17	$495.00	0.10	$49.50	Emails to and from M. Poliak and J. Nemers
IEA	17/01/17	$495.00	1.00	$495.00	Meeting with J. Nemers regarding update and next steps; Instructions to J. Nemers regarding same; Emails to and from client and J. Nemers; Emails to and from J. Greenberg, M. Poliak, client and J. Nemers

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
JTN	17/01/17	$325.00	2.20	$715.00	Engaged with review of updated excel spreadsheet re Tarion claims; Discussion with I. Aversa re same; Email exchange and telephone call with J. Oros re same; Email to M. Poliak and A. Slavens re position re same; Receipt and review of updated positon on J. Greenberg security from S. Morris; Discussion with I. Aversa re same; Email to and discussion with J. Greenberg re same; Telephone call with M. Poliak re various related issues
IEA	18/01/17	$495.00	3.50	$1,732.50	Emails to and from M. Poliak, A. Slavens and J. Nemers; Telephone call with M. Poliak re same; Emails to and from M. Poliak, client and J. Nemers re Con-Drain motion; Telephone call with M. Poliak re same; Emails to and from A. Slavens and M. Poliak; Update to clients re update and next steps; Engaged with preparing the 12th report of the Monitor and related materials; Emails to and from clients, S. Graff and J. Nemers re same
IEA	19/01/17	$495.00	1.20	$594.00	Attend court; Emails to and from clients, J. Nemers and K. Plunkett re same; Discussions and instructions to J. Nemers regarding security opinion and draft report
IEA	20/01/17	$495.00	1.50	$742.50	Engaged with reviewing security opinion and providing comments; Emails to and from J. Nemers and S. Morris re same; Discuss and instruct J. Nemers re same; Meeting with J. Nemers re draft 12th report; Discuss and instruct J. Nemers re same
SRM	20/01/17	$350.00	0.50	$175.00	Order updated PPSA searches and review same; Review revised opinion and revise Schedule A of searches
JTN	20/01/17	$325.00	1.50	$487.50	Engaged with revisions to and drafting of security opinion re J.

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
					Greenberg-related security; Attend to related matters as needed
IEA	21/01/17	$495.00	0.20	$99.00	Emails to and from K. Plunkett re update and next steps re hearing
IEA	23/01/17	$495.00	0.60	$297.00	Emails to and from clients, J. Nemers and S. Morris re security opinion; Discuss and instruct J. Nemers re same; Emails to and from clients, J. Nemers, S. Morris, M. Poliak and others re security opinion and next steps re hearing
SRM	23/01/17	$350.00	0.30	$105.00	Review certified PPSA searches and report on same
JTN	23/01/17	$325.00	2.10	$682.50	Engaged with finalization and issuance of security opinion; Emails re same to client, M. Poliak and J. Greenberg; Follow-up email to M. Poliak re materials for next week's court attendance; Engaged with drafting of Twelfth Report; Attend to related matters as needed
IEA	24/01/17	$495.00	0.30	$148.50	Emails to and from Applicants' counsel, client and J. Nemers re update and next steps and discussions with J. Nemers regarding same
IEA	25/01/17	$495.00	2.80	$1,386.00	Emails to and from Applicants' counsel, clients and J. Nemers; Discussions and instructions to J. Nemers regarding review of draft motion materials; Engaged with reviewing the revised motion materials and providing comments; Engaged with reviewing the revised draft report and providing comments; Several emails and discussions with client and J. Nemers regarding same
JTN	25/01/17	$325.00	4.60	$1,495.00	Engaged with review of, revisions to and drafting of affidavit; Email exchange and telephone call with J. Oros re same; Email exchange and telephone call with M. Poliak re same; Engaged with review of and

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
					revisions to draft Order; Engaged with further drafting of Twelfth Report; Further follow-up emails with M. Poliak; Attend to related matters as needed
TOTAL:			45.80	$18,988.50	

Name	Hours	Rate	Value
Ian E. Aversa (IEA)	25.50	$483.18	$12,321.00
Jeremy T. Nemers (JTN)	15.10	$323.94	$4,891.50
Kyle B. Plunkett (KBP)	0.80	$395.00	$316.00
Kari Connell (KC)	1.60	$300.00	$480.00
Aaron Y. Silver (AYS)	1.50	$350.00	$525.00
Shannon R. Morris (SRM)	1.30	$350.00	$455.00

OUR FEE		$18,988.50
HST at 13%		$2,468.51
DISBURSEMENTS		
COST INCURRED ON YOUR BEHALF AS AN AGENT		
Search Under P.P.S.A.		$96.00
Subject to HST		
Photocopies - Local	$166.00	
Imaging/Scanning	$7.75	
Taxi	$35.40	
Teraview Search	$10.00	
Service Provider Fee	$54.00	
Total Disbursements		$273.15
HST at 13%		$35.51
AMOUNT NOW DUE		**$21,861.67**

THIS IS OUR ACCOUNT HEREIN
Aird & Berlis LLP

per:

Steven L. Graff

E.&O.E.

PAYMENT OF THIS ACCOUNT IS DUE ON RECEIPT

IN ACCORDANCE WITH THE SOLICITORS ACT, ONTARIO, INTEREST WILL BE CHARGED AT THE RATE OF 0.8% PER ANNUM ON UNPAID AMOUNTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS ACCOUNT IS DELIVERED.

GST / HST Registration # 12184 6539 RT0001

NOTE: This account may be paid by wire transfer in Canadian funds to our account at The Toronto-Dominion Bank, TD Centre, 55 King Street West, Toronto, Ontario, M5K 1A2. Account number 5221521, Transit number 10202, Swift Code TDOMCATTTOR. Please include the account number as reference.

28331168.1

REMIT TO:
Aird & Berlis LLP
Brookfield Place, Suite 1800
Box 754, 181 Bay Street
Toronto, Ontario M5J 2T9
T 416 863 1500
F 416 863 1515

Grant Thornton Limited
File No.: 25227-118506
Account No.: 555061
Date: January 26, 2017

REMITTANCE SLIP

Total Fees	$18,988.50
Total Non-Taxable Disbursements	$96.00
Total Taxable Disbursements	$273.15
Total HST	$2,504.02
AMOUNT TO BE PAID	**$21,861.67**

PLEASE REMIT WITH PAYMENT IN CANADIAN FUNDS

This account may be paid by wire transfer in Canadian funds to our account at The Toronto-Dominion Bank, TD Centre, 55 King Street West, Toronto, Ontario, M5K 1A2. Account number 5221521, Transit number 10202, Swift Code TDOMCATTTOR. Please include the account number as reference.

Attached is Exhibit "B"

Referred to in the

AFFIDAVIT OF STEVEN L. GRAFF

Sworn before me

this 26th day of January, 2017

IAN AVERSA

Commissioner for taking Affidavits, etc

STATEMENT OF RESPONSIBLE INDIVIDUALS

Aird & Berlis LLP's professional fees herein are made with respect to the following individuals

Lawyer	Call to Bar	Hrly Rate	Total Time	Value
Ian Aversa	2008	\$450.00 (2016) \$495.00 (2017)	19.4 18.8	\$8,730.00 \$9,306.00
Jeremy Nemers	2014	\$305.00 (2016) \$325.00 (2017)	3.1 14.3	\$ 945.50 \$4,647.50
Kyle Plunkett	2011	\$395.00 (2017)	0.8	\$ 316.00
Aaron Silver	2013	\$350.00 (2017)	1.5	\$ 525.00
Clerk/Student	**Call to Bar**	**Hrly Rate**	**Total Time**	**Value**
Patrick William	N/A	\$170.00 (2016)	0.6	\$ 102.00
Shannon Morris	N/A	\$350.00 (2017)	1.3	\$ 455.00
Kari Connell	N/A	\$300.00 (2017)	1.6	\$ 480.00

Standard hourly rates listed. However, in certain circumstances adjustments to the account were made.

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT SILVER STREAMS HOMES INC., SILVER STREAMS HOMES (PUCCINI) INC., 2148993 ONTARIO INC., 2148990 ONTARIO INC., 2147681 ONTARIO INC. AND 2147650 ONTARIO INC.

Court File No. 13-10362-00CL

(Short title of proceeding)

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

AFFIDAVIT OF STEVEN L. GRAFF

AIRD & BERLIS LLP
Barristers and Solicitors
Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Steven L. Graff (LSUC # 31871V)
Tel: 416.865.7726
Fax: 416.863.1515
Email: sgraff@airdberlis.com

Ian Aversa (LSUC # 55449N)
Tel: 416.865.3082
Fax: 416.863.1515
Email: iaversa@airdberlis.com

Lawyers for Grant Thornton Limited, in its capacity as the Monitor of the Applicants

TAB 14

Silver Streams Homes Inc., Silver Streams Homes (Puccini) Inc., 2148993 Ontario Inc., 2148990 Ontario Inc., 2147681 Ontario Inc. and 2147650 Ontario Inc.
Monitor's Final Statement of Receipts and Disbursements for the period December 18, 2013 to January 26, 2017
($CAD, Unaudited)

	Actual December 18, 2013 - November 22, 2016	Receipts/Disbursements from Nov.23, 2016 to January 26, 2017	Total Receipts/Disbursements from Dec.18, 2013 to January 26, 2017	Final Payments to be Issued
Receipts				
Lot #22				
Closing proceeds, net of deposit collected	827,723		827,723	
Less: Commission	-		-	
Lot #25	-		-	
Gross closing proceeds, net of deposit collected	801,705		801,705	
Commission payable (3.5% of gross purchase price)	-		-	
Lot #19 - Deposit	40,000		40,000	
Closing proceeds, net of deposit collected	687,166		687,166	
Less: Bonus Sales Team Rep	-		-	
Lot #23 (PH2) Deposit	40,000		40,000	
Closing proceeds, net of deposit collected	891,428		891,428	
Less: Bonus Sales Team Rep	(34,637)		(34,637)	
Lot #24 (PH2) Deposit	35,000		35,000	
Closing proceeds, net of deposit collected	895,995		895,995	
Less: Bonus Sales Team Rep	-		-	
Lot 20 - Deposit	40,000		40,000	
Closing proceeds, net of deposit collected	757,991		757,991	
Less: Bonus Sales Team Rep	-		-	
Lot #1 - Deposit	40,000		40,000	
Closing proceeds, net of deposit collected	814,221		814,221	
Less: Bonus Sales Team Rep	-		-	
Lot #23 (PH3) Deposit	50,000		50,000	
Closing proceeds, net of deposit collected	925,558		925,558	
Less: Bonus Sales Team Rep	-		-	
Lot 24 - Deposit	40,000		40,000	
Closing proceeds, net of deposit collected	909,946		909,946	
Less: Bonus Sales Team Rep	-		-	
Empty Lot - Deposit	50,000		50,000	
Closing proceeds, net of deposit collected	-	780,049	780,049	
Less: Bonus Sales Team Rep	-		-	
General	-		-	
LC - Tarion			-	
Interim financing facility (i.e. DIP loan)	425,000		425,000	
Interest Income	32,115		32,115	
HST collected (net of $24k from the HST rebate program)	713,623	7,987	721,610	
Total receipts	8,982,835	788,036	9,770,871	-
Disbursements				
Lot #22				
Interior finishing cost	20,503		20,503	
Exterior finishing cost	5,523		5,523	
HST (13%)	3,383		3,383	
Lot #25	-		-	
Interior finishing cost	31,227		31,227	
Exterior finishing cost	11,148		11,148	
HST (13%)	5,509		5,509	
Lot #23 Phase 2	-		-	
Interior finishing cost	68,104		68,104	
Exterior finishing cost	1,400		1,400	
HST (13%)	9,036		9,036	
Lot #23	-		-	
Interior finishing cost	30,140		30,140	
Exterior finishing cost	-		-	
HST (13%)	3,518		3,518	
Lot #24	-		-	
Interior finishing cost	106,235		106,235	
Exterior finishing cost	11,206		11,206	
HST (13%)	15,267		15,267	
Lot #20	-		-	
Interior finishing cost	52,600		52,600	

Silver Streams Homes Inc., Silver Streams Homes (Puccini) Inc., 2148993 Ontario Inc., 2148990 Ontario Inc., 2147681 Ontario Inc. and 2147650 Ontario Inc.
Monitor's Final Statement of Receipts and Disbursements for the period December 18, 2013 to January 26, 2017
($CAD, Unaudited)

	Actual December 18, 2013 - November 22, 2016	Receipts/Disbursements from Nov.23, 2016 to January 26, 2017	Total Receipts/Disbursements from Dec.18, 2013 to January 26, 2017	Final Payments to be Issued
Exterior finishing cost	-		-	
HST (13%)	6,838		6,838	
Lot #19	-		-	
Interior finishing cost	4,537		4,537	
Exterior finishing cost	-		-	
HST (13%)	590		590	
Lot #1	-		-	
Interior finishing cost	70,386		70,386	
Exterior finishing cost	2,539		2,539	
HST (13%)	9,480		9,480	
General (projection is inclusive of HST)	-		-	
HST Paid on general expenses	214,373	10,816	225,189	
Management fees	311,677		311,677	
Marketing salaries for sales office	17,975		17,975	
Other marketing expenses	18,378		18,378	
Property taxes	29,896	1,068	30,963	
Insurance	58,084		58,084	
Office expenses and banking/LC fees	62,959	15	62,974	
Automotive expenses	59,384		59,384	
Post-closing service costs re: Lot 17	7,500		7,500	
Tarion warranty - service and materials for pre-CCAA closings	128,218		128,218	
Tarion warranty *for Homes Sold under CCAA*	4,000		4,000	
Repayment of BMO Mortgage	1,110,181		1,110,181	
Repayment of Home Trust Mortgage	1,340,636		1,340,636	
Repayment to Foremost Financial	536,433		536,433	
Estimated post-CCAA filing HST remittance/(refund)	589,300		589,300	
Source Deductions Per Court-Approved Settlement	86,000		86,000	
Contingency (15% of construction costs)	19,065		19,065	
Repayment of the interim financing facility	483,775		483,775	
Commissions	92,562		92,562	
Payment to Jack Greenberg, In Trust for Private Lenders		1,000,000	1,000,000	
Payment to Lien Claimants		717,939	717,939	
Payment to Agueci Calabretta, In Trust		456,126	456,126	
Payment to Chaitons, RE: Condrain matter			-	283,000
Professional fees	1,106,796	54,640	1,161,436	
Amount available to satisfy Fee Accrual and balance of Third Distribution				500,909
Total disbursements	6,746,359	2,240,602	8,986,961	783,909.43
Net cash inflow/(outflow)	2,236,476	(1,452,566)	783,909	(783,909)
Bank account - opening balance		2,236,476		783,909
Bank account - closing balance	2,236,476	783,909	783,909	-

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SILVER STREAMS HOMES INC., SILVER STREAMS HOMES (PUCCINI) INC., 2148993 ONTARIO INC., 2148990 ONTARIO INC., 2147681 ONTARIO INC. AND 2147650 ONTARIO INC.

Court File No. CV-13-10362-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceedings commenced at Toronto

TWELFTH REPORT TO THE COURT OF GRANT THORNTON LIMITED, MONITOR OF THE APPLICANTS UNDER THE *COMPANIES' CREDITORS ARRANGEMENT ACT*

AIRD & BERLIS LLP
Barristers and Solicitors
Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Steven L. Graff (LSUC #31871V)
Tel: (416) 865-7726
Fax: (416) 863-1515
Email: sgraff@airdberlis.com

Ian Aversa (LSUC # 55449N)
Tel: (416) 865-3082
Fax: (416) 863-1515
Email: iaversa@airdberlis.com

Jeremy Nemers (LSUC # 66410Q)
Tel: (416) 865-7724
Fax: (416) 863-1515
Email: jnemers@airdberlis.com

Lawyers for Grant Thornton Limited, in its capacity as the Monitor