

**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 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.

AFFIDAVIT OF ZENA HANSON

I, **ZENA HANSON**, of the City of Oshawa, in the Regional Municipality of Durham,
MAKE OATH AND SAY AS FOLLOWS:

1. I am Administration Manager for the lien claimants, Argo Lumber Inc. and Newmar Window Manufacturing Inc. ("Alpa"), and, as such, I have knowledge, information and belief of the matters to which I hereinafter depose. Where information is obtained from third parties, I verily believe it to be true.
2. I had an opportunity to review the Settlement Agreement made between various parties and identified as Exhibit "F" to the Affidavit of Imran Jinnah sworn March 25, 2015 ("Jinnah March/15 Affidavit").
3. I have also reviewed the original Affidavit of Imran Jinnah sworn on February 26, 2015 which is also attached as Exhibit "G" to the Jinnah March/15 Affidavit.
4. At issue on the Tarion Warranty Corporation ("Tarion") settlement is who is properly registered with Tarion; in particular, whether or not Silver Stream Homes (Puccini) Inc. ("Puccini") was a vendor registered under the Ontario New Home Warranties Plan Act (the "Act").

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5. In paragraphs 20 to 27 of the Jinnah March/15 Affidavit, Mr. Jinnah makes certain statements regarding letters of credit, deposits and which entities applied for registration under Tarion and his knowledge in this regard.
6. In order to properly respond and to consider whether or not Puccini was properly registered under the Act and Tarion, I instructed my lawyer to obtain copies of the disclosure in the prosecution. I would expect the disclosure to confirm:
 - (a) who was applying for registration;
 - (b) the letters and deposits provided;
 - (c) the financial position of the Applicants; and
 - (d) other necessary disclosure which would provide a reasonable basis to consider the settlement and provide an informed position to it.
7. While we were provided copies of the charges, all of the parties have refused to provide copies of the disclosure in the Tarion matter.
8. Tarion's counsel has responded by indicating that the documents are not normally open to the public; however, this is irrelevant. There is no doubt that Puccini would have copies of the documentation itself.
9. Given the refusal to provide the disclosure, I believe that the contents of the disclosure are not favourable to Puccini.
10. Under the circumstances, I am led to the conclusion that Tarion is seeking to obtain an improper preference with respect to the cash security of approximately \$1.24 million which has been posted with Tarion.
11. Further, I believe that the Monitor, Grant Thornton Limited ("Monitor"), ought to investigate this matter as part of its mandate to determine whether or not this security ought to form part of the CCAA Estate for distribution. Attached hereto and

marked as **Exhibit "A"** is a true copy of the letter of Emilio Bisceglia, counsel for Argo Lumber Inc. and Newmar Window Manufacturing Inc., to Ian Aversa, counsel for the Monitor, requesting that the Monitor investigate.

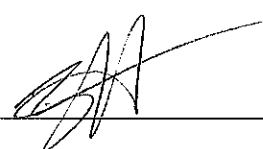
12. In considering all matters, I believe that the settlement should not be approved and that the security of the cash held by Tarion should be released to the CCAA Estate and distributed in accordance with further Court Orders.
13. I make this affidavit in opposition to the within settlement and for no other or improper purpose.

SWORN BEFORE ME in the City
of Vaughan, in the Regional
Municipality of York,
this ^{2nd} day of April, 2015

A Commissioner, etc.

SONJA TURASLICH

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ZENA HANSON

*This is **Exhibit "A"** referred
to in the Affidavit of **Zena Hanson**
sworn before me this 2nd
day of April, 2015*

A Commissioner for Taking Affidavits, etc.

SONJA TURAVLICH

BISCEGLIA & ASSOCIATES
PROFESSIONAL CORPORATION
BARRISTERS - AT - LAW

VIA FAX

April 1, 2015

Aird & Berlis LLP
Barristers and Solicitors
Brookfield Place
181 Bay Street
Suite 1800, Box 754
Toronto, Ontario
M5J 2T9

Attention: Ian Aversa

Dear Sir:

RE: Argo Lumber Inc. vs. Silver Streams Homes (Puccini) Inc.
Court File No.: CV-13-116990-00

RE: Newmar Window vs. Silver Streams Homes (Puccini) Inc.
Court File No.: CV-13-116991-00

We have a copy of the Motion Record served by the Applicants in respect of the Motion returnable on April 23, 2015 for an Order declaring that the Applicants' have authority to enter into a settlement agreement with Tarion Warranty Corporation; or, in the alternative, approving the settlement agreement.

In our view, the Monitor ought to, as part of its mandate, investigate this matter to determine whether or not the security of cash held by Tarion should be released to the Estate and distributed in accordance with the CCAA proceeding.

We ask your client to reconsider its position in this regard. We look forward to hearing from you.

Yours very truly,

COPY

EMILIO BISCEGLIA
EB/lm