

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



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

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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 it 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

TAB 1

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.

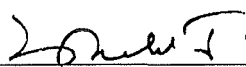
43. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this 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 / REGISTRÉ À TORONTO
CN / FCC / NO:
LE / DANS LE REGISTRE NO.:



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DEC 17 2013

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

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Lawyers for the Applicants

TAB 2

**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.

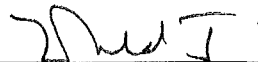
5. **THIS COURT ORDERS** that should a Lien Claimant refuse or neglect to pay its pro rata share of costs (a "**Defaulting Lien Claimant**"), then any other Lien Claimant shall be at liberty to advance the costs payable by the Defaulting Lien Claimant and shall be entitled to twice the amount advanced, 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 ~~Commercial List~~ ^{Superior Court} 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.

WPNJ
JAN 8 2015
JAN 8 2015



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

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

TAB 3

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT is entered into as of the 17th day of February, 2015.

AMONG:

TARION WARRANTY CORPORATION

("Tarion")

- and -

SILVER STREAMS HOMES INC.

("Homes")

- and -

SILVER STREAMS HOMES (PUCCINI) INC.

("Puccini")

- and -

2148993 ONTARIO INC.

("2148993")

- and -

2148990 ONTARIO INC.

("2148990")

- and -

2147681 ONTARIO INC.

("2147681")

- and -

2147650 ONTARIO INC.

("2147650")

- and -

2148991 ONTARIO INC.

("2148991")

- and -

IMRAM JINNAH

("Jinnah", and all such parties and each person executing a Joinder Agreement (as defined below), individually, a "Party" and, collectively, the "Parties").

RECITALS:

A. Beginning in 2004, certain entities for which Jinnah acted as signing officer registered with Tarion under the *Ontario New Home Warranties Plan Act*, R.S.O. 1990, c. O. 31 (the "Act") as vendors, builders or both vendors and builders as such terms are defined in the Act (collectively, the "Silver Streams Registrants"), including, without limitation, as follows:

1. Homes' registration was approved and became effective on May 10, 2004;
2. 2147650's registration was approved and became effective on May 27, 2010;
3. 2148991's registration was approved and became effective on May 27, 2010;
4. 2148990's registration was approved and became effective on May 27, 2010;
5. 2148993's registration was approved and became effective on May 27, 2010;
and
6. 2147681's registration was approved and became effective on May 27, 2010.

B. By virtue of Jinnah's and the Silver Streams Registrants' misunderstanding, Puccini was not registered under the Act contemporaneously or otherwise with the Silver Streams Registrants, despite Jinnah and the Silver Streams Registrants at all times intending that Puccini be a registrant under the Act, and verily believing that Puccini was a registrant under the Act.

C. In connection with their registrations, the Silver Streams Registrants were required to, and did, provide security to Tarion in the aggregate amount of \$1,240,000, as follows:

1. Letter of Credit in favour of Tarion
Issuing Bank: Bank of Montreal
Number: BMTO365621OS
Amount: \$250,000
Date: April 12, 2012
2. Letter of Credit in favour of Tarion
Issuing Bank: Bank of Montreal
Number: BMTO313560OS
Amount: \$400,000
Date: November 12, 2010

3. Letter of Credit in favour of Tarion
Issuing Bank: Bank of Montreal
Number: BMT0241737OS
Amount: \$270,000
Date: January 13, 2009
4. Cash Deposit in favour of Tarion
Amount: \$320,000

(the above-referenced letters of credit, the “Letters of Credit”, the above-referenced cash deposit, the “Cash Deposit”, and the Letters of Credit and Cash Deposit, collectively, the “Security”).

D. Jinnah and the Silver Streams Registrants at all times intended that Tarion would have recourse and access to the Security for the payment by Tarion out of the Guarantee Fund established under the Act for valid claims made by purchasers in connection with any properties for which Puccini acted as vendor under agreements of purchase and sale.

E. On December 17, 2013, Homes, Puccini, 2148993, 2148990, 2147681 and 2147650 (collectively, the “CCAA Debtors”) sought, and received, protection from their creditors under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36 pursuant to an Initial Order of the Ontario Superior Court of Justice (Commercial List) (the “Court”, and such proceedings, the “CCAA Proceedings”), and Grant Thornton Limited was appointed as Monitor of the CCAA Debtors in the CCAA Proceedings (in such capacity, the “Monitor”).

F. Despite not being registered under the Act, both prior and subsequent to the commencement of the CCAA Proceedings, Puccini acted as vendor under certain purchase agreements (the “Purchase Agreements”) in respect of certain new home sales (the “Puccini Sales”), as set out on Schedule “A” hereto.

G. Since the commencement of the CCAA Proceedings, Tarion has received, assessed and paid out of the Guarantee Fund certain claims made by purchasers in connection with the Purchase Agreements and Puccini Sales, as set out on Schedule “B” hereto (the “Claims to Date”), and may receive, assess and pay out of the Guarantee Fund additional claims (the “Future Claims”, and together with the Claims to Date, the “Puccini Claims”).

H. On September 3, 2014, at the behest of Tarion, in its regulatory capacity as the Registrar under the Act, a Summons was issued to Puccini (the “POA Charge”) pursuant to section 24 of the *Provincial Offences Act*, R.S.O. 1990, c. P. 33 in respect of Puccini’s offences under section 22 of the POA, specifically Puccini’s acting as vendor of a new home without being properly registered pursuant to the Act. For greater certainty, one of the purposes of this settlement agreement (the “Agreement”) is to resolve the POA Charge in accordance with the terms and conditions of this Agreement.

I. The Parties hereto have agreed to settle the above issues subject to the terms and conditions of this Agreement.

NOW THEREFORE, for good and valuable consideration and the sum of TEN DOLLARS (\$10.00) of lawful money of Canada paid by each of the Parties hereto to the other (the receipt and sufficiency thereof being hereby acknowledged), the Parties hereto hereby agree together as follows:

AGREEMENT:

1. The Parties hereto acknowledge and confirm the accuracy and validity of all the above Recitals.

2. As promptly as possible, but in no event later than the date that is fourteen calendar days after the date upon which this Agreement is entered into by the Parties, the CCAA Debtors shall serve on the CCAA Debtors' service list as supplemented with such additional parties as Tarion may reasonably request (the "Service List") an affidavit (the "Agreement Affidavit") and shall file the Agreement Affidavit with the Court. The Agreement Affidavit shall, *inter alia*: (a) describe this Agreement; (b) advise the Court, creditors and other interested parties of: (i) the CCAA Debtors' execution, delivery and performance of this Agreement; and (ii) the Monitor's receipt of this Agreement; and (c) request that any person wishing to oppose, or object to, the CCAA Debtors' execution, delivery or performance of this Agreement shall serve notice of such opposition or objection (a "Notice of Objection") on the Service List by no later than fourteen calendar days from the date on which the Agreement Affidavit is served on the Service List. For greater certainty, the service of a Notice of Objection shall be considered an Objection (as defined below).

3. If in their discretion, acting reasonably, each of Tarion and each of the CCAA Debtors determine that any person opposes, or objects to, the CCAA Debtors' execution, delivery or performance of this Agreement or takes any action that would be detrimental to the implementation of this Agreement (each, an "Objection"), then the CCAA Debtors agree to take the following actions:

- (a) The CCAA Debtors shall as promptly as possible, but in no event later than the date that is the later of: (i) ten calendar days after an Objection; and (ii) the earliest date that the Court has available for a 9:30 a.m. scheduling appointment, attend at a 9:30 a.m. scheduling appointment before the Court (the "Scheduling Appointment") in order to schedule the Agreement Approval Motion (as defined below).
- (b) The CCAA Debtors shall as promptly as possible, but in no event later than the date that is seven calendar days after the Scheduling Appointment, serve a motion record including a notice of motion and affidavit, including a draft Agreement Approval Order (as defined below) on the CCAA Debtors' service list as supplemented with such additional Parties as Tarion may reasonably request (the "Agreement Approval Motion") and shall file such motion record with the Court seeking an order (as granted, the "Agreement Approval Order") of the Court, approving of the execution, delivery and performance of this Agreement. The Agreement Approval Order shall be in the form attached as

Schedule "C" hereto, with only such changes as the CCAA Debtors and Tarion shall approve in their reasonable discretion.

- (c) The CCAA Debtors shall request that the Monitor report to the Court on this Agreement.
- (d) The CCAA Debtors shall use their best efforts to obtain Court approval of the Agreement Approval Order.
- (e) If the Agreement Approval Order shall be appealed by any person (or an application for certiorari or motion for leave to appeal, rehearing, re-argument, variation or vacating or stay shall be filed with respect thereto), the CCAA Debtors agree to take all reasonable steps, and use their reasonable best efforts, including incurring reasonable legal expenses, to defend against such appeal, application or motion, and Tarion agrees to cooperate in such efforts. The Parties hereby agree to use their reasonable best efforts to obtain an expedited resolution of such appeal, application or motion; provided, however, that, subject to the conditions set forth herein, nothing shall preclude the Parties from consummating the transactions contemplated hereby if the Agreement Approval Order shall have been entered but shall not have become an order: (a) as to which no appeal, notice of appeal, motion for leave to appeal, motion to amend, vacate or make additional findings of fact, motion to alter or amend judgment, motion for rehearing, amendment, vacatur, additional findings or alteration or amendment of judgment or motion for new trial has been timely filed or, if any of the foregoing has been timely filed, it has been disposed of in a manner that upholds and affirms the Agreement Approval Order, without the possibility for further appeal or rehearing thereon; (b) as to which the time for instituting or filing an appeal, motion for rehearing or motion for new trial shall have expired; and (c) as to which no stay is in effect (a "Final Order"), or require the Parties to do so unless they mutually so agree.

4. The CCAA Debtors and Tarion shall cooperate with the filing of the Agreement Affidavit and, to the extent necessary, the filing of the Agreement Approval Motion and obtaining entry of the Agreement Approval Order. The CCAA Debtors and Tarion shall each use their best efforts to: (a) address the concerns of the Court, any creditor or any other interested party with respect to the CCAA Debtors' execution, delivery and performance of this Agreement; and (b) obtain an expedited resolution of any oppositions or objections to the CCAA Debtors' execution, delivery and performance of this Agreement.

5. The CCAA Debtors shall deliver to Tarion prior to filing, and as early in advance as is practicable to permit adequate and reasonable time for Tarion and its counsel to review and comment, copies of all proposed motions, affidavits, notices, statements, schedules, applications, reports and other material papers that are required to be filed by the CCAA Debtors pursuant to this Agreement, any relief requested in connection therewith and any objections thereto.

6. This Agreement shall only become effective upon the date (the "Effective Settlement Date") that all of the following conditions precedent have been satisfied: (a) the Agreement has been duly executed and delivered by the Parties and its receipt acknowledged by the Monitor; and (b) fourteen calendar days shall have elapsed from the date on which the Agreement Affidavit is served on the CCAA Debtors' service list; provided, however, that in the event that the CCAA Debtors are required to take the steps contemplated in Section 3 hereof, the Effective Settlement Date shall be the date upon which the Court shall have granted the Agreement Approval Order and such order shall be a Final Order. The Parties acknowledge and agree that this Agreement will have no force and effect and shall become null and void if the Effective Settlement Date does not occur prior to March 31, 2015, unless the Parties otherwise agree in writing.

7. Prior to the Effective Settlement Date, subject to the terms and conditions of this Agreement, each of the Parties hereto shall use its reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, and to cooperate with each other in order to do or cause to be done, all things necessary, proper or advisable under applicable law to consummate the transactions contemplated by this Agreement as soon as practicable and cause the fulfillment at the earliest practicable date of the conditions to the Parties' obligations to consummate the transactions contemplated by this Agreement.

8. Upon the Effective Settlement Date, Homes and Puccini shall duly execute and deliver the assignment and assumption agreement (the "Assignment and Assumption Agreement") in the form attached as Schedule "D" hereto.

9. Forthwith following the Effective Settlement Date, Tarion shall cause the POA Charge to be dismissed or withdrawn on a without costs basis. In the event that the Effective Settlement Date does not occur prior to the return appearance in the POA Charge proceedings that is scheduled for February 20, 2015, Tarion shall consent to an adjournment of such appearance on such terms as to be agreed between Tarion and Puccini, each acting reasonably.

10. Forthwith following the final determination of the Puccini Claims by Tarion, including, *inter alia*, the receipt, assessment and payment out of the Guarantee Fund of all Puccini Claims and Tarion's corresponding realization on the Security and personal guarantees (the "Personal Guarantees"), or any part thereof, that were previously provided by Jinnah in connection with the registration under the Act of the Silver Streams Registrants, Tarion shall release Jinnah from the balance of the Personal Guarantees.

11. Without limiting the foregoing, on and after the Effective Settlement Date, each party shall cooperate with the other Parties, without any further consideration, to cause to be executed and delivered, all instruments, including instruments of conveyance, novations, assignment and transfer, and to make all filings with, and to obtain all consents, under any permit, license, agreement, indenture or other instrument or regulation, and to take all such other actions as any of the Parties may reasonably request any other Parties to take from time to time, consistent with the terms of this Agreement, in order to effectuate the provisions and purposes of this Agreement and the transactions contemplated thereby, including, without limitation, in respect of: (a) the Puccini Claims; (b) the Purchase Agreements; (c) the POA

Charge; (d) the Security; (e) the assignment by Puccini, and the assumption by Homes, of the Purchase Agreements; and (f) the provision to Tarion of recourse, and access, to the Security in connection with the Puccini Claims.

12. If in its sole discretion, acting reasonably, Tarion determines that it is necessary in order to give effect to this Agreement for any Silver Streams Registrants that are not Parties to this Agreement (each, a "Joining Party") to execute a joinder agreement (the "Joinder Agreement") in the form attached as Schedule "E" hereto, with such changes thereto as are necessary or desirable to comply with the requirements of this Agreement, the other Parties hereto shall cause each such Joining Party to execute such Joinder Agreement.

13. The Parties hereto shall bear their own costs and expenses, including legal costs, respecting this Agreement and its implementation.

14. Time shall be of the essence of this Agreement and of each and every provision hereof.

15. This Agreement shall be construed and enforced in accordance with, and the rights of the Parties shall be governed by, the laws of the Province of Ontario and of Canada applicable therein. The Parties hereto irrevocably attorn to the jurisdiction of the Court in respect of the subject matter of this Agreement and all documents entered into thereunder.

16. This Agreement shall enure to the benefit of and be binding upon the Parties hereto and their respective heirs, executors, administrators, personal representatives, successors and assigns.

17. This Agreement constitutes the entire agreement between the Parties hereto in relation to the subject matter hereof and supersedes all prior agreements, proposals, discussions and representations, whether oral or written, between the Parties relating thereto.

18. Each of the Parties hereto shall promptly do, make, execute, deliver or cause to be done, made, executed or delivered, at the expense of the requesting party, all such further acts, documents and things as another party hereto may reasonably require from time to time for the purpose of giving effect to this Agreement and shall use its reasonable efforts and take all such steps as may be reasonably within its power to implement to their full extent the provisions of this Agreement.

19. This Agreement may only be modified, cancelled, or extended by an instrument in writing signed by all of the Parties hereto.

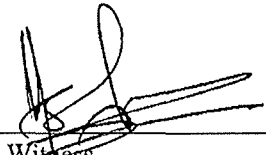
20. This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original and such counterparts together shall constitute one and the same agreement. The delivery of a facsimile or electronic copy of an executed counterpart of this Agreement shall be deemed to be valid execution and delivery thereof.

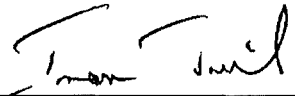
21. By executing this Agreement, each of the Parties hereto acknowledges that it has been advised to seek independent legal counsel in connection with the execution of this Agreement

and with respect to its obligations and rights hereunder. Each of the Parties hereto acknowledges that it has sought the advice of counsel and other advisors or has determined that such advice is unnecessary.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK; SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF the Parties have executed this Agreement as of the day and year first above written.

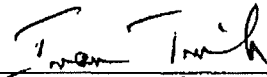


Witness

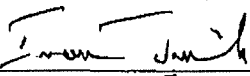
IMRAN JINNAH

IN WITNESS WHEREOF the Parties have executed this Agreement as of the day and year first above written.

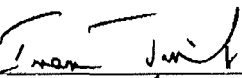
SILVER STREAMS HOMES INC.

Per: 
Title: CHIEF EXECUTIVE
I have authority to bind the Corporation.

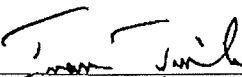
SILVER STREAMS HOMES (PUCCINI) INC.

Per: 
Title: CHIEF EXECUTIVE
I have authority to bind the Corporation.

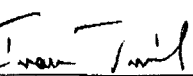
2148993 ONTARIO INC.

Per: 
Title: CHIEF EXECUTIVE
I have authority to bind the Corporation.

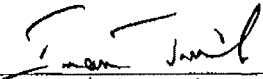
2148990 ONTARIO INC.

Per: 
Title: CHIEF EXECUTIVE
I have authority to bind the Corporation.

2147681 ONTARIO INC.

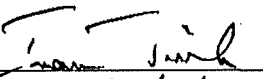
Per: 
Title: CHIEF EXECUTIVE
I have authority to bind the Corporation.

2147650 ONTARIO INC.

Per: 
Title: CHIEF EXECUTIVE

I have authority to bind the Corporation.

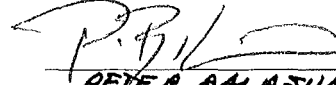
2148991 ONTARIO INC.

Per: 
Title: CHIEF EXECUTIVE

I have authority to bind the Corporation.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the day and year first above written.

TARION WARRANTY CORPORATION



Per: PETER BALASUBRAMANIAN

Title: VP LICENSING AND UNDERWRITING

I have authority to bind the Corporation.

Grant Thornton Limited, in its capacity as the Monitor of the CCAA Debtors under the *Companies' Creditors Arrangement Act* and not in any other capacity, acknowledges receipt of this Agreement as of the 14th of February, 2015.

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

Per:

J. KRIEGER

Title:

SR. VICE PRESIDENT

I have authority to bind the Corporation.

SCHEDULE "A"
PURCHASE AGREEMENTS AND PUCCINI SALES

SILVER STREAMS HOMES
SYMPHONY SERIES

PLAN # 65M-4331 Sold Units 3rd Phase

Please Note that all the Phase 3 homes which closed under CCAA are High lighted in Red and the Phase 2 homes sold under CCAA are Listed at the End of Phase 3 List

Municipal Address	M-PLAN #	Marketing lot #	Model	Sq ft	Elevation	Price	Purchaser Name	Deposit	Closing Date	
59 Rossini Dr	7	46	Mozart	2,461	A	\$ 725,000	Uchenwa Genus	40,000	Jul-13	
58 Rossini Dr	5	58	Soprano	2,888	A	\$ 725,000	Nejat/Zahra Ramzani	60,000	30th September 2013	
62 Rossini Dr	3	56	Mozart	2,591	A	\$ 660,000	Alex r.Lebedev	40,000	30th August 2013	
66 Rossini Dr	1	54	Maestro	2,340	A	\$ 585,900	Ebrahim Al Hajj	40,000	27th August 2013	
78 Puccini Dr	25	23	Serenade Modified	3,780	A	\$ 980,000	Aziz ullah ,Hayatullah	60,000	17TH Jan 2014(CCAA)	
66 Puccini Dr	24	22	Serenade Modified	3,780	B	\$ 1,030,000	Amiri Huran	35,000	18th July 2014(CCAA)	
68 Puccini Dr	23	21	Serenade std	3,925	A	\$ 1,040,000	Farhad Sharifi	50,000	28th Nov 2014(CCAA)	
70 Puccini Dr	22	20	Serenade Modified	3,780	A	\$ 980,000	Jalil Khan	40,000	31st Dec (CCAA)	
19 Rossini Dr	19	28	Mozart	2,947	A	\$ 800,000	Stephen& Antonella Paglia	40,000	31st May 2014 (CCAA)	C
21 Rossini Dr	20	29	Soprano	2,888	A	\$ 880,000	Maisom & Farzaneh Shirazi	40,000	29th August 2014(CCAA)	
23 Rossini Dr	21	30	Soprano	2,947	A	\$ 725,000	Gholam Reza Abbasi	40,000	Aug-13	
22 Rossini Dr	16	68	Soprano	2,947	A	\$ 702,900	Mahnaz Karimi	60,000	23rd Sep 2013	
20 Rossini Dr	17	69	Soprano	2,948	A	\$ 740,900	Nejat /Zahra Ramezani	60,000	Aug-13	
18 Rossini Dr	18	70	Soprano	2,947	A	\$ 895,000	Vassileva Nadedja & Nafanailova Irina	60,000	Not Constructed(CCAA	
78 Puccini Dr	15	5	Serenade Tandem	4,158	A	\$ 970,000	Tang wai lam/Lo,k,y Edmon	60,000	Jul-13	
80 Puccini Dr	14	4	Serenade Tandem	4,158	B	\$ 1,013,837	Inna Sudman	60,000	9th September 2013	
82 Puccini Dr	13	3	Serenade	4,400	A	\$ 961,737	Marianna Kogan	40,000	Jul-13	
84 Puccini Dr	12	2	Serenade Tandem	4,158	B	\$ 987,550	Sophia Rahman	60,000	10th September	
69 Rossini Dr	11	50	Beethoven	2,209	A	\$ 620,000	Mohammed H Jafarian	40,000	Aug-13	
67 Rossini Dr	10	49	Beethoven	2,209	A	\$ 680,000	Esther Frinklestein	40,000	Jul-13	
63 Rossini Dr	9	48	Bungalow Primadonna	2,461	A	\$ 678,000	Edda Barberio	40,000	Jun-13	

[illegible]

SILVER STREAMS HOMES

SYMPHONY SERIES

PLAN # 65M-4331 Sold Units

3rd Phase

Please Note that all the Phase 3 homes which closed under CCAA are High lighted in Red and the Phase 2 homes sold under CCAA are Listed at the End of Phase 3 List

Municipal Address	M-PLAN #	Marketing lot #	Model	Sq ft	Elevation	Price	Purchaser Name	Deposit	Closing Date	
59 Rossini Dr	7	46	Mozart	2,461	A	\$ 725,000	Uchenwa Genus	40,000	Jul-13	
58 Rossini Dr	5	58	Soprano	2,888	A	\$ 725,000	Nejat/Zahra Ramzani	60,000	30th September 2013	
62 Rossini Dr	3	56	Mozart	2,591	A	\$ 660,000	Alex r, Lebedev	40,000	30th August 2013	
66 Rossini Dr	1	54	Maestro	2,340	A	\$ 585,900	Ebrahim Al Hajj	40,000	27th August 2013	
78 Puccini Dr	25	23	Serenade Modified	3,780	A	\$ 980,000	Aziz ullah ,Hayatullah	60,000	17TH Jan 2014(CCAA)	
66 Puccini Dr	24	22	Serenade Modified	3,780	B	\$ 1,030,000	Amiri Huran	35,000	18th July 2014(CCAA)	
68 Puccini Dr	23	21	Serenade std	3,925	A	\$ 1,040,000	Farhad Sharifi	50,000	28th Nov 2014(CCAA)	
70 Puccini Dr	22	20	Serenade Modified	3,780	A	\$ 980,000	Jalil Khan	40,000	31st Dec (CCAA)	
19 Rossini Dr	19	28	Mozart	2,947	A	\$ 800,000	Stephen& Antonella Paglia	40,000	31st May 2014 (CCAA)	C
21 Rossini Dr	20	29	Soprano	2,888	A	\$ 880,000	Maisom & Farzaneh Shirazi	40,000	29th August 2014(CCAA)	
23 Rossini Dr	21	30	Soprano	2,947	A	\$ 725,000	Gholam Reza Abbasi	40,000	Aug-13	
22 Rossini Dr	16	68	Soprano	2,947	A	\$ 702,900	Mahnaz Karimi	60,000	23rd Sep 2013	
20 Rossini Dr	17	69	Soprano	2,948	A	\$ 740,900	Nejat /Zahra Ramezani	60,000	Aug-13	
18 Rossini Dr	18	70	Soprano	2,947	A	\$ 895,000	Vassileva Nadedja & Nafanailova Irina	60,000	Not Constructed(CCAA	
78 Puccini Dr	15	5	Serenade Tandem	4,158	A	\$ 970,000	Tang wai lam/Lo,k,y Edmon	60,000	Jul-13	
80 Puccini Dr	14	4	Serenade Tandem	4,158	B	\$ 1,013,837	Inna Sudman	60,000	9th September 2013	
82 Puccini Dr	13	3	Serenade	4,400	A	\$ 961,737	Marianna Kogan	40,000	Jul-13	
84 Puccini Dr	12	2	Serenade Tandem	4,158	B	\$ 987,550	Sophia Rahman	60,000	10th September	
69 Rossini Dr	11	50	Beethoven	2,209	A	\$ 620,000	Mohammed H Jafarian	40,000	Aug-13	
67 Rossini Dr	10	49	Beethoven	2,209	A	\$ 680,000	Esther Frinklestein	40,000	Jul-13	
63 Rossini Dr	9	48	Bungalow Primaddona	2,461	A	\$ 678,000	Edda Barberio	40,000	Jun-13	

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PUCCHINI PHASE 2 SALES 2011/ 2012

Sr No	Municiple Address	M-Plan #	Marketing lot #	Model	Sq ft	Elevation	Price	Purchaser Name	Date of Purchase	Closing date
1	50 Rossini Dr	1	61	Melodeon	3,493	A	Un Sold			
2	48 Rossini Dr	2	62	Soprano	2,947	B	\$ 682,900	Roshan Jamal	18th June 2008	Closed
3	46 Rossini Dr	3	63	Soprano	2,947	A	\$ 694,900	Sivarajah Uthayakumron	10th June 2008	Closed
4	45 Rossini Dr	4	33	Soprano	2,888	A	\$ 710,000	Mehnaz Karimi	17th March 2011	Closed
5	47 Rossini Dr	5	34	Soprano	2,947	A	\$ 799,000	Armanda Arja	15th March 2012	Closed
6	49 Rossini Dr	6	35	Prima Donna	2,461	A	\$ 625,000	Nalayani Brodie	15th March 2010	Closed
7	86 Puccini Dr	7	1	Serenade	3,925	A	\$ 840,000	Nawal Zamir/Andreas A	10th August 2010	closed
8	88 Puccini Dr	8	39	Serenade Tandem	4,158	A	\$ 970,000	Yang Chi Feng / Chen C	1st Sept 2011	Closed
9	1 Merton St	9	38	Liberace	2,275	B	\$ 689,000	Amir Hamesh	15th Feb 2012	Closed
10		10	37	Beethoven	2,209		\$ 650,000	Yang Chi Feng	15th Sept 2011	Closed
11	5 Merton St	11	36	Beethoven	2,209	A	\$ 670,000	Sophia	25th Jan 2011	Closed
12	2 Merton St	12	40	Liberace	2,275	B	\$ 710,000	Sundus	15th March 2012	Closed
13	4 Merton St	13	41	Beethoven	2,209	A	\$ 706,000	Patrick Wong (Re-sld)	30th March 2012	Closed
14	6 Merton St	14	42	Beethoven	2,209	A	\$ 670,000	Rajan Aman	20th Feb 2012	Closed
15	53 Rossini Dr	15	43	Melodeon	3,493	A	\$ 930,000	Parvin Jamaidin	15th Nov 2010	Closed
16	55 Rossini Dr	16	44	Soprano	2,888	A	\$ 725,000	Babak Amini	20th Aug 2011	Closed
17	56 Rossini Dr	17	59	Mozart	2591	A	\$ 650,000	Ivan / Jana Lagaev	15th Feb 2010	Closed
18	54 Rossini Dr	18	60	Melodean	3500	A	\$ 900,000	Shadab Shahrdad	29th Jan 2012	Closed
19	92 Puccini Dr	19	53	Serenade Tandem	4,158	A	\$ 1,020,990	Yuri Mospan/Lubov Mc	10th Dec 2011	Closed
20	96 Puccini Dr	20	52	Rhapsody	3,780	A	\$ 1,060,000	Armita Alaei	7th March 2013	Closed
21	71 Rossini Dr	21	51	Liberace	2,275	B	\$ 565,000	Aqib & Faiza	10th June 2008	Closed
22	62 Puccini Dr	22	24	Rhapsody	3,780	A	\$ 960,790	Sabaghzadeh	15th Oct 2011	Closed
23	60 Puccini Dr	23	25	Serenade	3,754	A	1,80,000	Un Sold		

24	58 Puccini Dr	24	26	Rhapsody	3,780	B	\$	1,080,000	Un Sold		
25	56 Puccini Dr	25	27	Rennaisance	4,286	A	\$	940,000	Shahbaz Ali	20th June 2008	Closed
Total of Sold Units In Phase 2					77,437		\$	19,344,630		\$	1,050,000

Sr No
8
10

SILVER STREAMS HOMES
SYMPHONY SERIES
PLAN # 65M-4156

PURCHASERS	Marketing lot #	M-Plan #	Municipal Address	Deposit Recvd	Closing Date	Models	Lot size
Mr Arshad Rashid / Neelma Arshad	64	20	30 Rossini Dr	\$ 60,000.00	26th June 2010	Mozart	40 ft
Mr Sajid Hassan/Uzma Sajid Hassan	65	19	28 Rossini Dr	\$ 40,000.00	21st June 2010	Soprano	40 ft
Mr Domenic Sorbara/ Daniela Sorbara	66	18	26 Rossini Dr	\$ 110,000.00	21st June 2010	Mozart	40 ft
Mr Thangavadivelu Selvakumar	67	17	24 Rossini Dr	\$ 60,000.00	18th June 2010	Soprano	40 ft
Mr Haroon Chandna	15	16	11 Pavarotti St	\$ 50,000.00	22nd June 2010	Liberace	45 ft
Mr Zain ul Abedin	16	15	9 Pavarotti St	\$ 40,000.00	30th June 2010	Maestro	45 ft
Legacy Developers/ Mr Tariq Khursheed	17	14	7 Pavarotti St	\$ 40,000.00	28th June 2010	Maestro	45 ft
Mr Mansoor Naqi/ Maria Naqi	18	13	5 Pavarotti St	\$ 50,000.00	24th June 2010	Maestro	45 ft
Mr Zain Naqi	19	12	3 Pavarotti St	\$ 40,000.00	25th June 2010	Liberace	45 ft
Farkhad hassan	6	11	4 Pavarotti St	\$ 40,000.00	Aug-11	Liberace	45 ft
Mr Nadeem Syed/Ayesha Syed	7	10	6 Pavarotti St	\$ 40,000.00	24th June 2010	Maestro	45 ft
Mr Tariq Noor	8	9	8 Pavarotti st	\$ 40,000.00	24th June 2010	Beethoven	45 ft
Asma Jinnah	9	8	29 Rossini dr	\$ 40,000.00	15th July 2010	Melodeon	40 ft
Mr Parveen Katyal/ Rachna Katyal	10	7	31 Rossini Dr	\$ 40,000.00	10th August 2010	Soprano	40 ft
Bader Munir Ahmed/Roobina Bader Ahmed	11	6	33 Rossini Dr	\$ 30,000.00	29th June 2010	Soprano	40 ft
Mr Rinat Bairmagaline/Alfia Bairmagalina	12	5	35 Rossini Dr	\$ 40,000.00	22nd June 2010	Mozart	40 ft
Mrs Ambreen Jahangir	13	4	37 Rossini Dr	\$ 40,000.00	30th June 2010	Soprano	40 ft
Mrs Sabiha Mian	14	3	39 Rossini Dr	\$ 40,000.00	10th July 2010	Soprano	40 ft
Mr Rasheed	31	2	41 Rossini Dr	\$ 20,000.00	10th Sept 2010	Mozart	40 ft
Mr Tariq Alaudin	32	1	43 Rossini Dr	\$ 40,000.00	20th June 2010	Soprano	40 ft

SCHEDULE "B"
CLAIMS TO DATE

PROOF OF CLAIM

DEPOSIT REFUND

This form is provided to comply with the Ontario New Home Warranties Plan Act (the "Act") and without prejudice to the liability of Tarion Warranty Corporation.

This Proof of Claim form should be completed and filed with Tarion by each person(s) ("Claimant") with a claim under Section 14(1)(a) of the Act for REFUND OF DEPOSIT, pursuant to an Agreement of Purchase and Sale.

1. IDENTIFICATION OF CLAIMANT

Name: Bonnie Sobel and Elliott Silverstein
Address: 5 Belvia Drive Postal Code: L4K 5J6
Telephone No. (Res): 905-553-9042 (Bus): 905-771-3464 (Other): 416-873-8529

The claimant hereby applies to Tarion for payment of a claim in the amount of \$ \$47,500 plus interest

2. Identification of vendor (the "Vendor") with whom the Purchase Agreement was made:

Name: Silver Streams Homes (Pucini) Inc.
Vendor's Registration No. 34331 Home Barometer No. _____
Vendor's Solicitor (if known): Jack Greenberg, 181 Eglinton Ave E, Toronto, ON M4P 1J4

3. Date of Purchase Agreement March 12, 2012 (the "Purchase Agreement")
(Attach photocopy of complete Agreement of Purchase and Sale)

Date of Amendments: N/A

4. IDENTIFICATION OF HOME FOR WHICH DEPOSIT(S) APPLY

Lot/Unit 43, Block 7 Plan No. 19TR.98004 Street Ruffles Court City Richmond Hill

5. Date and amount of each cash deposit made by Claimant under the Purchase Agreement:*

*If the home is a condominium unit, this clause will include a claim for interest on any deposits made at the rate or rates prescribed by Section 33(2) of the Regulations under the Condominium Act. The amount of such interest will be calculated for the Claimant by Tarion.

	Date	Amount
Initial Deposit	<u>March 19, 2012</u>	<u>\$ 10,000</u>
Second Deposit	<u>April 19, 2012</u>	<u>\$ 5,000</u>
Third Deposit	<u>May 19, 2012</u>	<u>\$ 5,000</u>
(**) Additional \$5,000 cheques on 19 th of June, July, Aug., Supt. 2012	<u>TOTAL</u>	<u>\$ 40,000 (**)</u>

6. *Attach photocopies of each receipt and/or cancelled cheque(s) (front and back).

7. Describe the nature of the failure of the Vendor to perform its obligations under the Purchase Agreement which has given rise to this claim. Attach any documents or correspondence from the vendor regarding its position regarding the completion of this transaction.

Vendor has failed to communicate in any form since March 2013. No final notification was provided by the vendor to inform of delayed final closing as outlined in the Agreement of Purchase and Sale. The purchasers are exercising their right to withdraw from the agreement as per Tarion criteria to receive their \$40,000 deposit, plus interest, along with \$7,500 for delayed closing compensation. Copies of correspondence (back dated) by vendor and letters to the vendor are attached to this form.

8. What efforts have been made by the Claimant to recover the deposit(s) paid to the Vendor? Refer to any tender made or proceedings instituted.

Please see the attached letters sent by registered mail to Silver Streams Homes, along with proof of receipt, and correspondence between the solicitors on this matter.

9. List any benefit, compensation or indemnity payable to the claimant from any source.

- Deposit totalling \$40,000
- Interest accrued on the \$40,000 deposit between March 12, 2012 and present
- Delayed closing compensation of \$7,500.

10. Has there been any other recovery or set-off against the amount claimed?

No

11. Have you applied for an investment loss for Income Tax purposes? No

If so, please state tax year: Explain:

12. Have you commenced a civil action against the Vendor/Builder or have you been served with a Statement of Claim wherein you have been named as defendant in a civil action brought against you by the Vendor/Builder?

No

13. Have you signed a release, mutual release or otherwise with the Vendor/Builder? (Yes/No):
If yes, please attach copy showing consideration and confirm terms of release were met:

No

14. The said claim did not occur through any willful act, neglect, procurement, or means of connivance of the claimant.

In consideration of payment of this claim Tison is discharged forever from all further claim by reason of the said loss. All rights to recovery from any other person are hereby transferred to Tison which is authorized to bring action in the claimant's name to enforce such rights.

15. TO BE COMPLETED BY PURCHASERS OF CONDOMINIUM UNITS ONLY

STATEMENT OF OCCUPANCY

Project Name Silver Streams Homes (Puccini) - Symphony Series

Address 103 Naughton Drive, Richmond Hill, ON, L4C 8B3

Date of Possession Final Closing set for January 15, 2014

Date Property Vacated N/A

Number of Interim Occupancy Payments N/A

Amount of Monthly Payment N/A Total N/A

To Whom Were Payments Made N/A

*Attach photocopies (front and back) of original cheques.

I/We, Bonnie Sobel and Elliott Silverstein do solemnly declare that the foregoing claim and statements are to the best of my/our knowledge and belief true in every particular, and I/We make this solemn declaration conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath, and by virtue of The Canada Evidence Act.

DECLARED severally before me at Vaughan this 23rd day of

February 2014.

B. Sobel E. Silverstein
Claimant

TARION
PROTECTING ONTARIO'S NEW HOME BUYERS

TARION
APR 07 2014
RECEPTION CORPORATE OFFICE

Tarion Warranty Corporation
Customer Centre
55 Yonge Street, Concourse Level
Toronto, Ontario M2N 6L8
Toll-Free: 1-877-982-7466
Fax: 416-229-3858

PROOF OF CLAIM

DEPOSIT REFUND

This form is provided to comply with the Ontario New Home Warranties Plan Act (the "Act") and without prejudice to the liability of Tarion Warranty Corporation.

This Proof of Claim form should be completed and filed with Tarion by each person(s) ("Claimant") with a claim under Section 14(1)(a) of the Act for REFUND OF DEPOSIT, pursuant to an Agreement of Purchase and Sale.

1. IDENTIFICATION OF CLAIMANT

Name: Nadejda Vassilieva / Trina Nafanailova
Address: #109 White Beachers, Markham, L6A 0R2 / 190 Green Birch rd. Toronto Postal Code: M2N 1P2
Telephone No. (Res.): (416) 517-1207 (Bus.): (416) 892-8305 (Other): _____

The claimant hereby applies to Tarion for payment of a claim in the amount of \$ _____

2. Identification of vendor (the "Vendor") with whom the Purchase Agreement was made:

Name: Silver Streams Homes (Puceini) Inc.
Vendor's Registration No. 34331 Home Enrolment No. _____
Vendor's Solicitor (if known): Jack Greenberg (416) 885-8633 Fax (416) 485-3246

3. Date of Purchase Agreement 24 May 2012 (the "Purchase Agreement")
(Attach photocopy of complete Agreement of Purchase and Sale)

Date of Amendments: _____

4. IDENTIFICATION OF HOME FOR WHICH DEPOSIT(S) APPLY:

Lot 70 Plan No. ATKES004 Street Puceini City Richmond Hill

5. Date and amount of each cash deposit made by Claimant under the Purchase Agreement:

*If the home is a condominium unit, this claim will include a claim for interest on any deposits made at the rate or rates prescribed by Section 53(2) of the Regulations under the Condominium Act. The amount of such interest will be calculated for the Claimant by Tarion.

Date	Amount
Initial Deposit <u>May 31, 2012</u>	\$ <u>20,000</u>
Second Deposit <u>July 31, 2012</u>	\$ <u>20,000</u>
Third Deposit <u>Sep. 31, 2012</u>	\$ <u>20,000</u>
TOTAL	\$ <u>60,000</u>

(i) *Attach photocopies of each receipt and/or cancelled cheque(s) (front and back).

7. Describe the nature of the failure of the Vendor to perform its obligations under the Purchase Agreement which has given rise to this claim. Attach any documents or correspondence from the vendor regarding its position regarding the completion of this transaction.

The house wasn't built by the critical final closing day which was January 15th 2014.

ii. What efforts have been made by the Claimant to recover the deposit(s) paid to the Vendor? Refer to any tender made or proceedings instituted.

We hired lawyer, his name is Sheldon N. Kaplan (416) 645-0562 x23. He wrote several letters to builder who promised to return \$60,000 + \$8,500 x 23. All correspondence attached. 687

9. List any benefit, compensation or indemnity payable to the claimant from any source.

NO

10. Has there been any other recovery or set-off against the amount claimed?

NO

11. Have you applied for an investment loss for Income Tax purposes?

If so, please state tax years: _____ Explain: _____

NO

12. Have you commenced a civil action against the Vendor/Builder or have you been served with a Statement of Claim wherein you have been named as defendant in a civil action brought against you by the Vendor/Builder?

NO

13. Have you signed a release, mutual release or otherwise with the Vendor/Builder? (Yes/No): _____
If yes, please attach copy showing consideration and confirm terms of release were met:

NO

14. The said claim did not occur through any willful act, neglect, procurement, or means of connivance of the claimant.

In consideration of payment of this claim Turlon is discharged forever from all further claim by reason of the said loss. All rights to recovery from any other person are hereby transferred to Turlon which is authorized to bring action in the claimants name to enforce such rights.

15. TO BE COMPLETED BY PURCHASERS OF CONDOMINIUM UNITS ONLY

STATEMENT OF OCCUPANCY

Project Name _____

Address _____

Date of Possession _____

Date Property Vacated _____

Number of Interim Occupancy Payments _____

Amount of Monthly Payment _____ Total _____

To Whom Were Payments Made _____

* Attach photocopies (front and back) of original cheques.

I/We, _____ do solemnly declare that the

PROOF OF CLAIM

DEPOSIT REFUND

This form is provided to comply with the Ontario New Home Warranties Plan Act (the "Act") and without prejudice to the liability of Tarion Warranty Corporation.

This Proof of Claim Form should be completed and filed with Tarion by each person(s) ("Claimant") with a claim under Section 14(1)(a) of the Act for a REFUND OF DEPOSIT, pursuant to an Agreement of Purchase and Sale.

1. IDENTIFICATION OF CLAIMANT

Names Henry Wadoski and Judy Wadoski and LAIS FLORES

Address: 222 Goulding Ave. North York, Postal Code: M2B 2P5

Telephone No. (Res): _____ (Bus): _____ (Other): 416-898-4724

The claimant hereby applies to Tarion for payment of a claim in the amount of \$ 40,000

2. Identification of vendor (the "Vendor") with whom the Purchase Agreement was made:

Name Silver Stream Homes (Puccini) Inc.

Vendor's Registration No. 34331 Home Enrollment No. not known

Vendor's Solicitor (if known) JACK GREENBERG

3. Date of Purchase Agreement February 11, 2012 (the "Purchase Agreement")
(Attach photocopy of complete Agreement of Purchase and Sale)

Date of Amendments n/a

4. IDENTIFICATION OF HOME FOR WHICH DEPOSIT(S) APPLY

Lot 11 Block 3 Opus Street City Richmond Hill

5. Date and amount of each cash deposit made by Claimant under the Purchase Agreement*

*If the home is a condominium unit, this claim will include a claim for deposit on any deposits made at the rate prescribed by Section 33(2) of the Regulations under the Condominium Act. The amount of such interest will be calculated for the Claimant by Tarion.

Date	Amount
Initial Deposit <u>Feb 11, 2012</u>	\$ <u>10,000</u>
Second Deposit <u>March 11, 2012</u>	\$ <u>10,000</u>
Third Deposit <u>April 11, 2012</u>	\$ <u>10,000</u>
4th Deposit <u>May 11, 2012</u>	\$ <u>10,000</u>
TOTAL	\$ <u>40,000</u>

6. *Attach photocopies of each receipt and/or cancelled cheque(s) (front and back).

7. Describe the nature of the failure of the Vendor to perform its obligations under the Purchase Agreement which has given rise to this claim. Attach any documents or correspondence from the vendor regarding its position regarding the completion of this transaction.

House never built, outside closing date was May 31, 2014
Vendor's Solicitor advises lands are being sold
under Power of Sale by builder's mortgage lender.

8. What efforts have been made by the Claimant to recover the deposit(s) paid to the Vendor? Refer to any tender made or proceedings instituted.

Return of deposit has been demanded by
claimant's solicitor from Builder's solicitor.
Builder's solicitor's response was that we
should make a claim through Tarion.

9. List any benefit, compensation or indemnity payable to the claimant from any source.

NONE

10. Has there been any other recovery or set-off against the amount claimed?

No

11. Have you applied for an investment loss for Income Tax purposes? NO

If so, please state tax years: _____

Explain: _____

12. Have you commenced a civil action against the Vendor/Builder or have you been served with a Statement of Claim wherein you have been named as defendant in a civil action brought against you by the Vendor/Builder?

NO

13. Have you signed a release, mutual release or otherwise with the Vendor/Builder? (Yes/No): NO
If yes, please attach copy showing consideration and essential terms of release were met:

14. The said claim did not occur through any willful act, neglect, prearrangement, or means of connivance of the claimant.

In consideration of payment of this claim, Dedon is discharged forever from all further claim by reason of the said loss. All rights to recovery from any other person are hereby transferred to Dedon which is authorized to bring action in the claimant's name to enforce such rights.

15. TO BE COMPLETED BY PURCHASERS OF CONDOMINIUM UNITS ONLY

STATEMENT OF OCCUPANCY

Project Name: _____

Address: _____

Date of Possession: _____

Date Property Vacated: _____

Number of Interim Occupancy Payments: _____

Amount of Monthly Payment: _____

Total: _____

To Whom Were Payments Made: _____

* Attach photocopies (front and back) of original cheques.

1. 2215 CHIS FLORES

SCHEDULE “C”

FORM OF AGREEMENT APPROVAL ORDER

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE) , THE DAY
)
JUSTICE) OF , 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.**

ORDER

(Agreement Approval)

THIS MOTION, 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 "CCAA Debtors") for an order substantially in the form enclosed in the Motion Record of the CCAA Debtors was heard on this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, filed, the Affidavit of ■, sworn ■ ■, 2015, filed, and the ■ Report dated ■ ■, 2015, of Grant Thornton Limited, in its capacity as Monitor of the CCAA Debtors, filed, and upon hearing submissions of counsel for the CCAA Debtors, Tarion Warranty Corporation ("Tarion") and those other parties present, no one appearing for any other person on the service list, although properly served as appears from the Affidavit of ■, sworn ■ ■, 2014, filed, and upon being advised that no other persons were served with the aforementioned materials:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Motion Record be and it is hereby abridged, if necessary, so that the motion is properly returnable today, and that further service thereof be and it is hereby dispensed with, and that service of the aforementioned materials be and it is hereby validated in all respects.

SETTLEMENT AGREEMENT

2. **THIS COURT ORDERS AND DECLARES** that capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Settlement Agreement dated ■ ■, 2015, by and among, Tarion, the CCAA Debtors, 2148991 Ontario Inc., Imram Jinnah and each person executing a Joinder Agreement (the "Settlement Agreement").

3. **THIS COURT ORDERS AND DECLARES** that the Settlement Agreement is approved.

4. **THIS COURT ORDERS AND DECLARES** that the execution, delivery and performance of the Settlement Agreement and the other transaction documents contemplated thereby by the CCAA Debtors is hereby authorized and approved, and that the CCAA Debtors are hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the transactions contemplated thereby, including, without limitation: (a) the assignment by Puccini, and the assumption by Homes, of the Purchase Agreements; and (b) the provision to Tarion of recourse, and access, to the Security in connection with the Puccini Claims.

MISCELLANEOUS

5. **THIS COURT ORDERS** that this Court shall retain jurisdiction over any and all issues arising from or related to the implementation and interpretation of this Order.

6. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada against all persons, firms, corporations, governmental, municipal and regulatory authorities against whom it may be enforceable.

7. **THIS COURT HEREBY ORDERS AND REQUESTS** the aid and recognition of any court, tribunal, regulatory, governmental or administrative body having jurisdiction in Canada or elsewhere, to give effect to this Order and to assist in carrying out the terms of this Order. All courts, tribunals, regulatory, governmental and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the CCAA Debtors and Tarion and their respective agents as may be necessary or desirable to give effect to this Order or to assist them in carrying out the terms of this Order.

SCHEDULE "D"
ASSIGNMENT AND ASSUMPTION AGREEMENT

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (this "Agreement") is dated and effective as of the ____ day of _____, 2015 (the "Closing Date"), by and between Silver Streams Homes (Puccini) Inc. (the "Assignor"), and Silver Streams Homes Inc. (the "Assignee").

RECITALS

A. Pursuant to the terms and conditions of that certain Settlement Agreement, entered into as of the ____ day of _____, 2015 (the "Settlement Agreement"), by and among Assignee, Assignor, Tarion Warranty Corporation ("Tarion"), 2148993 Ontario Inc., 2148990 Ontario Inc., 2147681 Ontario Inc., 2147650 Ontario Inc., 2148991 Ontario Inc., Imram Jinnah and each person executing a Joinder Agreement, the parties thereto agreed to settle the issues set out therein subject to the terms and conditions of the Settlement Agreement.

B. Pursuant to the Settlement Agreement, Assignee and Assignor have agreed to duly execute and deliver this Agreement.

C. Any and all capitalized terms used but not defined herein shall have the respective meanings ascribed to such terms in the Settlement Agreement.

AGREEMENT

NOW, THEREFORE, for and in consideration of the recitals set forth above and the mutual covenants contained herein, and for other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Assignment and Assumption. As of the Closing Date, Assignor hereby assigns, sells, transfers, conveys and sets over to Assignee all of Assignor's right, title, interest and obligation in and to the Purchase Agreements set out on Schedule "A" hereto (collectively referred to herein as the "Assignment"). Assignee hereby accepts the Assignment and assumes and agrees to pay, fulfill, perform and otherwise discharge when due all of the duties, obligations, terms, provisions and covenants in connection therewith arising both prior, and subsequent, to the Closing Date. For greater certainty, the Assignee assumes all duties and obligations commensurate with being a registered "vendor" under the *Ontario New Home Warranties Plan Act*, R.S.O. 1990, c. O. 31 (the "Act") in connection with the Purchase Agreements, including, without limitation, in respect of the Puccini Claims.

2. Further Assurances. Each of the parties hereto shall cooperate with each other and Tarion, without any further consideration, to cause to be executed and delivered, all instruments, including instruments of conveyance, novations, assignment and transfer, and to make all filings with, and to obtain all consents, under any permit, license, agreement, indenture or other instrument or regulation, and to take all such other actions as any of the parties may reasonably request any other parties to take from time to time, consistent with the terms of this Agreement, in order to effectuate the provisions and purposes of this Agreement and the transactions contemplate thereby, including, without limitation, in respect of: (a) the Puccini

Claims; (b) the Purchase Agreements; (c) the Security; (d) the assignment by Assignor, and the assumption by Assignee, of the Purchase Agreements; and (e) the provision to Tarion of recourse, and access, to the Security in connection with the Puccini Claims.

4. Amendment; Waiver. This Agreement may not be modified, amended, supplemented, canceled or discharged, except by written instrument executed by all parties. No failure to exercise, and no delay in exercising, any right, power or privilege under this Agreement shall operate as a waiver, nor shall any single or partial exercise of any right, power or privilege hereunder preclude the exercise of any other right, power or privilege. No waiver of any breach of any provision shall be deemed to be a waiver of any preceding or succeeding breach of the same or any other provision, nor shall any waiver be implied from any course of dealing between the parties. No extension of time for performance of any obligations or other acts hereunder or under any other agreement shall be deemed to be an extension of the time for performance of any other obligations or any other acts. The rights and remedies of the parties under this Agreement are in addition to all other rights and remedies, at law or equity, which they may have against each other.

5. Governing Law. This Agreement shall be governed by, and interpreted, construed and determined in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein, without regard to the conflicts of law principles thereof.

6. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns, but neither party hereto may assign any of its rights or liabilities hereunder without the prior written consent of the other party hereto.

7. Counterparts; Facsimile Transmission. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. One or more counterparts of this Agreement may be delivered by facsimile, with the intention that such delivery shall have the same effect as delivery of an original counterpart thereof.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK;
SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the as of the day and year first above written.

SILVER STREAMS HOMES INC.

Per: _____
Title: _____
I have authority to bind the Corporation.

SILVER STREAMS HOMES (PUCCINI) INC.

Per: _____
Title: _____
I have authority to bind the Corporation.

SCHEDULE “E”
JOINDER AGREEMENT

JOINDER TO THE SETTLEMENT AGREEMENT

THIS JOINDER TO THE SETTLEMENT AGREEMENT (this "Joinder") is dated and effective as of the ____ day of _____, 2015, by _____ (the "Joining Party").

RECITALS

A. Reference is made to that certain Settlement Agreement, entered into as of the ____ day of _____, 2015 (the "Settlement Agreement"), by and among Silver Streams Homes Inc., Silver Streams Homes (Puccini) Inc., Tarion Warranty Corporation, 2148993 Ontario Inc., 2148990 Ontario Inc., 2147681 Ontario Inc., 2147650 Ontario Inc., 2148991 Ontario Inc., Imram Jinnah and each person executing a Joinder Agreement.

B. The Joining Party has agreed to become a party to the Settlement Agreement and duly execute and deliver this Joinder.

C. Any and all capitalized terms used but not defined herein shall have the respective meanings ascribed to such terms in the Settlement Agreement.

JOINDER

NOW, THEREFORE, for and in consideration of the recitals set forth above and the mutual covenants contained herein, and for other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Effective as of the date of this Joinder, the Joining Party hereby acknowledges that the Joining Party has received and reviewed a copy of the Support Agreement, and hereby:

(a) acknowledges and agrees to:

(i) join in the execution of, and become a party to, the Settlement Agreement as a Party thereunder, as indicated with its signature below;

(ii) subject to subsection (iii) below, be bound by all agreements of the Parties under the Settlement Agreement with the same force and effect as if such Joining Party was a signatory to the Settlement Agreement and was expressly named as a party therein; and

(iii) assume all rights and interests and perform all applicable duties and obligations of the Parties under the Settlement Agreement other than those expressed therein to be solely the rights, interests, duties and obligations of the initial Parties; and

(b) confirms each representation and warranty of the Parties under the Support Agreement with the same force and effect as if such Joining Party was an initial signatory to the Settlement Agreement and was expressly named as a party therein.

2. Except as specifically amended by this Joinder, all of the terms and conditions of the Settlement Agreement shall remain in full force and effect as in effect prior to the date hereof.

5. This Joinder shall governed by, and interpreted, construed and determined in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein, without regard to the conflicts of law principles thereof.

6. This Joinder constitutes the entire agreement in relation to the subject matter hereof and supercedes all prior agreements, proposals, discussions and representations, whether oral or written, relating thereto.

7. Any determination that any provision of this Joinder or any application hereof is invalid, illegal or unenforceable in any respect and in any instance shall not affect the validity, legality, or enforceability of such provision in any other instance, or the validity, legality or enforceability of any other provisions of this Joinder.

8. This Joinder may be executed in one or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. One or more counterparts of this Joinder may be delivered by facsimile, with the intention that such delivery shall have the same effect as delivery of an original counterpart thereof.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK;
SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the Joining Party executed this Joinder as of the as of the day
and year first above written.

Per: _____
Title: _____
I have authority to bind the Corporation.

TAB 4

Lynn Lee

142

From: Emilio Bisceglia [ebisceglia@lawtoronto.com]
Sent: February 27, 2015 3:42 PM
To: Lynn Lee; Maya Poliak; 'Sonja Turajilich'
Subject: RE: In the matter of Silver Streams Homes Inc., et. el. (the "Applicants") - Objection
Importance: High

I am requesting further information before agreeing to this.

Can you provide a copy of

- 1) The charges
- 2) the disclosure in this matter

Please treat this e mail as an objection. We will consider withdrawing it once we receive and review the information

Emilio Bisceglia
Bisceglia & Associates Professional Corporation
Barristers-at-Law
Suite 200 - 7941 Jane Street
Concord, Ontario, L4K 4L6

Tel 905-695-5200
Dir 905-695-3100
Fax 905-695-5201

e-mail: ebisceglia@lawtoronto.com

From: Lynn Lee [mailto:Lynn@chaitons.com]
Sent: Thursday, February 26, 2015 11:11 AM
To: 'aslavens@torys.com'; 'sbomhof@torys.com'; Alexandra Lev-Farrell; Anna Esposito; Calvin Ho; Carrie Clynick; Christopher Lee; Daniel Sobel; David Goodman; Diane Winters; Emilio Bisceglia; Harvey G. Chaiton; Harvey Mandel; Ian Aversa; Jack Greenberg; James Joseph Walsh; James Klein; Jeffrey Long; Jeffrey Spiegelman; Jonathan Krieger; Kevin O'Hara; Leonard Finegold; Lillana Ferreira; Lynn Lee; Marco Drudi; Maria Ruberto; Maya Poliak; Richard Mazur; Sabrina Hussain; Sahar Zomorodi; Scott Crocco; Sonja Turajilich; Stephen Schwartz; Steven Graff; Tim Dunn
Subject: In the matter of Silver Streams Homes Inc., et. el. (the "Applicants")

Dear Sir/Madam,

Attached to this email please find an Affidavit of Imran Jinnah sworn February 26, 2015 (the "Affidavit"). The purpose of this email and the Affidavit is to advise the service list of a Settlement Agreement dated February 17, 2015 among, *inter alia*, Tarion Warranty Corporation ("Tarion") and the Applicants. A copy of the Settlement Agreement is attached as Exhibit C to the Affidavit.

For the reasons set out in the Affidavit, the Applicants do not intend to bring a motion for the approval of the Settlement Agreement unless an Objection (as defined in the Affidavit) is raised within **fourteen (14) calendar days** from the date of service of this Affidavit. If no Objection is received within the next 14 days, the Applicants will 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. 145

Yours truly,

Lynn Lee
Legal Assistant to Maya Poliak
Direct Tel: 416.218.1785
Direct Fax: 416.218.1844
Lynn@chaitons.com

5000 Yonge Street, 10 Floor, Toronto, Canada, M2N 7E9
www.chaitons.com



TAB 5

March 4, 2015

Via e-mail

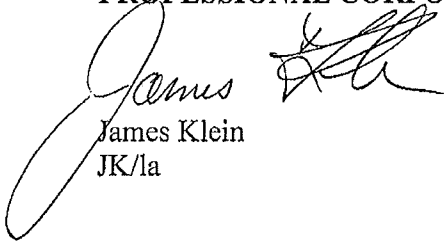
To: Service List

**Re: Silver Streams Homes (Puccini) Inc.
Symphony Series Development, Richmond Hill
Our File No.: 13-1086**

Please find attached an Objection to the proposed settlement on behalf of the Lien Claimants we represent, Medi Group Incorporated, Pilbro III Inc., Solo Electric Ltd., Pave Plumbing & Heating Inc., Foremont Drywall Inc., 1382479 Ontario Inc. 1382503 Ontario Inc. and 2203579 Ontario Inc. cob Foremont Drywall Contracting, E.D. Carpenters Ltd., Cardell Flooring Ltd., Canadian Concrete Forming Limited and 1865721 Ontario Inc. we object to the Settlement Agreement between the Taron Warranty Corporation and Imran Jinnah, Silver Stream Homes Inc. ("Silver Streams"), Silver Streams Homes (Puccini) Inc., 2148993 Ontario Inc., 2148990 Ontario Inc., 2147681 Ontario Inc., 2147650 Ontario Inc.

Yours truly,

**KLEIN & ASSOCIATES
PROFESSIONAL CORPORATION**


James Klein
JK/la

OBJECTION

The Reasons for the Objection are as follows;

1. Security has been posted with Tarion totalling \$1,240,000.00 which is cash of \$320,000.00 plus cash held by BMO supporting Letters of Credit from BMO of an additional \$920,000.00.
2. The security was posted in respect of registrations from 2147650, 2148991, 2148990, 2148993 and 2147681 ("Silver Stream Registrants").
3. Silver Streams Homes (Puccini) Inc. ("Puccini") was not registered as a builder or Vendor under the *Ontario New Homes Warranties Plan Act*. (the "Act").
4. Puccini was in fact the builder and Vendor of the homes in the Silver Stream project.
5. Tarion received no security in respect of Puccini a Non Registrant. The security Tarion holds is in respect of Silver Stream Registrants, none of whom were builders or vendors under the Act and against whom no claims under the guarantee fund are being made or can be made.
6. The claims against the guarantee fund are in respect of claims against the Non Registrant Puccini, and the Settlement Agreement seeks in essence to transfer the use of the security posted for the claims made as against Puccini. It seeks to do this by assigning the purchase and sale contracts entered into by Puccini and claims against Puccini as Vendor and builder to the Silver Stream Registrants and utilize the security it holds. Tarion, Imran Jinnah, the Silver Stream Registrants and Puccini should not be permitted to change their contractual arrangements to the detriment of the trades who have filed liens ("Lien claimants").
8. Tarion is not without a remedy as it has been deposed that the principal of the Silver Stream Registrants and of Puccini, Imran Jinnah has provided his personal guarantee for all claims against the guarantee fund.
9. The Settlement Agreement further relieves Imran Jinnah of his guarantee to Tarion and a charge laid under the section 24 of the *Provincial offences Act* if the security can be utilized as contemplated in the Settlement Agreement.
10. There is over \$5,000,000.00 claimed as owing to the Private lenders and a further \$3,500,000.00 of lien claims against the CCAA estate funds which approximate \$4,500,000.00. There will be a priority dispute amongst these large secured claimants and a shortfall.
11. The security of cash should be released by Tarion to the CCAA estate to be distributed according to the priorities as they may be determined.

For these reasons the Lien Claimants object to the Settlement Agreement.

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***

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