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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

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

Applicants

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

DECEMBER 19, 2014

GrantThornton

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

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

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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**"). Puccini is registered with Tarion and is the vendor under agreements of purchase and sale for homes in the Puccini Project.

3. Title to the some (but not all) of the lands in phases II and III of the Puccini Project is held by 2148993 Ontario Inc. ("**2148993**"), 2148990 Ontario Inc. ("**2148990**"), 2147681 Ontario Inc. ("**2147681**") and 2147650 Ontario Inc. ("**2147650**" and, collectively, the "**Title Holders**"). Silver Streams, Puccini and the Title Holders are collectively referred to 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, April 17, June 26, 2014, August 1, 2014 and September 23, 2014, the Court issued orders (the "**Extension Orders**"), *inter alia*, extending the stay of proceedings first from January 16, 2014 to April 18, 2014, and then from April 18, 2014 to July 3, 2014 and then from July 3, 2014 to September 26, 2014 and lastly from September 26, 2014 to January 16, 2015. The Extension Orders also approved interim distributions to Bank of Montreal ("**BMO**"), Home Trust Company and Foremost Financial Corporation, subject to satisfactory reimbursement agreements between these parties and the Monitor, and authorized the Monitor to conduct the Claims Process (defined below).

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

PURPOSE OF THE SEVENTH REPORT

7. The purpose of this Seventh Report is to advise the Court with respect to:

   i) the status of the CCAA Proceedings, including the details of the activities of the Monitor and the Companies since the issuance of the Monitor's sixth report to Court dated November 19, 2014 (the "**Sixth Report**");

   ii) the status of the secured claims process currently being conducted by the Monitor, as authorized by the Court (the "**Claims Process**");

   iii) the Companies' revised cash flow projection to July 17, 2015 (the "**Cash Flow Projection**");

iv) the Companies' receipts and disbursements since December 17, 2013 up to and including December 10, 2014 (the "**Interim R&D**");

v) the Monitor's request for an order:

a. 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 Commercial List (the "**Referral Order**");

b. approving the Seventh Report and the Monitor's activities as described herein; and

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

vi) the Companies' request for a further order extending the stay of proceedings from January 16, 2015, the date that the stay of proceedings currently expires, to and including July 16, 2015;

8. Detailed background information concerning the Companies and their stakeholders 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 "**January Jinnah Affidavit**"), the affidavit of Imran Jinnah sworn April 9, 2014 (the "**April Jinnah Affidavit**"), the affidavit of Imran Jinnah sworn June 19, 2014 (the "**June Jinnah**

Affidavit"), the affidavit of Imran Jinnah sworn September 16, 2014 (the "**September Jinnah Affidavit**") and the affidavit of Imran Jinnah sworn December 17, 2014 (the "**December Jinnah Affidavit**"), all of which have been filed with the Court. Accordingly, the Monitor has not repeated information to this effect in this Seventh Report. Copies of all materials filed with the Court in these CCAA Proceedings are accessible at: www.GrantThornton.ca/Silverstreams.

SCOPE AND TERMS OF REFERENCE

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

10. Some of the information used in preparing this Seventh Report consists of financial projections, including the Cash Flow Projection. The Monitor cautions that these projections are based upon assumptions about future events and conditions that are not ascertainable. The Companies' actual

results may vary from the Cash Flow Projection, even if the hypothetical and probable assumptions contained therein materialize, and the variations could be significant. The Monitor's review of the future oriented information used to prepare this Seventh Report did not constitute an audit of such information under GAAP or IFRS.

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 Seventh Report is based solely on the information (financial or otherwise) made available to the Monitor by the Companies.

12. This Seventh 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 Seventh 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 Seventh Report contrary to the provisions of this paragraph.

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

14. Capitalized terms not defined in this Seventh Report have the meanings ascribed to them in the Initial Jinnah Affidavit and the December Jinnah Affidavit.

ACTIVITIES OF THE COMPANIES AND STATUS OF THE CCAA PROCEEDINGS

15. The activities of the Companies and the status of each of the properties owned by the Applicants are detailed in the December Jinnah Affidavit. Since the issuance of the Sixth Report, the Companies have, among other things:

   (i) communicated with various stakeholders and creditors regarding the CCAA Proceedings;

   (ii) corresponded with the secured lenders and their counsel on a regular basis;

   (iii) corresponded with legal counsel;

   (iv) planned and executed the marketing of the remaining building lot;

   (v) carried out construction activities for certain of the remaining homes;

   (vi) closed the sale of Lot 23 of Phase III as authorized by the Court;

(vii) amended the Agreement of Purchase and Sale for Lot 23 Phase II (as described in the December Jinnah Affidavit), which transaction is to close on January 30, 2015;

(viii) participated in the negotiation of the form of the proposed Referral Order;

(ix) revised the Cash Flow Projection;

(x) communicated with Canada Revenue Agency ("**CRA**") regarding its claims; and

(xi) made payments to vendors as contemplated by the Applicants' cash flow projections.

ACTIVITIES OF THE MONITOR

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

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

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

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

(iv) corresponding with certain of the Companies' secured lenders and their counsel;

(v) corresponding with the Companies' secured lenders;

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

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

(viii) attending to phone calls and emails from the Companies' creditors and other stakeholders;

(ix) administering the Court authorized Claims Process and reviewing the claims received;

(x) participating in the negotiation of the proposed Referral Order; and

(xi) reviewing all materials filed with the Court in respect of these proceedings.

UPDATE ON THE CLAIMS PROCESS

17. As set out in the materials previously filed by the Applicants, the Applicants have numerous secured creditors, including, but not limited to, mortgagees, lien claimants and CRA.

18. By way of the January 2014 Orders, the Court authorized the Claims Process. A vetting committee was established that includes the Monitor's counsel, the Companies' counsel and counsel to certain of the secured creditors.

19. As set out in the prior reports of the Monitor, in accordance with the Claims Process, the Monitor received 42 claims (the "**Claims**").

20. All but one of the Claims was received by the Monitor prior to the Claims Deadline (as such term is defined in the January 2014 Orders), being 5:00 p.m. (Eastern Standard Time) on February 14, 2014.

21. The Monitor received two more claims, namely, a claim on behalf of Argo Lumber Inc. ("**Argo**") and a claim on behalf of Newmar Window Manufacturing Inc. ("**Newmar**"). Pursuant to an Order granted by this Court on October 16, 2014 (the "**October 16 Order**"), the Claims Deadline was extended for the sole purpose of permitting the claims of each of Argo and Newmar to be filed.

22. Since the Claims Deadline, the Monitor's counsel has corresponded at length with claimants and the Vetting Committee. The Monitor's counsel also convened a meeting with the Vetting Committee on June 10, 2014 for the purpose of reviewing the Claims and the Monitor's intended course of action in respect of same. As set out in the Sixth Report of the Monitor, following that meeting and with the agreement of the Vetting Committee, the Monitor's counsel:

(i) sent Notices of Acceptance to CRA with respect to CRA's two claims for source deductions with the caveat that: (a) the claims are against Silver Streams and Puccini; (b) neither Silver Streams nor Puccini holds any title in the ten lots that existed at the time of the Applicants' application under the CCAA; and (c) accordingly, the proceeds arising from the sale of said homes are not those to which CRA's deemed trust claims against Silver Streams or Puccini attach;

(ii) sent a Notice of Disallowance to CRA with respect to CRA's GST/HST claim on the basis that the claim is an unsecured claim in the CCAA Proceedings and the Claims Procedure Order dated January 16, 2014 established a claims process that was limited to secured claims; and

(iii) sent Notices of Acceptance to each of BMO, Home Trust and Foremost with respect to their mortgage claims with the caveat that each of their claims remains subject to the extent of any deficiency in any holdback, if any, that was required to be maintained under the *Construction Lien Act (Ontario)*, and any trust claim that has been or may be made.

23. The Monitor's counsel continued to correspond with the Vetting Committee regarding the Monitor's proposed plan to:

(i) have the 'Con-Drain action' heard by a Commercial List Judge on an expedited basis outside of the context of the CCAA Proceedings. The Monitor and its counsel would not participate in these proceedings. If the approximate amount of $500,000 in dispute is determined to form part of the CCAA estate, it would be delivered to the Monitor for distribution in the context of the CCAA Proceedings. In that regard, the Monitor's counsel has asked the relevant parties to deliver to the Monitor's counsel a draft timetable for this litigation; and

(ii) have the construction lien and related issues determined in the context of binding arbitration by a claims adjudicator.

24. CRA's claim for unpaid source deductions is subject to a settlement agreement that was approved by the Court on November 25, 2014.

25. On December 3, 2014, the Monitor sent Notices of Disallowance to each of: (i) Imran and Humera Hussain; and (ii) Horizons Holdings Inc., Africana Investments Inc. and Mr. Japanwala.

26. After months of negotiation among the members of the Vetting Committee, the Companies' counsel and the Monitor's counsel, such parties have agreed upon a form of the proposed Referral Order, which includes the following terms. Capitalized terms in this section are as defined in the proposed Referral Order, which is attached as **Appendix "2"**.

(i) the Construction Claims are to be referred to Mr. Duncan Glaholt, who shall act as a referee (the "**Referee**") to determine:

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

b. 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.

(ii) The Referee's determination in respect of the issues enumerated in the paragraph above shall be set out in a report (the "**Report/Award**"), which shall be served on the Service List in these CCAA 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.

(iii) 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" to the Referral Order), 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**").

(iv) 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 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.

27. The Monitor is of the view that the proposed Referral Order provides the most cost effective and efficient structure to determine the priority and quantum of the secured and lien claims against the Companies' assets. The members of the Vetting Committee, which represent the parties with a significant interest in the CCAA Proceedings, have agreed to the form of the proposed Referral Order. The remaining lien and secured claimants not represented on the Vetting Committee will be served with notice of the Monitor's motion for the proposed Referral Order.

CASH FLOW PROJECTION

28. The Companies have prepared the Cash Flow Projection, on a weekly basis, for the period ending July 17, 2015. The Cash Flow Projection together with management's report on the Cash Flow Projection is attached hereto as **Appendix "3"**. The Cash Flow Projection has been prepared by management using probable and hypothetical assumptions set out therein.

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

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

ii) The Cash Flow Projection assumes the closing of the sale transaction for Lot 23 at the end of January, 2015;

iii) The Cash Flow Projection does not reflect the sale of the Applicants' remaining development lot, although it is possible that it will be sold during the Cash Flow Projection Period;

iv) The Cash Flow Projection does not contemplate making payments to the Companies' secured creditors (other than to first mortgagees) nor servicing interest on such obligations during the CCAA Proceedings; and

v) The Cash Flow Projection does not contemplate paying pre-CCAA filing HST/GST arrears of approximately $630,000.

30. The Monitor's review of the Cash Flow Projection consisted of inquiries, analytical procedures and discussions related to information supplied to the Monitor by the management and employees of the Companies. Since hypothetical assumptions need not be supported, the Monitor's procedures with respect to such assumptions were limited to evaluating whether they were consistent with the purpose of the Cash Flow Projection. The Monitor has also reviewed the support provided by management for the probable assumptions and the preparation and presentation of the Cash Flow

Projection. Based on the Monitor's review, nothing has come to its attention that causes it to believe that, in all material respects:

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

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

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

31. The Cash Flow Projection prepared by the Companies projects that the Applicants will have sufficient funds on hand to maintain their operations throughout the Cash Flow Projection period.

PROFESSIONAL FEES

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

33. Pursuant to paragraph 24 and 25 of the Initial Order, the Monitor and its counsel shall be paid their reasonable fees and disbursements and shall pass their accounts before the Court. In addition, pursuant to paragraph 26 of the Initial Order, the Monitor and its counsel, among other parties, were

granted an Administration Charge on the property of the Applicants as security for their fees and disbursements, up to a maximum of $500,000.

34. The fees and disbursements of the Monitor through October 31, 2014 were previously approved by the Court.

35. The total fees of the Monitor for the period from November 1, 2014 to November 30, 2014 amount to $11,687.00 together with expenses and disbursements in the sum of $596.85, and HST in the amount of $1,596.90, totaling $13,880.75. The details of the time spent and services provided by the Monitor are more particularly described in the Affidavit of Jonathan Krieger, the Senior Vice-President of GTL having carriage of GTL's mandate as the Monitor, sworn December 17, 2014 in support hereof, a copy of which is attached hereto as **Appendix "4"**.

36. The legal fees and disbursements incurred by the Monitor for services provided to the Monitor by the Monitor's independent legal counsel, A&B, through October 31, 2014 were previously approved by the Court.

37. The total legal fees and disbursements incurred by the Monitor for services provided to the Monitor by the Monitor's independent legal counsel, A&B, during the period from November 1, 2014 to November 30, 2014 amount to $12,432.78, inclusive of applicable HST. The details of the time spent and services provided by A&B is more particularly described in the Affidavit of Steven L. Graff, sworn December 17, 2014 in support hereof, a copy of which is attached hereto as **Appendix "5"**.

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

INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

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

40. **Appendix "3"** provides a statement of the Companies' receipts and disbursements for the period from December 17, 2013 to December 10, 2014.

COMPANIES' REQUEST FOR AN EXTENSION OF THE STAY OF PROCEEDINGS

41. The stay of proceedings currently expires on January 16, 2015. The Companies have requested that the Court extend the stay to and including July 16, 2015.

42. The Companies' request for a six month stay extension is commensurate with the planned activities of the Companies and the Monitor during the proposed stay extension period. During such period, it is anticipated that the terms of the proposed Referral Order will be carried out, which will require the involvement of the Companies and their counsel. The Companies will also attempt to sell the remaining development lot. It is not anticipated that there will be further activity taking place in the Companies'

CCAA Proceedings. Accordingly, during the requested stay extension period, it is anticipated that the Monitor's planned activities will be limited to:

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

(ii) monitoring the sale process for the last remaining lot;

(iii) monitoring the closing of the sale of Lot 23; and

(iv) corresponding with the Companies, their counsel and the Monitor's counsel.

43. The Applicants have monetized substantially all of their assets and are now proposing to transition to the claims adjudication phase of the CCAA Proceedings.

44. An extension of the stay of proceedings is necessary if it is deemed appropriate by this Court to allow the Companies to maintain their business and to allow the Applicants the opportunity to implement the above noted plans in a stabilized environment.

RECOMMENDATION REGARDING REQUESTED RELIEF

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

46. Given the forgoing, the Monitor respectfully recommends that this Court grant the Monitor's and the Companies' requests for relief as set out in paragraph 7 of this Seventh Report and in such parties' notices of motion.

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

Appendix 1

Court File No. 12-10362-00-CL

3 25

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

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

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

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

the "Applicants"

INITIAL ORDER

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

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

SERVICE

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

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

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

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

APPLICATION

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

POSSESSION OF PROPERTY AND OPERATIONS

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

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

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

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

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

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

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

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

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

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

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

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

RESTRUCTURING

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

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

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

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

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

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

NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

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

NO INTERFERENCE WITH RIGHTS

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

CONTINUATION OF SERVICES

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

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

NON-DEROGATION OF RIGHTS

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

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

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

DIRECTORS' AND OFFICERS' INDEMNIFICATION

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

APPOINTMENT OF MONITOR

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

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

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

(a) monitor the Applicants' receipts and disbursements;

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

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

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

(e) to assist the Applicants with the Restructuring;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

DIP FINANCING

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

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

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

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

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

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

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

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

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

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

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

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

Second – DIP Lender's Charge.

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

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

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

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

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

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

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

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

SERVICE AND NOTICE

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

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

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

GENERAL

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

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

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

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

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

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

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

DEC 17 2013

16046568.2

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

Court File No. 13-10362-00-CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at TORONTO

INITIAL ORDER

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

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

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

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

Lawyers for the Applicants

Doc#2886374v1

Appendix 2

Court File No. 13-10362-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	THURSDAY, THE 8TH
	)	
JUSTICE	)	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 <*>, 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 <*> sworn December <*>, 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 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.

SCHEDULE "A"

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

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

SCHEDULE "B"

Private Mortgagees

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

Mortgagees

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

SCHEDULE "C"

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

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

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

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

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

ORDER

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

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

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

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

20012065.8

Appendix 3

Silver Streams Homes Inc. and Silver Streams Homes (Puccini) Inc.
Actual Results to December 10, 2014 and Projected Cash Flow to July 17, 2015
($CAD, Unaudited)

	Budgeted Sept.1-Dec.10,2014	Actual Sept.1-Dec.10,2014	Actual Dec.18, 2013-Dec.10, 2014	Notes	12-Dec	19-Dec	26-Dec	02-Jan	09-Jan	16-Jan	23-Jan
Receipts				a							
Lot #22											
Closing proceeds, net of deposit collected	-	-	827,723		-	-	-	-	-	-	-
Less: Commission	-	-	-		-	-	-	-	-	-	-
Lot #25	-	-	-		-	-	-	-	-	-	-
Gross closing proceeds, net of deposit collected	-	-	801,705		-	-	-	-	-	-	-
Commission payable (3.5% of gross purchase price)	-	-	-		-	-	-	-	-	-	-
Lot #19 - Deposit	-	-	40,000		-	-	-	-	-	-	-
Closing proceeds, net of deposit collected	-	-	687,166		-	-	-	-	-	-	-
Less: Bonus Sales Team Rep	-	-	-		-	-	-	-	-	-	-
Lot #23 (PH2) Deposit	-	40,000	40,000		-	-	-	-	-	-	-
Closing proceeds, net of deposit collected	-	-	-	1	-	-	-	-	-	-	-
Less: Bonus Sales Team Rep	-	-	-		-	-	-	-	-	-	-
Lot #24 (PH2) Deposit	-	-	35,000		-	-	-	-	-	-	-
Closing proceeds, net of deposit collected	-	-	895,995		-	-	-	-	-	-	-
Less: Bonus Sales Team Rep	-	-	-		-	-	-	-	-	-	-
Lot 20 - Deposit	-	-	40,000		-	-	-	-	-	-	-
Closing proceeds, net of deposit collected	758,000	757,991	757,991		-	-	-	-	-	-	-
Less: Bonus Sales Team Rep	-	-	-		-	-	-	-	-	-	-
Lot #1 - Deposit	-	-	40,000		-	-	-	-	-	-	-
Closing proceeds, net of deposit collected	814,000	814,221	814,221		-	-	-	-	-	-	-
Less: Bonus Sales Team Rep	-	-	-		-	-	-	-	-	-	-
Lot #23 (PH3) Deposit	-	-	50,000		-	-	-	-	-	-	-
Closing proceeds, net of deposit collected	894,354	925,558	925,558		-	-	-	-	-	-	-
Less: Bonus Sales Team Rep	-	-	-		-	-	-	-	-	-	-
Lot 24 - Deposit	-	-	40,000		-	-	-	-	-	-	-
Closing proceeds, net of deposit collected	-	-	909,946		-	-	-	-	-	-	-
Less: Bonus Sales Team Rep	-	-	-		-	-	-	-	-	-	-
General											
Interim financing facility (i.e. DIP loan)	-	-	425,000	2	-	-	-	-	-	-	-
Interest Income	-	3,989	7,348		-	-	-	-	-	-	-
HST collected (net of $24k from the HST rebate program)	262,646	166,903	621,051		-	-	-	-	-	-	-
Total receipts	2,729,000	2,708,662	7,958,705		-	-	-	-	-	-	-
Disbursements											
Lot #22											
Interior finishing cost	-	-	20,503	3	-	-	-	-	-	-	-
Exterior finishing cost	6,500	1,430	5,523	3	-	-	-	-	-	-	-
HST (13%)	845	186	3,383		-	-	-	-	-	-	-
Lot #25											
Interior finishing cost	678	-	31,227	3	-	-	-	-	-	-	-
Exterior finishing cost	7,700	600	11,148	3	-	-	-	-	-	-	-
HST (13%)	1,089	78	5,509		-	-	-	-	-	-	-
Lot #23 Phase 2											
Interior finishing cost	3,500	-	67,904	3	-	-	-	-	-	-	7,400
Exterior finishing cost	-	-	1,400	3	-	-	-	-	-	-	-
HST (13%)	455	-	9,010		-	-	-	-	-	-	962
Lot #23											
Interior finishing cost	61,752	3,364	3,364		-	17,236	-	-	-	-	1,600
Exterior finishing cost	14,044	-	-		-	-	-	-	-	-	3,000
HST (13%)	9,853	437	437		-	2,241	-	-	-	-	598
Lot #24											
Interior finishing cost	5,700	-	105,260	3	-	975	-	-	-	-	1,200
Exterior finishing cost	8,350	9,806	11,206	3	-	-	-	-	-	-	1,500
HST (13%)	1,827	1,275	15,141		-	127	-	-	-	-	351
Lot #20											
Interior finishing cost	6,100	5,097	52,340	3	-	-	-	-	-	-	-
Exterior finishing cost	6,220	-	-	3	-	-	-	-	-	-	-
HST (13%)	1,602	663	6,804		-	-	-	-	-	-	-
Lot #19	-		-								
Interior finishing cost	-	33	4,537	3	-	-	-	-	-	-	-
Exterior finishing cost	6,200	-	-	3	-	-	-	-	-	-	-
HST (13%)	806	4	590		-	-	-	-	-	-	-
Lot #1	-		-								
Interior finishing cost	31,375	32,289	70,386	3	-	-	-	-	-	-	-
Exterior finishing cost	10,900	-	2,269	3	-	-	-	-	-	-	5,000
HST (13%)	5,496	4,198	9,445		-	-	-	-	-	-	650
General (projection is inclusive of HST)											
HST Paid on general expenses	4,000	33,619	165,318		-	3,065	260	-	-	7,800	780
Management fees	61,351	47,011	298,997	4	-	9,861	-	-	-	-	6,000
Marketing salaries for sales office	-	-	17,975		-	-	-	-	-	-	-
Other marketing expenses	-	(550)	18,378		-	-	-	-	-	-	-
Property taxes	-	542	22,959		-	-	-	-	-	-	-
Insurance	9,804	10,631	57,004		-	-	1,000	-	-	-	-
Office expenses and banking/LC fees	1,800	5,691	62,583		-	910	-	-	-	-	-
Automotive expenses	11,220	10,668	58,859		-	526	2,000	-	-	-	-
Post-closing service costs re: Lot 17	-	-	7,500		-	-	-	-	-	-	-
Tarion warranty - service and materials for pre-CCAA closings	-	-	128,218	5	-	-	-	-	-	-	-
Tarion warranty for Homes Sold under CCAA	10,500	2,600	2,600		-	-	-	-	-	3,500	-
Repayment of BMO Mortgage	260,000	310,507	1,096,613		-	-	-	-	-	-	-
Repayment of Home Trust Mortgage	-	-	656,938		-	-	-	-	-	-	-
Repayment to Foremost Financial	536,500	536,433	536,433		-	-	-	-	-	-	-
Estimated post-CCAA filing HST remittance/(refund)	250,000	221,274	364,533		-	-	-	-	-	125,000	-
Source Deductions Per Court-Approved Settlement	-	-	-		-	-	-	-	86,000	-	-
Contingency (15% of construction costs)	28,649	-	13,159		-	-	-	-	-	-	-
Repayment of the interim financing facility	260,000	283,775	483,775	2	-	-	-	-	-	-	-
Commissions	28,000	27,830	92,562		-	-	-	-	-	-	-
Professional fees	233,000	175,598	707,787	6	-	12,284	-	-	-	60,000	-
Total disbursements	1,885,815	1,725,089	5,229,575		-	47,225	3,260	-	86,000	196,300	29,041
Net cash inflow/(outflow)	843,185	983,573	2,729,130		-	(47,225)	(3,260)	-	(86,000)	(196,300)	(29,041)
Bank account - opening balance		1,745,557			2,729,130	2,729,130	2,681,906	2,678,646	2,678,646	2,592,646	2,396,346
Bank account - closing balance	2,588,742	2,729,130		b	2,729,130	2,681,906	2,678,646	2,678,646	2,592,646	2,396,346	2,367,305

	30-Jan	06-Feb	13-Feb	20-Feb	27-Feb	06-Mar	13-Mar	20-Mar	27-Mar	03-Apr	10-Apr	17-Apr	24-Apr
Receipts													
Lot #22													
Closing proceeds, net of deposit collected	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Commission	-	-	-	-	-	-	-	-	-	-	-	-	-
Lot #25													
Gross closing proceeds, net of deposit collected	-	-	-	-	-	-	-	-	-	-	-	-	-
Commission payable (3.5% of gross purchase price)	-	-	-	-	-	-	-	-	-	-	-	-	-
Lot #19 - Deposit													
Closing proceeds, net of deposit collected	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Bonus Sales Team Rep	-	-	-	-	-	-	-	-	-	-	-	-	-
Lot #23 (PH2) Deposit													
Closing proceeds, net of deposit collected	-	854,305	-	-	-	-	-	-	-	-	-	-	-
Less: Bonus Sales Team Rep	-	(41,200)	-	-	-	-	-	-	-	-	-	-	-
Lot #24 (PH2) Deposit													
Closing proceeds, net of deposit collected	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Bonus Sales Team Rep	-	-	-	-	-	-	-	-	-	-	-	-	-
Lot 20 - Deposit													
Closing proceeds, net of deposit collected	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Bonus Sales Team Rep	-	-	-	-	-	-	-	-	-	-	-	-	-
Lot #1 - Deposit													
Closing proceeds, net of deposit collected	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Bonus Sales Team Rep	-	-	-	-	-	-	-	-	-	-	-	-	-
Lot #23 (PH3) Deposit													
Closing proceeds, net of deposit collected	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Bonus Sales Team Rep	-	-	-	-	-	-	-	-	-	-	-	-	-
Lot 24 - Deposit													
Closing proceeds, net of deposit collected	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Bonus Sales Team Rep	-	-	-	-	-	-	-	-	-	-	-	-	-
General													
Interim financing facility (i.e. DIP loan)	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-	-	-	-	-	-	-
HST collected (net of $24k from the HST rebate program)	-	94,495	-	-	-	-	-	-	-	-	-	-	-
Total receipts	-	907,600	-	-	-	-	-	-	-	-	-	-	-
Disbursements													
Lot #22													
Interior finishing cost	-	-	-	-	-	-	-	-	-	-	-	-	-
Exterior finishing cost	-	-	-	-	-	-	-	-	-	7,000	-	-	-
HST (13%)	-	-	-	-	-	-	-	-	-	910	-	-	-
Lot #25													
Interior finishing cost	-	-	-	-	-	-	-	-	-	-	-	-	-
Exterior finishing cost	-	-	-	-	-	-	-	-	-	7,500	-	-	-
HST (13%)	-	-	-	-	-	-	-	-	-	975	-	-	-
Lot #23 Phase 2													
Interior finishing cost	-	-	-	-	-	-	-	-	-	-	-	-	-
Exterior finishing cost	-	-	-	-	-	-	-	-	-	-	-	-	-
HST (13%)	-	-	-	-	-	-	-	-	-	-	-	-	-
Lot #23													
Interior finishing cost	-	-	-	-	-	-	-	-	-	-	-	-	-
Exterior finishing cost	-	-	-	-	-	-	-	-	-	7,500	-	-	-
HST (13%)	-	-	-	-	-	-	-	-	-	975	-	-	-
Lot #24													
Interior finishing cost	-	-	-	-	-	-	-	-	-	7,200	-	-	-
Exterior finishing cost	-	-	-	-	-	-	-	-	-	936	-	-	-
HST (13%)	-	-	-	-	-	-	-	-	-	1,058	-	-	-
Lot #20													
Interior finishing cost	-	-	-	-	-	-	-	-	-	-	-	-	-
Exterior finishing cost	-	-	-	-	-	-	-	-	-	7,000	-	-	-
HST (13%)	-	-	-	-	-	-	-	-	-	910	-	-	-
Lot #19													
Interior finishing cost	-	-	-	-	-	-	-	-	-	-	-	-	-
Exterior finishing cost	-	-	-	-	-	-	-	-	-	6,400	-	-	-
HST (13%)	-	-	-	-	-	-	-	-	-	832	-	-	-
Lot #1													
Interior finishing cost	-	-	-	-	-	-	-	-	-	-	-	-	-
Exterior finishing cost	-	-	-	-	-	-	-	-	-	-	-	-	-
HST (13%)	-	-	-	-	-	-	-	-	-	-	-	-	-
General (projection is inclusive of HST)													
HST Paid on general expenses	-	-	-	780	5,200	-	-	-	-	5,200	-	-	-
Management fees	-	-	-	6,000	-	-	-	-	-	-	-	-	-
Marketing salaries for sales office	-	-	-	-	-	-	-	-	-	-	-	-	-
Other marketing expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Property taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-
Office expenses and banking/LC fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Automotive expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Post-closing service costs re: Lot 17	-	-	-	-	-	-	-	-	-	-	-	-	-
Tarion warranty - service and materials for pre-CCAA closings	-	-	-	-	-	-	-	-	-	-	-	-	-
Tarion warranty for Homes Sold under CCAA	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of BMO Mortgage	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of Home Trust Mortgage	-	700,000	-	-	-	-	-	-	-	-	-	-	-
Repayment to Foremost Financial	-	-	-	-	-	-	-	-	-	-	-	-	-
Estimated post-CCAA filing HST remittance/(refund)	-	-	-	-	-	80,000	-	-	-	-	-	-	-
Source Deductions Per Court-Approved Settlement	-	-	-	-	-	-	-	-	-	-	-	-	-
Contingency (15% of construction costs)	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of the interim financing facility	-	-	-	-	-	-	-	-	-	-	-	-	-
Commissions	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional fees	-	-	-	-	40,000	-	-	-	-	40,000	-	-	-
Total disbursements	-	700,000	-	6,780	45,200	80,000	-	-	-	94,396	-	-	-
Net cash inflow/(outflow)	-	207,600	-	(6,780)	(45,200)	(80,000)	-	-	-	(94,396)	-	-	-
Bank account - opening balance	2,367,305	2,367,305	2,574,905	2,574,905	2,568,125	2,522,925	2,442,925	2,442,925	2,442,925	2,442,925	2,348,529	2,348,529	2,348,529
Bank account - closing balance	2,367,305	2,574,905	2,574,905	2,568,125	2,522,925	2,442,925	2,442,925	2,442,925	2,442,925	2,348,529	2,348,529	2,348,529	2,348,529

	01-May	08-May	15-May	22-May	29-May	05-Jun	12-Jun	19-Jun	26-Jun	03-Jul	10-Jul	17-Jul	Cumulative Total
Receipts													
Lot #22													
Closing proceeds, net of deposit collected	-	-	-	-	-	-	-	-	-	-	-	-	827,723
Less: Commission	-	-	-	-	-	-	-	-	-	-	-	-	-
Lot #25	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross closing proceeds, net of deposit collected	-	-	-	-	-	-	-	-	-	-	-	-	801,705
Commission payable (3.5% of gross purchase price)	-	-	-	-	-	-	-	-	-	-	-	-	-
Lot #19 - Deposit	-	-	-	-	-	-	-	-	-	-	-	-	40,000
Closing proceeds, net of deposit collected	-	-	-	-	-	-	-	-	-	-	-	-	687,166
Less: Bonus Sales Team Rep	-	-	-	-	-	-	-	-	-	-	-	-	-
Lot #23 (PH2) Deposit	-	-	-	-	-	-	-	-	-	-	-	-	40,000
Closing proceeds, net of deposit collected	-	-	-	-	-	-	-	-	-	-	-	-	854,305
Less: Bonus Sales Team Rep	-	-	-	-	-	-	-	-	-	-	-	-	(41,200)
Lot #24 (PH2) Deposit	-	-	-	-	-	-	-	-	-	-	-	-	35,000
Closing proceeds, net of deposit collected	-	-	-	-	-	-	-	-	-	-	-	-	895,995
Less: Bonus Sales Team Rep	-	-	-	-	-	-	-	-	-	-	-	-	-
Lot 20 - Deposit	-	-	-	-	-	-	-	-	-	-	-	-	40,000
Closing proceeds, net of deposit collected	-	-	-	-	-	-	-	-	-	-	-	-	757,991
Less: Bonus Sales Team Rep	-	-	-	-	-	-	-	-	-	-	-	-	-
Lot #1 - Deposit	-	-	-	-	-	-	-	-	-	-	-	-	40,000
Closing proceeds, net of deposit collected	-	-	-	-	-	-	-	-	-	-	-	-	814,221
Less: Bonus Sales Team Rep	-	-	-	-	-	-	-	-	-	-	-	-	-
Lot #23 (PH3) Deposit	-	-	-	-	-	-	-	-	-	-	-	-	50,000
Closing proceeds, net of deposit collected	-	-	-	-	-	-	-	-	-	-	-	-	925,558
Less: Bonus Sales Team Rep	-	-	-	-	-	-	-	-	-	-	-	-	-
Lot 24 - Deposit	-	-	-	-	-	-	-	-	-	-	-	-	40,000
Closing proceeds, net of deposit collected	-	-	-	-	-	-	-	-	-	-	-	-	909,946
Less: Bonus Sales Team Rep	-	-	-	-	-	-	-	-	-	-	-	-	-
General													-
Interim financing facility (i.e. DIP loan)	-	-	-	-	-	-	-	-	-	-	-	-	425,000
Interest Income	-	-	-	-	-	-	-	-	-	-	-	-	7,348
HST collected (net of $24k from the HST rebate program)	-	-	-	-	-	-	-	-	-	-	-	-	715,546
Total receipts	-	-	-	-	-	-	-	-	-	-	-	-	8,866,305
Disbursements													
Lot #22													
Interior finishing cost	-	-	-	-	-	-	-	-	-	-	-	-	20,503
Exterior finishing cost	-	-	-	-	-	-	-	-	-	-	-	-	12,523
HST (13%)	-	-	-	-	-	-	-	-	-	-	-	-	4,293
Lot #25													
Interior finishing cost	-	-	-	-	-	-	-	-	-	-	-	-	31,227
Exterior finishing cost	-	-	-	-	-	-	-	-	-	-	-	-	18,648
HST (13%)	-	-	-	-	-	-	-	-	-	-	-	-	6,484
Lot #23 Phase 2													
Interior finishing cost	-	-	-	-	-	-	-	-	-	-	-	-	75,304
Exterior finishing cost	-	-	-	-	-	-	-	-	-	-	-	-	1,400
HST (13%)	-	-	-	-	-	-	-	-	-	-	-	-	9,972
Lot #23													
Interior finishing cost	-	-	-	-	-	-	-	-	-	-	-	-	22,200
Exterior finishing cost	-	-	-	-	-	-	-	-	-	-	-	-	10,500
HST (13%)	-	-	-	-	-	-	-	-	-	-	-	-	4,251
Lot #24													
Interior finishing cost	-	-	-	-	-	-	-	-	-	-	-	-	114,635
Exterior finishing cost	-	-	-	-	-	-	-	-	-	-	-	-	13,642
HST (13%)	-	-	-	-	-	-	-	-	-	-	-	-	16,676
Lot #20													
Interior finishing cost	-	-	-	-	-	-	-	-	-	-	-	-	52,340
Exterior finishing cost	-	-	-	-	-	-	-	-	-	-	-	-	7,000
HST (13%)	-	-	-	-	-	-	-	-	-	-	-	-	7,714
Lot #19													
Interior finishing cost	-	-	-	-	-	-	-	-	-	-	-	-	4,537
Exterior finishing cost	-	-	-	-	-	-	-	-	-	-	-	-	6,400
HST (13%)	-	-	-	-	-	-	-	-	-	-	-	-	1,422
Lot #1													
Interior finishing cost	-	-	-	-	-	-	-	-	-	-	-	-	70,386
Exterior finishing cost	-	-	-	-	-	-	-	-	-	-	-	-	7,269
HST (13%)	-	-	-	-	-	-	-	-	-	-	-	-	10,095
General (projection is inclusive of HST)													
HST Paid on general expenses	-	5,200	-	-	-	-	5,200	-	-	-	-	5,200	204,003
Management fees	-	-	-	-	-	-	-	-	-	-	-	-	320,858
Marketing salaries for sales office	-	-	-	-	-	-	-	-	-	-	-	-	17,975
Other marketing expenses	-	-	-	-	-	-	-	-	-	-	-	-	18,378
Property taxes	-	-	-	-	-	-	-	-	-	-	-	-	22,959
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	58,004
Office expenses and banking/LC fees	-	-	-	-	-	-	-	-	-	-	-	-	63,493
Automotive expenses	-	-	-	-	-	-	-	-	-	-	-	-	61,384
Post-closing service costs re: Lot 17	-	-	-	-	-	-	-	-	-	-	-	-	7,500
Tarion warranty - service and materials for pre-CCAA closings	-	-	-	-	-	-	-	-	-	-	-	-	128,218
Tarion warranty for Homes Sold under CCAA	-	-	-	-	-	-	-	-	-	-	-	-	6,100
Repayment of BMO Mortgage	-	-	-	-	-	-	-	-	-	-	-	-	1,096,613
Repayment of Home Trust Mortgage	-	-	-	-	-	-	-	-	-	-	-	-	1,356,938
Repayment to Foremost Financial	-	-	-	-	-	-	-	-	-	-	-	-	536,433
Estimated post-CCAA filing HST remittance/(refund)	-	-	-	-	-	-	-	-	-	-	-	-	569,533
Source Deductions Per Court-Approved Settlement	-	-	-	-	-	-	-	-	-	-	-	-	86,000
Contingency (15% of construction costs)	-	-	-	-	-	-	-	-	-	-	-	-	13,159
Repayment of the interim financing facility	-	-	-	-	-	-	-	-	-	-	-	-	483,775
Commissions	-	-	-	-	-	-	-	-	-	-	-	-	92,562
Professional fees	-	40,000	-	-	-	-	40,000	-	-	-	-	40,000	980,070
Total disbursements	-	45,200	-	-	-	-	45,200	-	-	-	-	45,200	6,653,376
Net cash inflow/(outflow)	-	(45,200)	-	-	-	-	(45,200)	-	-	-	-	(45,200)	2,212,929
Bank account - opening balance	2,348,529	2,348,529	2,303,329	2,303,329	2,303,329	2,303,329	2,303,329	2,258,129	2,258,129	2,258,129	2,258,129	2,258,129	
Bank account - closing balance	2,348,529	2,303,329	2,303,329	2,303,329	2,303,329	2,303,329	2,258,129	2,258,129	2,258,129	2,258,129	2,258,129	2,212,929	

Hypothetical Assumptions:

1. The sale of Lot 23 is subject to a vesting order issued by the Court and is scheduled to close in February 2015. The Court has approved a distribution to Home Trust from the proceeds of sale, subject to a reimbursement agreement between Home Trust and the Monitor.

2. The interim financing facility has been repaid in full.

3. Represents the estimated costs to complete the homes currently under construction.

4. Represents amounts payable to various parties, including the management team responsible for all construction and sales activities of the Applicants. Parties receiving payments include the Applicants' principals as well as third party vendors/service providers.

5. Represents post-closing servicing costs under the Tarion new home warranty program.

6. Represents the fees and costs of the Applicants' counsel, the Applicants' accountant, the Monitor and the Monitor's independent counsel.

Probable Assumptions:

a. The timing of the sale of the balance of the Applicants' remaining property (one empty lot) is uncertain. although it is anticipated that it will be sold before the end of the projection period.

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

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

Applicants

REPORT ON CASH FLOW STATEMENT
(Section 10(2)(b) of the *Companies' Creditors Arrangement Act* ("CCAA"))

Silver Stream Homes (Puccini) Inc. and the other Applicants listed above (collectively, **"Silver Streams"**) have prepared the attached statement of projected cash flow of Silver Streams as of December 18, 2014 (the "**Cash Flow Statement**") consisting of a cash flow for the period from December 11, 2014 to July 17, 2015. Silver Streams developed the assumptions contained in the Notes to the Cash Flow Statement (the "**Notes**"). The purpose of the Cash Flow Statement is to determine the liquidity requirements for Silver Streams during the CCAA proceedings.

The hypothetical assumptions are reasonable and consistent with the purpose of the projections described herein, and the probable assumptions are suitably supported and consistent with the plans of Silver Streams and provide a reasonable basis for the projections. All such assumptions are disclosed in the Notes.

Since the projections are based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projections have been prepared solely for the purpose described herein, using the probable and hypothetical assumptions set out in the Notes. Consequently, readers are cautioned that the Cash Flow Statement may not be appropriate for other purposes.

Dated: December 19, 2014

SILVER STREAMS HOMES INC., SILVER STREAMS HOMES (PUCCINI) INC., 2148993 ONTARIO INC., 2148990 ONTARIO INC., 2147681 ONTARIO INC. AND 2147650 ONTARIO INC.

Per: ______________________

Mr. Imran Jinnah
Title:
I have the authority to bind the corporations

Appendix 4

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

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

Applicants

AFFIDAVIT OF JONATHAN KRIEGER

I, **JONATHAN KRIEGER**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY** as follows:

1. I am Senior Vice President of Grant Thornton Limited, ("**GTL**") which was appointed as the Monitor ("**Monitor**") without security, of all the assets, undertakings and properties of Silver Streams Homes Inc., Silver Streams Homes (Puccini) Inc., 2148993 Ontario Inc., 2148990 Ontario Inc., 2147681 Ontario Inc. and 2147650 Ontario Inc. (collectively the "**Company**"). As such, I have knowledge of the matters hereinafter deposed to, except where stated to be on information and belief and whereso stated I verily believe such to be true.

2. Attached and marked as Exhibit "**A**" to this my affidavit is a true copy of the detailed billing setting out the fees and disbursements (including HST) of GTL incurred in its role as Monitor of the Company from November 1, 2014 to November 30, 2014, in the total amount of $12,283.85, plus HST.

3. Given the complexity of this insolvency matter, I believe the hourly rates and the total amount of fees are reasonable and comparable for insolvency services of this nature rendered by other firms in the City of Toronto.

4. This affidavit is sworn in connection with the approval of the fees and disbursements of GTL and for no improper purpose.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario, this 17th day of December, 2014.

Commissioner for Taking Affidavits, etc.

Daniel Adam Sobel, a Commissioner, etc., Province of Ontario, for Grant Thornton Limited, Trustee in Bankruptcy. Expires July 19, 2017.

JONATHAN KRIEGER

Exhibit "**A**" to the Affidavit of Jonathan Krieger, sworn before me this 17th day of December, 2014.

Commissioner for Taking Affidavits, etc.

Daniel Adam Sobel, a Commissioner, etc., Province of Ontario, for Grant Thornton Limited, Trustee in Bankruptcy. Expires July 19, 2017.

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

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

Applicants

BILLING

BN 12738 4717 RT0001
Client #181330
Invoice#LSON-1105

To professional services rendered as Court Appointed CCAA Monitor for the period from November 1, 2014 to November 30, 2014.

Date	Description	Hours
November 3, 2014	Rosa Wilford	
	• Review, follow and respond to phone call from L. Solis, preparation of cheques and general banking administration.	0.50 hours
November 4, 2014	Daniel Sobel	
	• Review banking, review email from counsel to CM Kapur, call with CM Kapur, email to secured lender, review emails from Silver Streams regarding property sale, review documents related to such sale, emails from counsel.	1.20 hours
November 5, 2014	Daniel Sobel	
	• Review emails from counsel; Call with counsel; Call with secured lender.	0.50 hours

November 5, 2014	**Jan Oros**	
	• Review disbursements requested for month of October; Review emails from counsel; Review responses to queries from debtors regarding the disbursements.	1.25 hours
November 5, 2014	**Jonathan Krieger**	
	• Review of correspondence from counsel re: claims, distribution matters; Comments thereto.	1.00 hours
November 5, 2014	**Valerie Naccarato**	
	• Prepare bank reconciliation.	0.20 hours
November 6, 2014	**Jan Oros**	
	• Review emails from debtor regarding disbursements requested to be issued, review emails from counsel; Review email from debtor re: sale of lot 23.	0.25 hours
November 7, 2014	**Anna Poon**	
	• Deposit in bank.	0.10 hours
November 7, 2014	**Rosa Wilford**	
	• Preparation of cheque, void payments in ascend and general banking administration.	0.50 hours
November 10, 2014	**Jan Oros**	
	• Forward payment requests to R. Wilford for processing, review emails from counsel.	0.25 hours
November 10, 2014	**Rosa Wilford**	
	• Review, follow and respond to internal email correspondence and provide applicable rates for a one year (cashable after 30 days) GIC for bank accounts held with RBC; Correspondences and phone calls with RBC; Follow email instructions from J. Oros, preparation of cheque and general banking administration.	0.60 hours
November 11, 2014	**Jan Oros**	
	• Prepare draft of 6th court report to court for vesting order for 60 Puccini drive, CRA settlement and distribution to Hometrust.	3.10 hours

November 11, 2014	**Jonathan Krieger**	
	• Review of materials; Discussion with team.	1.00 hours
November 11, 2014	**Rosa Wilford**	
	• Follow instructions from D. Sobel; Preparation of cheque, enter payables and general banking administration.	2.00 hours
November 12, 2014	**Daniel Sobel**	
	• Review and revise report to court, review emails re: lien order, review emails re: CM Kapur invoices, call from counsel to CM Kapur.	2.50 hours
November 12, 2014	**Jan Oros**	
	• Prepare R&D for October 31, 2014, review updated draft report updated by D. Sobel.	0.75 hours
November 12, 2014	**Jonathan Krieger**	
	• Review of report to Court; Discussion with D. Sobel.	1.30 hours
November 12, 2014	**Rosa Wilford**	
	• Review banking with D. Sobel, follow instructions, RBC letter, purchase one year fully cashable GIC, after 30 days, correspondence with RBC, and general banking administration.	0.60 hours
November 13, 2014	**Daniel Sobel**	
	• Review court report, review R&D, review emails among counsel re: lien order, circulate report to counsel.	1.70 hours
November 13, 2014	**Jan Oros**	
	• Update and make changes to R&D for court report, follow up with disbursements to be issued.	0.35 hours
November 13, 2014	**Rosa Wilford**	
	• Follow up correspondence with RBC - C. McCormack on our request to purchase a GIC, bank slip deposit, posting entries and general banking administration.	0.50 hours
November 14, 2014	**Daniel Sobel**	
	• Review draft affidavit, revise report to court, emails with counsel.	1.00 hours

November 14, 2014	**Jan Oros**	
	• Review emails from secured lender and debtor, forward approval to R. Wilford to process disbursements.	0.15 hours
November 17, 2014	**Daniel Sobel**	
	• Review materials filed by Silver Streams.	0.50 hours
November 17, 2014	**Rosa Wilford**	
	• Follow email instructions from J. Oros, correspondences, preparation of cheques and general banking administration.	2.50 hours
November 18, 2014	**Daniel Sobel**	
	• Banking review, email from counsel to accountant to debtors.	0.50 hours
November 18, 2014	**Rosa Wilford**	
	• Follow email instructions from J. Oros, preparation of cheques, follow-up with D. Sobel and general banking administration.	0.50 hours
November 19, 2014	**Daniel Sobel**	
	• Review comments on court report, finalize court report, website administration, review materials filed by Silver Streams, call with counsel re: report.	1.50 hours
November 19, 2014	**Jonathan Krieger**	
	• Review and finalize comments on Sixth Report; Discussion with team thereto.	1.50 hours
November 19, 2014	**Valerie Naccarato**	
	• Banking entries.	0.10 hours
November 20, 2014	**Jan Oros**	
	• Review disbursements requested by debtors for payment; Send copy of requests to secured lenders.	0.35 hours
November 20, 2014	**Rosa Wilford**	
	• Review bank reconciliations for October 2014 and initial the Report for the Summary of Estate Balances.	0.10 hours

November 21, 2014	<u>**Daniel Sobel**</u>	
	• Email to BMO; Call with BMO; Review disbursements.	0.50 hours
November 25, 2014	<u>**Daniel Sobel**</u>	
	• Prepare for and attend court.	1.50 hours
November 25, 2014	<u>**Jan Oros**</u>	
	• Review payment request from debtor; Forward payment request to R. Wilford for processing.	0.15 hours
November 25, 2014	<u>**Jonathan Krieger**</u>	
	• Review of matters related to disbursements; Correspondence with team thereto.	0.30 hours
November 25, 2014	<u>**Rosa Wilford**</u>	
	• Follow instructions from J. Oros; Preparation of cheques and general banking administration.	2.20 hours
November 26 2014	<u>**Jan Oros**</u>	
	• Review emails from counsel; Calls with debtor re: disbursements.	0.15 hours
November 28, 2014	<u>**Jan Oros**</u>	
	• Review emails from counsel re: lien/trust claims.	0.15 hours
November 28, 2014	<u>**Jonathan Krieger**</u>	
	• Review of matters related to company disbursements; Correspondence thereto.	0.50 hours

Time Summary

J. Krieger, Sr. Vice President	5.60	hours @	$	550.00	per hour	$	3,080.00
D. Sobel, Vice President	11.40	hours @	$	390.00	per hour	$	4,446.00
J. Oros, Manager	6.90	hours @	$	270.00	per hour	$	1,863.00
R. Wilford, Manager	10.00	hours @	$	225.00	per hour	$	2,250.00
V. Naccarato, Analyst	0.30	hours @	$	120.00	per hour	$	36.00
A. Poon, Analyst	0.10	hours @	$	120.00	per hour	$	12.00
	34.30					$	11,687.00
5% Technology and Administration						$	584.35
						$	12,271.35
Disbursements						$	12.50
Total time and disbursements						$	12,283.85
HST (13%)						$	1,596.90
Total Invoice Due						$	**13,880.75**

SILVER STREAMS HOMES INC., SILVER STREAMS HOMES (PUCCINI) INC., 2148993 ONTARIO INC., 2148990 ONTARIO INC., 2147681 ONTARIO INC. AND 2147650 ONTARIO INC.

Applicants

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at **Toronto**

AFFIDAVIT OF JONATHAN KRIEGER

Aird & Berlis LLP
181 Bay St, Suite 1800
Brookfield Place, Box 754
Toronto, ON M5J 2T9

Steven Graff
Tel: (416) 865-7726
Fax: (416) 863-1515
Email. sgraff@airdberlis.com

Ian Aversa
Tel. (416) 865-3082
Fax: (416) 863-1515

Email. iaversa@airdberlis.com

Lawyers for the Court-appointed Monitor

Appendix 5

Court File No. 13-10362-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

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

Applicants

AFFIDAVIT OF STEVEN GRAFF
(sworn December 17, 2014)

I, **STEVEN GRAFF**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS**:

1. I am a lawyer at Aird & Berlis LLP and, as such, I have knowledge of the matters to which I hereinafter depose. Aird & Berlis LLP is acting as counsel for Grant Thornton Limited ("**GTL**"), in its capacity as the Court-appointed Monitor of the Applicants.

2. Aird & Berlis LLP has prepared a statement of account in connection with its mandate as counsel to GTL, detailing its services rendered and disbursements incurred, namely:

   (a) an account dated December 17, 2014 in the amount of $12,432.78 in respect of the period from November 3, 2014 to November 30, 2014 (the "**Statement of Account**").

   Attached hereto and marked as **Exhibit "A"** to this Affidavit is a copy of the Statement of Account. The average hourly rate of Aird & Berlis LLP is $367.11.

3. Attached hereto and marked as **Exhibit "B"** to this Affidavit is a chart detailing the lawyers, law clerks and articling students who have worked on this matter.

4. This Affidavit is made in support of a motion to, *inter alia,* approve the attached account of Aird & Berlis LLP and the fees and disbursements detailed therein, and for no improper purpose whatsoever.

SWORN before me at the City of Toronto, in the Province of Ontario this 17th day of December, 2014))))))	
A commissioner, etc. IAN AVERSA	**STEVEN GRAFF**

Attached is Exhibit "A"

Referred to in the

AFFIDAVIT OF STEVEN GRAFF

Sworn before me

this 17th day of December, 2014

IAN AVORSA

Commissioner for taking Affidavits, etc

IN ACCOUNT WITH:

AIRD & BERLIS LLP

Barristers and Solicitors

Brookfield Place, 181 Bay Street
Suite 1800, Box 754, Toronto, ON M5J 2T9 Canada
T 416.863.1500 F 416.863.1515
www.airdberlis.com

Grant Thornton Limited
Royal Bank Plaza, South Tower
200 Bay Street, 19th Floor
Toronto, ON
Canada M5J 2P9

Attention: Mr. Daniel Sobel

Account No.: 498133

PLEASE WRITE ACCOUNT NUMBERS ON THE BACK OF ALL CHEQUES

File No.: 25227/118506

December 17, 2014

Re: Silver Streams Homes Inc.

FOR PROFESSIONAL SERVICES RENDERED on your behalf throughout the period ended November 30, 2014

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
IEA	03/11/14	$395.00	0.30	$118.50	Telephone call with client regarding the draft lien order, the CRA motion and next steps; Emails to and from the vetting committee regarding the draft lien order
IEA	04/11/14	$395.00	0.50	$197.50	Emails to and from M. Poliak, the vetting committee and clients regarding the draft lien order and the CRA settlement; Emails to and from client regarding payment of accountant's fees; Emails regarding the sale of 60 Puccini
IEA	05/11/14	$395.00	1.10	$434.50	Emails to and from client and S. Zomorodi regarding the draft lien order; Emails to and from clients regarding accountant's fees; Emails to and from M. Poliak and client regarding vesting order; Telephone call with M. Poliak regarding same; Telephone call with client regarding same; Engaged with preparing an affidavit of fees

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
IEA	06/11/14	$395.00	0.30	$118.50	Engaged with preparing an affidavit of fees and emails to and from clients regarding the same
IEA	07/11/14	$395.00	0.50	$197.50	Emails to and from M. Poliak and clients regarding 58 Puccini; Emails to and from the vetting committee regarding the draft lien order; Emails regarding payment of accountant's fees
IEA	10/11/14	$395.00	0.20	$79.00	Emails to and from M. Poliak and clients regarding the motion materials and the hearing date
IEA	11/11/14	$395.00	1.00	$395.00	Engaged with reviewing the revised draft lien order; Instruct J. Nemers regarding same; Emails to and from M. Poliak and client regarding hearing; Engaged with reviewing the revised draft lien order and discussions with J. Nemers regarding same
JTN	11/11/14	$280.00	1.10	$308.00	Revise draft Order re lien claimants in consultation with I. Aversa and proposed changes made by certain members of working group
IEA	12/11/14	$395.00	1.50	$592.50	Emails to and from vetting committee and client regarding draft lien order; Telephone call with client and J. Nemers regarding same; Emails to and from M. Poliak and client regarding the hearing and the motion materials
JTN	12/11/14	$280.00	0.30	$84.00	Telephone call with D. Sobel and I. Aversa to discuss draft Order re lien claimants and next steps
IEA	13/11/14	$395.00	3.00	$1,185.00	Emails to and from the vetting committee and client regarding draft lien order; Engaged with reviewing the draft sixth report and providing comments; Emails to and from client, S. Graff and J. Nemers regarding same; Engaged with reviewing the draft affidavit and providing comments and emails to and from client and M. Poliak

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
					regarding same
IEA	14/11/14	$395.00	1.00	$395.00	Instruct J. Nemers regarding the tenant claims; Emails to and from M. Poliak and clients regarding draft report, the motion materials and the hearing
JTN	16/11/14	$280.00	0.20	$56.00	Review nature of claims submitted by Horizons Holdings Inc., Africana Investments Inc. and S. Japanwala for I. Aversa
IEA	17/11/14	$395.00	1.30	$513.50	Conference call with vetting committee regarding draft lien order; Instruct J. Nemers regarding amendments to same; Engaged with reviewing and revising amended order and emails to and from vetting committee and client regarding same; Emails to and from M. Poliak and clients regarding the hearing
JTN	17/11/14	$280.00	0.70	$196.00	Telephone call with I. Aversa and external counsel to discuss draft lien Order
JTN	17/11/14	$280.00	1.40	$392.00	Revise draft lien Order and accompanying schedules to reflect outcome of conference call
IEA	18/11/14	$395.00	2.40	$948.00	Emails to and from vetting committee re draft lien order; Emails to and from M. Poliak and client re motion materials; Emails to and from J. Nemers re claims process; Meeting with J. Nemers re same; Emails to and from clients and J. Nemers re same
PGC	18/11/14	$295.00	0.10	$29.50	Discussion with J. Nemers re: outstanding notices of discontinuance
JTN	18/11/14	$280.00	0.20	$56.00	Receipt and review of email from J. Klein, proposing further changes to draft lien Order; Consider proposal and email draft response to I. Aversa
JTN	18/11/14	$280.00	1.50	$420.00	Review and revise claims and

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
					notices of disallowance re Africana Investments Inc., Horizons Holdings Inc., S. Japanwala, and I. and H. Hussain in consultation with I. Aversa and P. Copeland; Prepare draft cover letter re same notices of disallowance
IEA	19/11/14	$395.00	3.60	$1,422.00	Emails to and from client and M. Poliak re motion materials and report; Engaged with reviewing and revising report; Engaged with serving report; Engaged with revising draft order and providing comments; Emails to and from M. Poliak and clients re same; Instruct J. Nemers re preparation of reimbursement agreement; Engaged with reviewing and revising reimbursement agreement; Emails to and from M. Poliak and client re same
JTN	19/11/14	$280.00	0.30	$84.00	Revise reimbursement agreement re Home Trust for I. Aversa
PW	20/11/14	$155.00	0.60	$93.00	Filed Sixth Report of Monitor
IEA	24/11/14	$395.00	1.50	$592.50	Emails to and from M. Poliak and clients regarding hearing and the reimbursement agreement; Emails to and from the vetting committee and clients regarding the trust claims; Emails to and from S. Turajlich regarding the claims process; Emails to and from Applicants' counsel and clients regarding closing of 68 Puccini; Engaged with reviewing the revised draft orders and emails to and from M. Poliak and clients regarding same
JTN	24/11/14	$280.00	0.30	$84.00	Email to M. Poliak and S. Schwartz re draft Notices of Disallowance re claims made by clients of Clyde & Co.
IEA	25/11/14	$395.00	2.10	$829.50	Attend court; Emails to and from M. Poliak and client regarding trust claims; Emails to and from the

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
					vetting committee regarding the draft lien order
IEA	27/11/14	$395.00	0.20	$79.00	Emails to and from Applicants' counsel and J. Nemers regarding trust claims
SLG	27/11/14	$695.00	0.30	$208.50	Review email and equitable mortgages
JTN	27/11/14	$280.00	0.20	$56.00	Follow-up email to M. Poliak re draft notices of disallowance for Clyde & Co. clients; Receipt and review of response from M. Poliak and email thoughts on response to I. Aversa
IEA	28/11/14	$395.00	0.60	$237.00	Emails to and from client and J. Nemers regarding trust claims; Emails to and from the vetting committee regarding same; Engaged with reviewing the monitor's certificate regarding 68 Puccini and emails to and from clients regarding same
IEA	29/11/14	$395.00	0.50	$197.50	Engaged with reviewing revised draft lien order and emails to and from M. Drudi and J. Nemers regarding draft lien order
JTN	29/11/14	$280.00	0.30	$84.00	Receipt and review of proposed revisions to draft lien Order; Email blackline version and brief analysis to I. Aversa
TOTAL:			29.10	$10,683.00	

Name	Hours	Rate	Value
Ian E. Aversa (IEA)	21.60	$395.00	$8,532.00
Jeremy T. Nemers (JTN)	6.50	$280.00	$1,820.00
Patrick G. Copeland (PGC)	0.10	$295.00	$29.50
Patrick Williams (PW)	0.60	$155.00	$93.00
Steven L. Graff (SLG)	0.30	$695.00	$208.50

OUR FEE	$10,683.00
HST at 13%	$1,388.79

DISBURSEMENTS

Subject to HST

Taxi	$23.23	
Long Distance Charges	$2.12	
Photocopies - Local	$188.00	
Imaging/Scanning	$4.50	
Deliveries/Parss	$19.86	
Photocopies	$61.25	
Binding and Tabs	$20.50	
Total Disbursements		$319.46
HST at 13%		$41.53

AMOUNT NOW DUE **$12,432.78**

THIS IS OUR ACCOUNT HEREIN
Aird & Berlis LLP

per:

Steven L. Graff

E.&O.E.

PAYMENT OF THIS ACCOUNT IS DUE ON RECEIPT

IN ACCORDANCE WITH THE SOLICITORS ACT, ONTARIO, INTEREST WILL BE CHARGED AT THE RATE OF 1.3% PER ANNUM ON UNPAID AMOUNTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS ACCOUNT IS DELIVERED.

GST / HST Registration # 12184 6539 RT0001

NOTE: *This account may be paid by wire transfer in Canadian funds to our account at The Toronto-Dominion Bank, TD Centre, 55 King Street West, Toronto, Ontario, M5K 1A2. Account number 5221521, Transit number 10202, Swift Code TDOMCATTTOR. Please include the account number as reference.*

21039406.1

Attached is Exhibit "B"

Referred to in the

AFFIDAVIT OF STEVEN GRAFF

Sworn before me

this 17th day of December, 2014

IAN AVERSA

Commissioner for taking Affidavits, etc

STATEMENT OF RESPONSIBLE INDIVIDUALS

Aird & Berlis LLP's professional fees herein are made with respect to the following individuals

Lawyer	**Call to Bar**	**Hrly Rate**	**Total Time**	**Value**
Steven L. Graff	1991	$695.00	0.3	$208.50
Ian Aversa	2008	$395.00	21.60	$8,532.00
Jeremy Nemers	2014	$280.00	6.50	$1,820.00
Patrick Copeland	2012	$295.00	0.10	$29.50
Clerk/Student	**Call to Bar**	**Hrly Rate**	**Total Time**	**Value**
Patrick Williams	N/A	$155.00	0.60	$93.00

**Standard hourly rates listed. However, in certain circumstances adjustments to the account were made.*

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

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

(Short title of proceeding)

Court File No. 13-10362-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

AFFIDAVIT OF STEVEN L. GRAFF

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

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

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

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

21039868.1