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

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

**JUNE 24, 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 and April 17, 2014, the Court issued orders (the "**Extension Orders**"), *inter alia*, extending the stay of proceedings first from January 16 to April 18, 2014, and then from April 18, 2014 to July 3, 2014. The Extension Orders also approved an interim distribution to Bank of Montreal ("**BMO**"), subject to a reimbursement agreement between BMO and the Monitor, and authorized the Monitor to conduct the Claims Process (defined below). Copies of the January and April 2014 Orders are attached as **Appendix "2" and Appendix "3"**, respectively.

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

## PURPOSE OF THE THIRD REPORT

7. The purpose of this Third 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 second report to Court dated April 11, 2014 (the "**Second Report**"), a copy of which is attached (without appendices) as **Appendix "4"**;

   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 January 16, 2015 (the "**Cash Flow Projection**");

iv) the Companies' receipts and disbursements since December 17, 2013 up to and including June 18, 2014 (the "**Interim R&D**");

v) the Companies' request for an Order:

a. extending the stay of proceedings from July 3, 2014, the date that the stay of proceedings currently expires, to and including January 16, 2015;

b. vesting in the purchasers the Applicants' rights, title and interest in and to:

   i. lot 20 of Phase III of the Puccini Project, municipally known as 21 Rossini Drive, Richmond Hill, Ontario ("**Lot 20**"); and

   ii. lot 24 of Phase III of the Puccini Project, municipally known as 66 Puccini Drive, Richmond Hill, Ontario ("**Lot 24**"),

   free and clear of any encumbrances, except those contemplated by the respective agreements of purchase and sale;

c. authorizing a distribution to BMO, subject to BMO entering into a reimbursement agreement with the Monitor in a form satisfactory to the Monitor;

d. approving the Third Report, the Interim R&D and the Monitor's activities as described herein; and

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

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**") and the affidavit of Imran Jinnah sworn June 19, 2014 (the "**June Jinnah Affidavit**"), which have been filed with the Court. Accordingly, the Monitor has not repeated information to this effect in this Third Report. Copies of all materials filed with the Court in these proceedings are accessible at: www.GrantThornton.ca/Silverstreams.

## SCOPE AND TERMS OF REFERENCE

9. In preparing this Third 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 Third 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 Third 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 Third Report is based solely on the information (financial or otherwise) made available to the Monitor by the Companies.

12. This Third 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 Third 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 Third 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 Third Report have the meanings ascribed to them in the Initial Jinnah Affidavit and the June 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 June Jinnah Affidavit. Since the issuance of the Second Report, the Companies have, among other things:

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

    (ii) corresponded with the DIP Lender on a regular basis;

    (iii) corresponded with legal counsel;

    (iv) planned and executed the marketing of the remaining homes;

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

(vi) closed the sale of Lots 19, 22 and 25, as authorized by the Court;

(vii) executed Agreements of Purchase and Sale for Lots 20 and 24 (as described in the June Jinnah Affidavit), which transactions are scheduled to close on July 22, 2014 and July 31, 2014, respectively;

(viii) made payments to vendors as contemplated by the Applicants' cash flow projections;

(ix) prepared the Cash Flow Projections to January 16, 2014; and

(x) serviced homes that were sold prior to the issuance of the Initial Order, in accordance with the Tarion home warranty program.

## ACTIVITIES OF THE MONITOR

16. Since the date of the Second 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) touring certain of the Companies' properties to monitor the work being done and the work remaining to be completed;

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

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

(vi) corresponding with the DIP Lender;

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

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

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

(x) administering the Court authorized Claims Process and reviewing and commenting on the claims received; and

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

## UPDATE ON 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 Canada Revenue Agency ("**CRA**") (i.e. the Secured Claims).

18. By way of the January 2014 Orders, the Court authorized the Claims Process. The Vetting Committee was established and includes the Monitor's counsel, the Companies' counsel and counsel to certain of the secured creditors.

19. As set out in the Second Report, 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. Since the Claims Deadline, the Monitor's counsel has corresponded 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. Following that meeting and with the agreement of the Vetting Committee, the Monitor's counsel:

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

22. The Monitor's counsel continues 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. In that regard, the Monitor's counsel has asked the relevant parties to advise as to their preferred choice of arbitrator and deliver a draft timetable to have this matter addressed.

23. In respect of the one late-filed claim of Argyle Flooring, after discussions with the Vetting Committee, the Monitor has decided to reserve its decision of the admission of such claim until the Monitor and the Vetting Committee have more clarity on the amount of funds available for distribution in these proceedings.

## DISTRIBUTIONS TO BMO

24. As set out in the June Jinnah Affidavit, BMO made available to the Applicants three credit facilities for the purpose of, among other things, financing the servicing and construction of homes in Phases I, II and III of the Puccini Project.

25. On December 17, 2014, this Court granted an Order authorizing an interim distribution in an amount not exceeding $570,000 (the "**Interim Distribution**") from the proceeds of the sale of Lots 22 and 25 to BMO,

subject to a reimbursement agreement that was negotiated and entered into between BMO and the Monitor, a copy of which was attached to the June Jinnah Affidavit.

26. On January 21, 2014, the Monitor made the Interim Distribution to BMO in an amount of $536,105.52.

27. The Monitor understands that following the Interim Distribution, the Applicants remain indebted to BMO in an amount of approximately $512,000 (inclusive of interests and fees).

28. BMO holds a first ranking mortgage against Lot 19 (which has been sold) and Lot 20 (the proposed sale of which is discussed below). The Applicants have sought an Order of this Court authorizing them to make a further distribution to BMO from the proceeds from the sale of Lots 19 and 20, up to the full amount of the Applicants' indebtedness to BMO, subject to BMO and the Monitor entering into a reimbursement agreement substantially on the same terms as the first reimbursement agreement, which is attached to the June Jinnah Affidavit.

29. The Applicants originally sought an Order approving a further distribution to BMO from the proceeds of the sale of Lot 19 during its April, 2014 appearance before the Court. This relief was adjourned on consent on request from CRA. CRA filed the following claims in the Claims Process:

(i) A deemed trust claim against Silver Streams for recovery of payroll source deductions in the amount of $84,596.39;

(ii) A deemed trust claim against Puccini for recovery of payroll source deductions in the amount of $40,831.53; and

(iii) A secured claim against Silver Streams in respect of GST/HST in an amount of $119,349.57.

30. As described above, on June 16, 2014, the Monitor sent a Notice of Disallowance to CRA with respect to its GST/HST claim on the basis that CRA's GST/HST claim is an unsecured claim against the Applicants' estate.

31. On June 16, 2014, the Monitor sent Notices of Allowance to CRA with respect to CRA's two deemed trust claims. The Monitor has advised CRA that the proceeds of sale (including from Lots 19, 22 and 25, a portion of which the Applicants seek to distribute to BMO) do not constitute proceeds to which CRA's deemed trust claims attach.

32. Since the service of the Applicants' notice of motion, CRA has advised the Applicants that it opposes any form of distribution to BMO.

33. The Applicants have proposed to proceed on the following basis:

(i) The Monitor will set aside in trust an amount of approximately $127,000 for the value of CRA's source deduction claims pending a final resolution of CRA's priority dispute;

(ii) The Applicants will consent to an endorsement providing that nothing in the distribution order shall prejudice CRA's rights to the proceeds subject to the distribution;

(iii) A motion to determine the priority of CRA's claims against the Applicants shall be heard no later than July 31, 2014; and

(iv) Distribution to BMO will proceed subject to the terms of a reimbursement agreement.

34. The Applicants and CRA continue to have without prejudice discussions in respect of this matter.

## CASH FLOW PROJECTION

35. The Companies have prepared the Cash Flow Projection, on a weekly basis, for the period ending January 16, 2015. The Cash Flow Projection is attached hereto as **Appendix "5"**. The Cash Flow Projection has been prepared by management using probable and hypothetical assumptions set out therein.

36. 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 transactions for Lots 20 and 24;

iii) The Cash Flow Projection does not contemplate making payments to the Companies' secured creditors (other than to BMO) nor servicing interest on such obligations during the CCAA Proceedings (other than in respect of the interim financing facility, which is being projected to be repaid); and

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

37. 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 Third 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.

38. 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, provided that the sales of homes occurs as projected. Should these transactions be delayed, the Companies may be required to further utilize their interim financing facility to meet their ongoing obligations.

## PROFESSIONAL FEES

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

40. 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.

41. The fees and disbursements of the Monitor during the period from December 17, 2013 to March 31, 2014 were previously approved by the Court.

42. The total fees of the Monitor for the period from April 1, 2014 to May 31, 2014 amount to $26,262.60, together with expenses and disbursements in the sum of $204.32, and HST in the amount of $3,440.70, totaling $29,907.62. 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 June 18, 2014 in support hereof, a copy of which is attached hereto as **Appendix "6"**.

43. The 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 13, 2013 to March 10, 2014 were previously approved by the Court.

44. 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 March 11, 2014 to June 13, 2014 amount to $58,995.38, inclusive of applicable HST. The details of the time spent and services provided by A&B is more particularly described in the Affidavit of Ian Aversa, sworn June 17, 2014 in support hereof, a copy of which is attached hereto as **Appendix "7"**.

45. The Monitor respectfully requests that the Court approve its fees and disbursements and those of its legal counsel.

## INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

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

47. Appendix "5" provides a summary of the Companies' receipts and disbursements for the period from December 17, 2013 to June 19, 2014.

## COMPANIES' REQUEST FOR AN EXTENSION OF THE STAY OF PROCEEDINGS

48. The stay of proceedings currently expires on July 3, 2014. The Companies have requested that the Court extend the stay to and including January 16, 2015. The Monitor is of the view that the Applicants have acted in good faith and with due diligence since the granting of the Initial Order. The Applicants, among other things:

(i) closed the sale of Lots 19, 22 and 25;

(ii) executed agreements of Purchase and Sale for Lots 20 and 24;

(iii) finished construction of Lot 23 of Phase III; and

(iv) planned and commenced a marketing process for the sale of the remaining properties.

49. As set out in the June Jinnah Affidavit, the Applicants seek an extension of the stay period to January 16, 2015 to allow them to: (i) finish construction of the remaining properties in the Puccini Project; (ii) continue with the marketing process for the sale of the remaining properties; and (iii) assist the Monitor with the administration of the Claims Process.

50. A 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

51. 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.

52. The Companies have requested that the Court extend the stay of proceedings to January 16, 2015. Among other things, an extension of the stay will permit the Companies to:

(i) continue to communicate with stakeholders;

(ii) complete construction and realize on the remaining homes;

(iii) finalize the Claims Process; and

(iv) distribute proceeds from such realizations to the Companies' stakeholders.

53. Given the forgoing, the Monitor respectfully recommends that this Court grant the Companies' request for relief as set out in paragraph 7 of this Third Report and in the Applicants' notice 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:**

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

# TAB 1

Court File No. 12-10362-00-CL

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*ONTARIO*

**SUPERIOR COURT OF JUSTICE**

**COMMERCIAL LIST**

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| 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 A 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**


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**Lawyers for the Applicants**

# TAB 2

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

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

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

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

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

**Applicants**

## CLAIMS PROCESS ORDER

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

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

## DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## PURPOSE OF CLAIMS PROCESS

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

## MONITOR'S ROLE

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

## CLAIMS PROCESS

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

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

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

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

**FILING OF SECURED CLAIMS**

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

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

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

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

**VETTING COMMITTEE**

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

(a) James Klein - lawyer for various lien claimants

(b) Jeffrey Long – lawyer for Con Drain

(c) Jeffrey Spiegleman – lawyer for Bank of Montreal

(d) Marco Drudi – lawyer for private lenders

(e) Stephen Schwartz – lawyer for the Applicants

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

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

## CLAIMS REVIEW

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

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

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

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

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

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

## RESOLUTION OF CLAIMS

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

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

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

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

## GENERAL PROVISIONS

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

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

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

with a copy to

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

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

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

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

ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:
JAN 16 2014

**SCHEDULE "A"**

**PROPERTY**

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

SCHEDULE "B"

NOTICE TO CREDITORS

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

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

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

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

Dated at ________________ this _____ day of ______________________, 2014

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

Court File No. 13-10362-00-CL

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

Proceedings commenced at TORONTO

**CLAIMS PROCESS ORDER**


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

**Harvey Chaiton (LSUC #21592F)**
Tel: (416) 218-1129
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**Stephen Schwartz (LSUC #25980A)**
Tel: (416) 218-1132
Fax: (416) 218-1832

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

**Lawyers for the Applicants**

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

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

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

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

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

**Applicants**

## ORDER

**THIS MOTION**, made by the Applicants for an order, *inter alia*:

1. Extending the stay period (the "**Stay Period**") defined in paragraph 11 of the Initial Order of the Honourable Mr. Justice Newbould dated December 17, 2013 (the "**Initial Order**");

2. Approving the First Report of Grant Thornton Limited ("**GTL**") in its capacity as court-appointed monitor of the Applicants (the "**Monitor**") dated January 14, 2014 (the "**First Report**"), the report of GTL in its capacity as proposed monitor dated December 13, 2013 (the "**Proposed Monitor's Report**") and the activities described therein;

3. Approving an interim distribution to Bank of Montreal ("**BMO**") in an amount not exceeding $570,000 subject to BMO entering into a reimbursement agreement with the Monitor; and

4. Amending the Initial Order,

was heard this day at 330 University Avenue, Toronto, Ontario.

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

**SERVICE**

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

**STAY EXTENSION**

2. **THIS COURT ORDERS** that the Stay Period is hereby extended until and including April 18, 2014.

**INTERIM DISTRIBUTION**

3. **THIS COURT ORDERS** that the Monitor may make an interim distribution to BMO in an amount not exceeding $570,000 subject to BMO and the Monitor entering into a reimbursement agreement in a form satisfactory to the Monitor.

**MONITOR'S ACTIVITIES AND REPORT**

4. **THIS COURT ORDERS** that the First Report and the Proposed Monitor's Report, together with the activities described therein, are hereby approved.

**AMENDMENT TO THE INITIAL ORDER**

5. **THIS COURT ORDERS** that the Initial Order is hereby amended by adding the following paragraph:

12 (a) **THIS COURT ORDERS** that nothing in this Order shall in any way impact and/or affect the rights of The Corporation of the Town of Richmond Hill (the "**Town**") to:

(i) serve any notices, for default or otherwise, provided for pursuant to the Subdivision Agreement entered into with 2148993 Ontario Inc. and 2148990 Ontario Inc. dated July 31, 2009 (File 19T-98004), the Subdivision Agreement entered into with 2147650 Ontario Inc., 2147681 Ontario Inc., 2148990 Ontario Inc. and 2148993 Ontario Inc. dated June 30, 2010 (Files 19T-98004 and 19T-07002) and the Subdivision Agreement entered into with 2147650 Ontario Inc., 2148990 Ontario Inc. and 2148993 Ontario Inc. dated November 24, 2011 (File 19T-98004) – (collectively, the "**Subdivision Agreements**"), provided however that, subject to paragraph (ii) below, no further steps, including any enforcement proceedings, shall be taken by the Town without the written consent of the Applicants and the Monitor or with leave of the Court; and

(ii) in accordance with Section 11.04 of the CCAA, draw upon and/or bring any action, suit or proceeding against the Bank of Montreal with respect to its obligations under the Letters of Credit issued by the Bank of Montreal to the Town of Richmond Hill referenced as 19T-98004 - Phase 1 (Letter of Credit No. BMTO261114OS, BMTO230993OS); 19T-98004 – Phase 3 (Letter of Credit No. BMTO358576OS); and 19T-98004 and 19T-07002 – Phase 2 (Letter of Credit No. BMTO301203OS) (collectively, the "**Letters of Credit**"), subject to the Town complying with any conditions precedent in respect of the Subdivision Agreements to drawing on or taking any action, suit or proceeding against the Letters of Credit.

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

JAN 16 2014

N. Von-L J.

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

Court File No. 13-10362-00-CL

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

Proceedings commenced at TORONTO

**ORDER**


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

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Tel: 416-218-1161
Fax: 416-218-1844

**Lawyers for the Applicants**


Doc#2886374v1

# TAB 3

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

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

| | | |
|---|---|---|
| THE HONOURABLE MR. | ) | THURSDAY, THE 17TH DAY |
| | ) | |
| JUSTICE NEWBOULD | ) | OF APRIL, 2014 |

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

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

**Applicants**

# ORDER

**THIS MOTION**, made by the Applicants for an order amount other things:

1. extending the stay period (the "**Stay Period**") as defined in paragraph 11 of the Initial Order of the Honourable Mr. Justice Newbould dated December 17, 2013 (the "**Initial Order**");

2. approving the Second Report of Grant Thornton Limited ("**GTL**") in its capacity as the Court-appointed monitor of the Applicants (the "**Monitor**") dated April 11, 2014 (the "**Second Report**"), the Monitor's interim statement of the Applicant's receipts and disbursements from December 17, 2013 to and including March 31, 2014 (the "**Interim R&D**") and the activities of the Monitor described therein;

3. approving the fees and disbursements of the Monitor and its counsel; and

4. granting such further and other relief as this Honourable Court may deem just.

Was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the Affidavit of Imran Jinnah sworn April 9, 2014 and the Monitor's Second Report to the Court, and on hearing the submissions of counsel for the Applicants, counsel for the Monitor and such other counsel as were present, and on being advised that the Service List was served with the Notice of Motion and Motion Record of the Applicants:

**SERVICE**

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

**STAY EXTENSION**

2. **THIS COURT ORDERS** that the Stay Period is hereby extended to and including July 3, 2014.

**MONITOR'S ACTIVITIES AND REPORT**

3. **THIS COURT ORDERS** that the Second Report, the Interim R&D and the activities of the Monitor described therein, be and are hereby approved.

4. **THIS COURT ORDERS** that the fees and disbursements of the Monitor and its counsel for the period from November 25, 2013, 2014 to and including March 31, 2014, in the amount of $103,395.68, inclusive of applicable HST, be and are hereby approved.

5. **THIS COURT ORDERS** that the fees and disbursements of the Monitor's legal counsel, Aird & Berlis LLP, for the period from November 13, 2013 to and including March 31, 2014, in the amount of $110,270.97, inclusive of HST, be and are hereby approved.

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

APR 17 2014

MB

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

Court File No. 13-10362-00-CL

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

Proceedings commenced at TORONTO

**ORDER**


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**Lawyers for the Applicants**

Court File No. 13-10362-00CL

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

| | | |
|---|---|---|
| THE HONOURABLE MR. | ) | THURSDAY, THE 17TH |
| | ) | |
| JUSTICE NEWBOULD | ) | DAY OF APRIL, 2014 |

BETWEEN:

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

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

**Applicants**

# VESTING ORDER

**(Lot 19)**

**THIS MOTION**, made by the Applicants for, *inter alia*, an order vesting in the Purchaser (as defined herein) the Applicants' right, title and interest in and to the assets (the "**Purchased Assets**") described in the Agreement of Purchase and Sale between Stephen Paglia and Antonella Paglia (collectively, the "**Purchaser**") and Silver Streams Homes (Puccini) Inc. (the "**Vendor**") dated January 22, 2014 (the "**Sale Agreement**"), was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the Affidavit of Imran Jinnah sworn April 9, 2014 and the Second Report of Grant Thornton Limited, in its capacity as the Court-appointed monitor of the Applicants (the "**Monitor**"), dated April 11, 2014, and on hearing the submissions of counsel for the Applicants, counsel for the Monitor, and such other counsel as are present, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Lynn Lee sworn April 10, 2014 filed:

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

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

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

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

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

5. **THIS COURT ORDERS** that the Monitor may rely on written notice from the Vendor and the Purchaser regarding the fulfilment of conditions to closing under the Sale Agreement and shall incur no liability with respect to the delivery of the Monitor's Certificate.

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

(a) the pendency of these proceedings;

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

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

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

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

8. **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 and its 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 as may be necessary or desirable to give effect to this Order or to assist the Applicants and their agents in carrying out the terms of this Order.

Morawetz J.

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

APR 17 2014

MB

**Schedule A – Form of Monitor's Certificate**

Court File No. 13-10362-00CL

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

BETWEEN:

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

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

**Applicants**

**MONITOR'S CERTIFICATE**

RECITALS

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

B. Pursuant to an Order of the Court dated April 17, 2014 (the "**Vesting Order**"), the Court provided for the vesting in Stephen Paglia and Antonella Paglia (collectively, the "**Purchaser**") all of the Applicants' right, title and interest in and to the assets described in the agreement of purchase and sale between the Purchaser and Silver Streams Puccini (Homes) Inc. (the "**Vendor**") dated January 22, 2014 and described in **Schedule "B"** to the Vesting Order (the "**Purchased Assets**"), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the purchase price for the Purchased Assets; (ii) that the conditions to closing have been satisfied or waived by the Vendor and the Purchaser; and (iii) the transaction has been completed to the satisfaction of the Monitor.

**THE MONITOR CERTIFIES** the following:

1. the Purchaser has paid and the Vendor has received the purchase price for the Purchased Assets;

2. the conditions to closing have been satisfied or waived by the Vendor and the Purchaser;

3. the transaction has been completed to the satisfaction of the Monitor; and

4. This Certificate was delivered by the Monitor at ________ on _________________.

**Grant Thornton Limited, in its capacity as the Court-appointed Monitor of the Applicants, and not in its personal or corporate capacity**

Per: ___________________________________

Name: Jonathan Krieger
Title: Senior Vice President

**Schedule B**
**Purchased Assets**

Lot 19 on Plan 65M4331, Town of Richmond Hill; PIN 03206-3502 (LT)

## Schedule C – LOT 19
## Claims to be deleted and expunged from title to Real Property

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

36. Instrument No. YR2060550, registered on November 15, 2013, is a Certificate registered by Foremont Drywall Inc., 1382479 Ontario Inc., 1382503 Ontario Inc., 2203579 Ontario Inc., and C.O.B Foremont Drywall Contracting, relating to Construction Lien No. YR2057675.

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

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

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

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

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

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

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

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

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

46. Instrument No. YR2070295, registered on December 5, 2013, is a Certificate of Action registered by GM Exteriors Inc., relating to Construction Lien No. YR2062198.

47. Instrument No. YR2070296, registered on December 5, 2013, is a Certificate of Action registered by Giancola Aluminum Contractors Inc., relating to Construction Lien No. YR2062199.

48. Instrument No. YR2075688, registered on December 17, 2013, is a Certificate of Action registered by 669857 Ontario Inc., relating to Construction Lien No. YR2060246.

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

## SCHEDULE D
**Permitted Encumbrances, Easements and Restrictive Covenants related to the Real Property (unaffected by the Vesting Order)**

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

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

3. 65M-4331, is a Plan of Subdivision registered on July 20, 2012.

17700259.2

**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

**VESTING ORDER**
**(LOT 19)**


**CHAITONS LLP**
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**Lawyers for the Applicants**

# TAB 4

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

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

Applicants

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

APRIL 11, 2014

Grant Thornton

**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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**APPENDICES**

1. Initial Order dated December 17, 2013
2. Orders dated January 16, 2014
3. First Report of the Monitor dated January 14, 2014 (without appendices)
4. Cash Flow Projection for the period ending July 4, 2014 and Management's Report on Cash Flow
5. Affidavit of Jonathan Krieger sworn April 10, 2014
6. Affidavit of Steven L. Graff sworn April 8, 2014

## 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, 2014, the Court issued orders (the "**January 2014 Orders**"), *inter alia*, extending the stay of proceedings to April 18, 2014, approving an interim distribution to Bank of Montreal ("**BMO**"), subject to a reimbursement agreement between BMO and the Monitor, and authorizing the Monitor to conduct the Claims Process (defined below). Copies of the January 2014 Orders are collectively attached as **Appendix "2"**.

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

## PURPOSE OF THE SECOND REPORT

7. The purpose of this Second 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 first report to Court dated January 14, 2014 (the "**First Report**"), a copy of which is attached (without appendices) as **Appendix "3"**;

    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 4, 2014 (the "**Cash Flow Projection**");

    iv) the Companies' receipts and disbursements since December 17, 2013 up to and including March 31, 2014 (the "**Interim R&D**");

v) the Companies' request for an Order approving a further interim distribution to Bank of Montreal ("**BMO**") from the proceeds of sale of Lot 19 (defined below), subject to BMO entering into a further reimbursement agreement with the Monitor;

vi) the Companies' request for an Order:

a. extending the stay of proceedings from April 18, 2014, the date that the stay of proceedings currently expires, to and including July 3, 2014;

b. approving the Second Report, the Interim R&D and the Monitor's activities as described herein;

c. vesting in the purchasers the Applicants' rights, title and interest in and to Lot 19, free and clear of any encumbrances, except those contemplated by the agreement of purchase and sale; and

d. approving the fees and disbursements of the Monitor and its independent counsel, Aird & Berlis LLP ("**A&B**"), up to and including March 31, 2014, as described herein.

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**") and the affidavit of Imran Jinnah sworn April 9, 2014 (the "**April Jinnah Affidavit**"), which have been filed with the Court. Accordingly, the Monitor has not repeated

information to this effect in this Second Report. Copies of all materials filed with the Court in these proceedings are accessible at: www.GrantThornton.ca/Silverstreams.

## SCOPE AND TERMS OF REFERENCE

9. In preparing this Second 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 Second 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 Second 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 Second Report is based solely on the information (financial or otherwise) made available to the Monitor by the Companies.

12. This Second Report has been prepared for the use of this Court and the Companies' stakeholders as general information relating to the Companies. Accordingly, the reader is cautioned that this Second 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 Second 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 Second Report have the meanings ascribed to them in the Initial Jinnah Affidavit and the April 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 April Jinnah Affidavit. Since the issuance of the First Report, the Companies have, among other things:

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

    (ii) corresponded with the DIP Lender;

    (iii) corresponded with legal counsel;

    (iv) planned and executed the marketing of the remaining homes;

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

    (vi) closed the sale of Lot 22 and 25, as authorized by the Court;

    (vii) executed an Agreement of Purchase and Sale for Lot 19 (as defined in the April Jinnah Affidavit), which transaction is scheduled to close on May 15, 2014;

    (viii) made payments to vendors as contemplated by the cash flow projection filed with the Companies' application materials and the First Report;

    (ix) prepared the Cash Flow Projections to May 30, 2014; and

(x) serviced homes that were sold prior to the issuance of the Initial Order, in accordance with the Tarion home warranty program.

## ACTIVITIES OF THE MONITOR

16. Since the date of the First 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) touring certain of the Companies' properties to monitor the work being done and what work is left to be completed;

    (iv) reviewing and controlling receipts and disbursement of the Companies;

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

    (vi) corresponding with the DIP Lender;

    (vii) assisting the Companies revise the Cash Flow Projection;

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

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

(x) administering the Court authorized Claims Process and reviewing and commenting on the claims received; and

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

## UPDATE ON CLAIMS PROCESS

17. As set out in the January Jinnah Affidavit, the Applicants have numerous secured creditors, including, but not limited to, mortgagees, lien claimants and Canada Revenue Agency (i.e. the Secured Claims).

18. By way of the January 2014 Orders, the Court authorized the Claims Process that was set out in the First Report. The Vetting Committee was established and includes the Monitor's counsel, the Companies' counsel and counsel to certain of the secured creditors.

19. In accordance with the Claims Process, the Monitor received 41 claims (the "**Claims**").

20. All of the Claims were 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 and its counsel are currently in the process of reviewing the Claims and anticipate providing a summary of the Claims to the Vetting Committee, along with the Monitor's initial findings, on April 11, 2014.

## CASH FLOW PROJECTION

22. The Companies have prepared the Cash Flow Projection, on a weekly basis, for the period ending July 4, 2014. The Cash Flow Projection is attached hereto as **Appendix "4"**. The Cash Flow Projection has been prepared by management using probable and hypothetical assumptions set out therein.

23. 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 19 in May, 2014 and Lot 24 in June, 2014;

    iii) The Cash Flow Projection does not contemplate making payments to the Companies' secured creditors nor servicing interest on such obligations during the CCAA Proceedings (other than in respect of the interim financing facility, which is being serviced and partially repaid); and

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

24. 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 Second 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.

25. 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, provided that the sales of Lot 19 and 24 close as projected. Should these transactions be delayed, the Companies may be required to further utilize their interim financing facility to meet their ongoing obligations.

## PROFESSIONAL FEES

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

27. 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.

28. The total fees of the Monitor during the period from December 17, 2013 to March 31, 2014 amount to $89,240.82 together with expenses and disbursements in the sum of $2,259.78, and HST in the amount of $11,895.08, totaling $103,395.68. 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 April 10, 2014 in support hereof, a copy of which is attached hereto as **Appendix "5"**.

29. 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 13, 2013 to March 31, 2014 amount to $110,270.97, 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 April 8, 2014 in support hereof, a copy of which is attached hereto as **Appendix "6"**.

30. The Monitor respectfully requests that the Court approve its fees and disbursements and those of its legal counsel.

## INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

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

32. The Companies have remained current in respect of their obligations that have arisen since the issuance of the Initial Order.

33. Appendix "4" provides a summary of the Companies' receipts and disbursements for the period from December 17, 2013 to March 31, 2014.

## SECOND INTERIM DISTRIBUTION TO BMO

34. As described in the April Jinnah Affidavit, the Companies' outstanding indebtedness to BMO is now in excess of $500,000.

35. The Court previously approved an interim distribution of up to $570,000 to BMO, subject to a reimbursement agreement that was entered into between the Monitor and BMO prior to the distribution being made by the Monitor.

36. The Cash Flow Projection contemplates that an additional $250,000 would be held back by the Monitor from the proceeds from the sale of Lot 19 for

the benefit of BMO subject to another reimbursement agreement being executed by BMO and the Monitor prior to the distribution of such funds.

37. The Monitor is supportive of the Companies' request for approval of the proposed second interim distribution to BMO.

## COMPANIES' REQUEST FOR AN EXTENSION OF THE STAY OF PROCEEDINGS

38. The stay of proceedings currently expires on April 18, 2014. The Companies have requested that the Court extend the stay to July 3, 2014. The Monitor is of the view that the Applicants have acted in good faith and with due diligence since the granting of the Initial Order. The Applicants, among other things:

(i) closed the sale of Lots 22 and 25;

(ii) executed an agreement of Purchase and Sale for Lot 19;

(iii) continued construction of Lots 23 and 24 of Phase III; and

(iv) planned a marketing process for the sale of the remaining 6 homes.

39. As set out in the April Jinnah Affidavit, the Applicants seek an extension of the stay period to July 3, 2014 to allow them to: (i) finish construction of lots 23 and 24 of Phase III of the Puccini Project; (ii) continue with the marketing process for the sale of the remaining 6 homes; and (iii) assist the Monitor with the administration of the Claims Process.

40. A 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

41. 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.

42. The Companies have requested that the Court extend the stay of proceedings to July 3, 2014. Among other things, an extension of the stay will permit the Companies to:

    (i) continue to communicate with stakeholders;

    (ii) complete construction and realize on the remaining homes;

    (iii) finalize the Claims Process; and

    (iv) distribute proceeds from such realizations to the Companies' stakeholders.

43. Given the forgoing, the Monitor respectfully recommends that this Court grant the Companies' request for an Order:

(i) extending the stay of proceedings to and including July 3, 2014;

(ii) vesting in the purchasers the Applicants' rights, title and interest in and to Lot 19, free and clear of any encumbrances, except those contemplated by the agreement of purchase and sale; and

(iii) approving a second interim distribution to BMO, subject to BMO and the Monitor entering into a reimbursement agreement.

44. The Monitor also requests that the Court approve the Second Report, the Interim R&D, and the Monitor's activities as described in such reports.

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:**

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

# TAB 5

Silver Streams Homes Inc. and Silver Streams Homes (Puccini) Inc.
Budget to Actual Results to June 18, 2014 and Projected Cash Flow to January 16, 2015
($CAD, Unaudited)

| | Budget | Actual | Variance | Notes | 20-Jun | 27-Jun | 04-Jul | 11-Jul | 18-Jul | 25-Jul | 01-Aug | 08-Aug | 15-Aug | 22-Aug | 29-Aug | 05-Sep | 12-Sep | 19-Sep |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Receipts** | | | | a | | | | | | | | | | | | | | |
| *Lot #22* | | | | | | | | | | | | | | | | | | |
| Closing proceeds, net of deposit collected | 827,257 | 827,723 | 467 | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Less: Commission | (24,500) | - | 24,500 | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| *Lot #25* | | | | | | | | | | | | | | | | | | |
| Gross closing proceeds, net of deposit collected | 918,257 | 801,705 | (116,552) | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Commission payable (3.5% of gross purchase price) | (39,086) | - | 39,086 | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| *Lot #19 - Deposit* | - | 40,000 | 40,000 | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Closing proceeds, net of deposit collected | 667,965 | 616,369 | (51,595) | 1 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Less: Bonus Sales Team Rep | (3,000) | - | 3,000 | 1 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| *Lot #24 (PH2) Deposit* | 40,000 | 20,000 | (20,000) | 1 | 20,000 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Closing proceeds, net of deposit collected | - | - | - | 1 | - | - | - | - | - | 876,106 | - | - | - | - | - | - | - | - |
| Less: Bonus Sales Team Rep | - | - | - | 1 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| *Lot 20 - Deposit* | - | 40,000 | 40,000 | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Closing proceeds, net of deposit collected | - | - | - | | - | - | - | - | - | - | - | - | - | 743,363 | - | - | - | - |
| Less: Bonus Sales Team Rep | - | - | - | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| *General* | | | | | | | | | | | | | | | | | | |
| Interim financing facility (i.e. DIP loan) | 425,000 | 425,000 | - | 1, 2 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest Income | - | 2,168 | 2,168 | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| HST rebates | 48,000 | - | (48,000) | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| HST collected (net of $24k from the HST rebate program) | 309,252 | 258,031 | (51,221) | | - | - | - | - | - | 113,894 | - | - | - | 96,637 | - | - | - | - |
| Total receipts | 3,169,144 | 3,030,997 | (138,148) | | 20,000 | - | - | - | - | 990,000 | - | - | - | 840,000 | - | - | - | - |
| **Disbursements** | | | | | | | | | | | | | | | | | | |
| *Lot #22* | | | | | | | | | | | | | | | | | | |
| Interior finishing cost | 32,752 | 20,503 | 12,249 | 3 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Exterior finishing cost | 22,900 | 2,592 | 20,308 | 3 | - | - | - | - | - | 11,526 | - | - | - | - | - | - | - | - |
| HST (13%) | 7,235 | 3,002 | 4,232 | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| *Lot #25* | | | | | | | | | | | | | | | | | | |
| Interior finishing cost | 54,089 | 31,227 | 22,862 | 3 | - | - | - | - | - | 12,882 | - | - | - | - | - | - | - | - |
| Exterior finishing cost | 23,700 | 6,322 | 17,378 | 3 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| HST (13%) | 10,113 | 4,881 | 5,231 | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| *Lot #23* | | | | | | | | | | | | | | | | | | |
| Interior finishing cost | 161,913 | 43,184 | 118,729 | 3 | - | - | - | - | - | 40,000 | - | - | - | 46,483 | - | - | - | - |
| Exterior finishing cost | 26,300 | 1,400 | 24,900 | 3 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| HST (13%) | 24,468 | 5,796 | 18,672 | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| *Lot #24* | | | | | | | | | | | | | | | | | | |
| Interior finishing cost | 161,913 | 45,351 | 116,562 | 3 | - | - | - | - | - | 86,878 | - | - | - | - | - | - | - | - |
| Exterior finishing cost | 26,300 | 1,400 | 24,900 | 3 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| HST (13%) | 24,468 | 6,078 | 18,390 | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| *Lot #20* | | | | | | | | | | | | | | | | | | |
| Interior finishing cost | 86,255 | 9,567 | 76,688 | 3 | - | - | - | - | - | 52,871 | - | - | - | - | - | - | - | - |
| Exterior finishing cost | 13,700 | - | 13,700 | 3 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| HST (13%) | 12,994 | 1,244 | 11,750 | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| *Lot #19* | | | | | | | | | | | | | | | | | | |
| Interior finishing cost | 15,450 | 961 | 14,489 | 3 | 17,346 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Exterior finishing cost | 11,200 | - | 11,200 | 3 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| HST (13%) | 3,465 | 125 | 3,340 | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| *Lot #1* | | | | | | | | | | | | | | | | | | |
| Interior finishing cost | 90,576 | 8,380 | 82,195 | 3 | - | - | - | - | - | 61,000 | - | - | - | - | - | - | - | - |
| Exterior finishing cost | 19,300 | 2,269 | 17,031 | 3 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| HST (13%) | 14,284 | 1,384 | 12,899 | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| *General (projection is inclusive of HST)* | | | | | | | | | | | | | | | | | | |
| HST Paid on general expenses | 101,939 | 93,036 | 8,903 | | 12,148 | - | - | - | - | 45,996 | - | - | - | 16,528 | - | - | - | 3,055 |
| Management fees | 218,956 | 180,663 | 38,292 | 4 | 20,600 | - | - | - | - | 32,410 | - | - | - | 32,410 | - | - | - | - |
| Marketing salaries for sales office | 13,761 | - | 13,761 | | 3,000 | - | - | - | - | 8,000 | - | - | - | - | - | - | - | - |
| Other marketing expenses | 15,109 | 18,928 | (3,819) | | 2,000 | - | - | - | - | 1,000 | - | - | - | 1,000 | - | - | - | - |
| Property taxes | 6,000 | 16,128 | (10,128) | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Insurance | 25,465 | 35,107 | (9,642) | | 6,000 | - | - | - | - | 2,746 | - | - | - | 2,746 | - | - | - | - |
| Office expenses and banking/LC fees | 47,911 | 46,375 | 1,536 | | 4,000 | - | - | - | - | 4,000 | - | - | - | 4,000 | - | - | - | - |
| Automotive expenses | 45,779 | 34,995 | 10,784 | | 7,000 | - | - | - | - | 7,000 | - | - | - | 7,000 | - | - | - | - |
| Post-closing service costs re: Lot 17 | 7,500 | 7,500 | - | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Tarion warranty - service and materials for pre-CCAA closings | 163,999 | 109,720 | 54,279 | 5 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Tarion warranty for Homes Sold under CCAA | - | - | - | | 3,500 | - | - | - | - | 3,500 | - | - | - | 3,500 | - | - | - | 3,500 |
| Repayment of BMO Mortgage | 225,000 | 536,106 | (311,106) | 1 | - | 250,000 | - | - | - | 270,000 | - | - | - | - | - | - | - | - |
| Estimated post-CCAA filing HST remittance/(refund) | 100,000 | - | 100,000 | | - | - | - | - | - | 250,000 | - | - | - | - | - | - | - | - |
| Contingency (15% of construction costs) | 117,373 | 11,730 | 105,643 | | 2,602 | - | - | - | - | 39,774 | - | - | - | 6,972 | - | - | - | - |
| Repayment of the interim financing facility | 207,438 | 200,000 | 7,438 | 2 | - | - | - | - | - | 275,000 | - | - | - | - | - | - | - | - |
| Professional fees | 835,354 | 399,831 | 435,523 | 6 | 10,000 | 50,000 | 60,000 | - | - | 50,000 | - | - | - | 50,000 | - | - | - | 50,000 |
| Total disbursements | 2,974,956 | 1,885,785 | 1,089,171 | | 88,196 | 300,000 | 60,000 | - | - | 1,254,582 | - | - | - | 170,640 | - | - | - | 56,555 |
| **Net cash inflow/(outflow)** | 194,188 | 1,145,212 | 951,023 | | (68,196) | (300,000) | (60,000) | - | - | (264,582) | - | - | - | 669,360 | - | - | - | (56,555) |
| **Bank account - opening balance** | - | - | - | | 1,145,212 | 1,077,016 | 777,016 | 717,016 | 717,016 | 717,016 | 452,434 | 452,434 | 452,434 | 452,434 | 1,121,794 | 1,121,794 | 1,121,794 | 1,121,794 |
| **Bank account - closing balance** | **194,188** | **1,145,212** | **951,024** | b | 1,077,016 | 777,016 | 717,016 | 717,016 | 717,016 | 452,434 | 452,434 | 452,434 | 452,434 | 1,121,794 | 1,121,794 | 1,121,794 | 1,121,794 | 1,065,239 |

Silver Streams Homes Inc. and Silver Streams Homes (Puccini) Inc.
Budget to Actual Results to June 18, 2014 and Projected Cash Flow to January 16, 2015
(\$CAD, Unaudited)

| | 26-Sep | 03-Oct | 10-Oct | 17-Oct | 24-Oct | 31-Oct | 07-Nov | 14-Nov | 21-Nov | 28-Nov | 05-Dec | 12-Dec | 19-Dec | 26-Dec | 02-Jan | 09-Jan | 16-Jan | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **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 #24 (PH2) Deposit* | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 20,000 |
| Closing proceeds, net of deposit collected | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 876,106 |
| Less: Bonus Sales Team Rep | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| *Lot 20 - Deposit* | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Closing proceeds, net of deposit collected | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 743,363 |
| Less: Bonus Sales Team Rep | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| *General* | | | | | | | | | | | | | | | | | | |
| Interim financing facility (i.e. DIP loan) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest Income | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| HST rebates | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| HST collected (net of \$24k from the HST rebate program) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 210,531 |
| Total receipts | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1,850,000 |
| **Disbursements** | | | | | | | | | | | | | | | | | | |
| *Lot #22* | | | | | | | | | | | | | | | | | | - |
| Interior finishing cost | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 11,526 |
| Exterior finishing cost | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| HST (13%) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| *Lot #25* | | | | | | | | | | | | | | | | | | |
| Interior finishing cost | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 12,882 |
| Exterior finishing cost | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| HST (13%) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| *Lot #23* | | | | | | | | | | | | | | | | | | - |
| Interior finishing cost | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 86,483 |
| Exterior finishing cost | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| HST (13%) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| *Lot #24* | | | | | | | | | | | | | | | | | | - |
| Interior finishing cost | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 86,878 |
| Exterior finishing cost | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| HST (13%) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| *Lot #20* | | | | | | | | | | | | | | | | | | - |
| Interior finishing cost | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 52,871 |
| Exterior finishing cost | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| HST (13%) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| *Lot #19* | | | | | | | | | | | | | | | | | | - |
| Interior finishing cost | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 17,346 |
| Exterior finishing cost | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| HST (13%) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| *Lot #1* | | | | | | | | | | | | | | | | | | - |
| Interior finishing cost | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 61,000 |
| Exterior finishing cost | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| HST (13%) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| *General (projection is inclusive of HST)* | | | | | | | | | | | | | | | | | | - |
| HST Paid on general expenses | - | - | - | 3,055 | - | - | - | 3,055 | - | - | - | - | 3,055 | - | - | - | 3,055 | 89,947 |
| Management fees | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 85,420 |
| Marketing salaries for sales office | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 11,000 |
| Other marketing expenses | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 4,000 |
| Property taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Insurance | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 11,492 |
| Office expenses and banking/LC fees | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 12,000 |
| Automotive expenses | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 21,000 |
| Post-closing service costs re: Lot 17 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Tarion warranty - service and materials for pre-CCAA closings | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Tarion warranty for Homes Sold under CCAA | - | - | - | 3,500 | - | - | - | 3,500 | - | - | - | - | 3,500 | - | - | - | 3,500 | 28,000 |
| Repayment of BMO Mortgage | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 520,000 |
| Estimated post-CCAA filing HST remittance/(refund) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 250,000 |
| Contingency (15% of construction costs) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 49,348 |
| Repayment of the interim financing facility | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 275,000 |
| Professional fees | - | - | - | 50,000 | - | - | - | 30,000 | - | - | - | - | 30,000 | - | - | - | 30,000 | 410,000 |
| Total disbursements | - | - | - | 56,555 | - | - | - | 36,555 | - | - | - | - | 36,555 | - | - | - | 36,555 | 2,096,193 |
| **Net cash inflow/(outflow)** | - | - | - | (56,555) | - | - | - | (36,555) | - | - | - | - | (36,555) | - | - | - | (36,555) | (246,193) |
| **Bank account - opening balance** | 1,065,239 | 1,065,239 | 1,065,239 | 1,065,239 | 1,008,684 | 1,008,684 | 1,008,684 | 1,008,684 | 972,129 | 972,129 | 972,129 | 972,129 | 972,129 | 935,574 | 935,574 | 935,574 | 935,574 | 1,145,212 |
| **Bank account - closing balance** | 1,065,239 | 1,065,239 | 1,065,239 | 1,008,684 | 1,008,684 | 1,008,684 | 1,008,684 | 972,129 | 972,129 | 972,129 | 972,129 | 972,129 | 935,574 | 935,574 | 935,574 | 935,574 | 899,019 | 899,019 |

Silver Streams Homes Inc. and Silver Streams Homes (Puccini) Inc.
Budget to Actual Results to June 18, 2014 and Projected Cash Flow to January 16, 2015

Hypothetical Assumptions:

1. Lots 20 & 24 are subject to a sale agreement with third parties. The sale closings are anticipated to take place in July/August, 2014. It is assumed that a portion of the proceeds of realization from these lots would be paid to BMO should the Court approve such a distribution, which would be subject to a reimbursement agreement.

2. The interim financing facility is subject to a term sheet that is attached to the Affidavit of Imran Jinnah filed with the Applicants' initial motion record. The loan attracts interest at 12% per year. The lender is also affiliated with one of the Applicants' private mortgage lenders.

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 as required by the Tarion new home warranty program.

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

Probable Assumptions:

a. The sale of homes located on lots 20 and 24 are assumed to close in the summer of 2014. The timing of the sale of the balance of the Applicants' five properties is uncertain, although it is anticipated that they will be sold before the end of the projection period.
b. The budgeted figures to January 15, 2015 include actual results for the period December 18, 2013 to June 18, 2014 of the CCAA proceedings and the budgeted results for the period from June 19, 2014 to January 15, 2015.

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 June 16, 2014 (the "**Cash Flow Statement**") consisting of a cash flow for the period June 16, 2014 to January 16, 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: June 23, 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

# TAB 6

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 April 1, 2014 to May 31, 2014, in the total amount of $26,466.92, plus HST and such is summarized on Exhibit "**B**" to this my affidavit.

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

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

**SWORN BEFORE ME** at the City of Toronto, in the Province of Ontario, this 18th day of June, 2014.

Daniel Adam Sobel, a
Commissioner, etc., Province of Ontario,
for Grant Thornton Limited,
Trustee in Bankruptcy.
Expires July 19, 2014.

Commissioner for Taking Affidavits, etc.

JONATHAN KRIEGER

Exhibit "**A**" to the Affidavit of Jonathan Krieger, sworn before me this 18th day of June, 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, 2014.

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#L6386**

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

| Date | Description | Hours |
|---|---|---|
| April 1, 2014 | Daniel Sobel | |
| | • Review claims process summary, call to counsel, email to A. Jinnah re: BMO correspondence. | 0.50 hours |
| April 1, 2014 | Jan Oros | |
| | • Review emails from debtor and D. Sobel, discuss file with D. Sobel to prepare second motion extension. | 0.35 hours |
| April 2, 2014 | Daniel Sobel | |
| | • Emails with Silver Streams. | 0.40 hours |
| April 2, 2014 | Jan Oros | |
| | • Review disbursement request received April 1 and apply appropriate G/L codes to payment vouchers, update payment summary list and send to secured creditor for comment, review emails from debtors and insurance company and respond regarding outstanding payment. | 1.25 hours |

| | | | |
|---|---|---|---|
| April 2, 2014 | **<u>Rosa Wilford</u>** | | |
| | • Follow and respond to email instructions from J. Oros, review banking and correspondence with RBC, stop payment, void, preparation of cheque and general banking administration. | 0.60 hours | |
| April 3, 2014 | **<u>Daniel Sobel</u>** | | |
| | • Internal discussions, call with A. Jinnah re: cash flow projection. | 0.50 hours | |
| April 3, 2014 | **<u>Jan Oros</u>** | | |
| | • Prepare second report to court for stay extension, conference call with D. Sobel and debtor, update R&D budget to actual worksheet up to March 31, 2014. | 4.00 hours | |
| April 3, 2014 | **<u>Rosa Wilford</u>** | | |
| | • Preparation of cheques, correspondence, void payment and general banking administration. | 3.50 hours | |
| April 4, 2014 | **<u>Daniel Sobel</u>** | | |
| | • Review and revise report to court, review R&D and cash flow projection, internal discussion re: same, review email re: claims process. | 1.80 hours | |
| April 4, 2014 | **<u>Jan Oros</u>** | | |
| | • Prepare cash flow to May 30, 2014 extended from actual vs budget worksheet, review and respond to calls emails from creditors, debtors, discuss file with D. Sobel, follow up with secured creditor | 1.50 hours | |
| April 4, 2014 | **<u>Jonathan Krieger</u>** | | |
| | • Review of disbursements; Correspondence re: status of houses, worksheet. | 1.00 hours | |
| April 5, 2014 | **<u>Daniel Sobel</u>** | | |
| | • Review and revise report to court and R&D. | 2.50 hours | |
| April 6, 2014 | **<u>Daniel Sobel</u>** | | |
| | • Internal emails re: claims process. | 0.20 hours | |

| | | |
|---|---|---|
| April 7, 2014 | <u>Daniel Sobel</u> | |
| | • Review cash flow, amend report to court and circulate same to counsel. | 1.40 hours |
| April 7, 2014 | <u>Jan Oros</u> | |
| | • Attend at site office to discuss marketing, updated cash flow, review state of construction and estimated costs to complete, update cash flow and send to D. Sobel for comment. | 3.50 hours |
| April 8, 2014 | <u>Daniel Sobel</u> | |
| | • Review cash flow projections and amend same, review report to court and amend same, calls with A&B, call with Chaitons, internal discussions re: cash flow, property status, emails with BMO re: LC's, emails with Silver Streams re: same. | 2.50 hours |
| April 8, 2014 | <u>Jan Oros</u> | |
| | • Review and discuss cash flow budget with D. Sobel and make changes as required to worksheet, request additional information from the debtor relating to the cash flow. | 1.50 hours |
| April 8, 2014 | <u>Jonathan Krieger</u> | |
| | • Review of draft materials, affidavit, court report, cash flow; Comments thereto. | 2.00 hours |
| April 9, 2014 | <u>Daniel Sobel</u> | |
| | • Update report to court, call with J. Greenberg re: disbursements, claims process, call with I. Aversa re: claims process. | 1.50 hours |
| April 9, 2014 | <u>Jan Oros</u> | |
| | • Review emails. | 0.15 hours |
| April 9, 2014 | <u>Jonathan Krieger</u> | |
| | • Correspond with counsel re: review of materials for extension, Review of Cash Flow; considerations thereto; Discussion with team thereto; Review of filing materials. | 1.00 hours |
| April 9, 2014 | <u>Rosa Wilford</u> | |
| | • Review banking, follow instructions from D. Sobel, preparation of cheque, correspondence and general banking administration. | 0.30 hours |

| | | |
|---|---|---|
| April 10, 2014 | **<u>Daniel Sobel</u>** | |
| | • Finalize report to court. | 0.50 hours |
| April 10, 2014 | **<u>Jan Oros</u>** | |
| | • Review emails from debtor, GT and counsel, update property listing and costs to complete report and send to J. Krieger and D. Sobel, forward payment details to bookkeeper, call with D. Sobel. | 0.50 hours |
| April 10, 2014 | **<u>Rosa Wilford</u>** | |
| | • Correspondence with RBC - Service Team and to provide March 2013 bank statement. Review bank reconciliations for March 2014 and initial the Report for the Summary of Estate Balances. | 0.20 hours |
| April 10, 2014 | **<u>Valerie Naccarato</u>** | |
| | • General banking administration. | 0.20 hours |
| April 11, 2014 | **<u>Jonathan Krieger</u>** | |
| | • Review of materials re: claims process. | 1.00 hours |
| April 11, 2014 | **<u>Valerie Naccarato</u>** | |
| | • General banking administration. | 0.10 hours |
| April 14, 2014 | **<u>Jan Oros</u>** | |
| | • Review source documents for disbursement request for week of April 14, request cheque for insurance to be prepared. | 2.00 hours |
| April 14, 2014 | **<u>Jonathan Krieger</u>** | |
| | • Correspond with counsel to BMO; Discussions and correspond re: court attendance for extension, status of projects. | 0.50 hours |
| April 14, 2014 | **<u>Rosa Wilford</u>** | |
| | • Follow email instructions from D. Sobel, correspondence with J. Krieger for approval of payment, preparation of cheque and general banking administration. | 0.30 hours |

| | | | |
|---|---|---|---|
| April 15, 2014 | **Daniel Sobel** | | |
| | • | Review email correspondence from CRA, call with Chaitons re: same, forward past correspondence to Chaitons. | 0.40 hours |
| April 15, 2014 | **Jan Oros** | | |
| | • | Call with project manager to discuss Tarion warranty claims and tracking procedure. | 0.50 hours |
| April 15, 2014 | **Jonathan Krieger** | | |
| | • | Correspondence from counsel; Review of correspondence from CRA and correspondence thereto. | 0.30 hours |
| April 16, 2014 | **Daniel Sobel** | | |
| | • | Call with A&B and Chaitons re: CRA claims, internal discussions, review cash flow, review email correspondence from Silver Streams. | 0.60 hours |
| April 16, 2014 | **Jan Oros** | | |
| | • | Review and respond to emails from the debtor regarding queries over disbursements requested, discuss with project manager Tarion warranty tracking sheet and prepare template. | 1.00 hours |
| April 16, 2014 | **Jonathan Krieger** | | |
| | • | Review of materials re: court motion; Discussions with team re: approvals. | 1.10 hours |
| April 16, 2014 | **Rosa Wilford** | | |
| | • | Review and follow email instructions from J. Oros, and start preparing payment entries. | 2.00 hours |
| April 17, 2014 | **Daniel Sobel** | | |
| | • | Prepare for and attend at court re: stay extension. | 1.50 hours |
| April 17, 2014 | **Rosa Wilford** | | |
| | • | Preparation of cheques, update excel schedule and correspondences with D. Sobel, J. Krieger and J. Oros. | 4.00 hours |
| April 21, 2014 | **Jan Oros** | | |
| | • | Review emails from debtor. | 0.20 hours |

| | | |
|---|---|---|
| April 21, 2014 | **Jonathan Krieger** | |
| | • Review of information re: approvals; Discussions with team thereto. | 0.50 hours |
| April 22, 2014 | **Jan Oros** | |
| | • Review purchase and sale agreement for Lot 20, follow up with DIP lender re: disbursements. | 0.20 hours |
| April 22, 2014 | **Rosa Wilford** | |
| | • Review banking with J. Krieger and correspondences with D. Sobel and J. Oros. | 0.30 hours |
| April 24, 2014 | **Jan Oros** | |
| | • Review emails on cheque request from April 14, provide instruction to R. Wilford regarding mailing/couriering instructions. | 0.25 hours |
| April 24, 2014 | **Jonathan Krieger** | |
| | • Review of correspondence re: expenses, status of projects. | 0.50 hours |
| April 24, 2014 | **Rosa Wilford** | |
| | • Follow and respond to email instructions from J. Oros, payments, correspondences and general banking administration. | 0.50 hours |
| April 29, 2014 | **Jan Oros** | |
| | • Review payment request to be issued for week ending May 2/14. | 0.25 hours |
| April 29, 2014 | **Jonathan Krieger** | |
| | • Discussions with counsel re: status of proceedings and considerations for next steps. | 0.20 hours |
| April 29, 2014 | **Rosa Wilford** | |
| | • Review banking and correspondence with D. Sobel and general banking administration. | 0.20 hours |
| April 30, 2014 | **Jan Oros** | |
| | • Review budget and sign payment vouchers requested to be issued week ending May 2/14. | 0.50 hours |

**Time Summary**

| | | | | | |
|---|---|---|---|---|---|
| J. Krieger, Sr. Vice President | 8.10 | hours @ | $ 550.00 | per hour | $ 4,455.00 |
| D. Sobel, Vice President | 14.30 | hours @ | $ 390.00 | per hour | $ 5,577.00 |
| J. Oros, Manager | 17.65 | hours @ | $ 270.00 | per hour | $ 4,765.50 |
| R. Wilford, Manager | 11.90 | hours @ | $ 225.00 | per hour | $ 2,677.50 |
| V. Naccarato, Analyst | 0.30 | hours @ | $ 120.00 | per hour | $ 36.00 |
| | 52.25 | | | | $ 17,511.00 |
| 5% Technology and Administration | | | | | $ 875.55 |
| | | | | | $ 18,386.55 |
| **Disbursement** | | | | | |
| Courier | | | | | $ 58.00 |
| Mileage | | | | | $ 27.62 |
| | | | | | $ 85.62 |
| | | | | | |
| Total Time and Disbursements | | | | | $ 18,472.17 |
| HST (13%) | | | | | $ 2,401.38 |
| **Total Invoice Due** | | | | | **$ 20,873.55** |

Accounts are due when rendered. All accounts outstanding over 30 days
will be charged interest at a rate of 1 ½% per month (18% per annum) until paid.

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

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

Applicants

**BILLING**

**BN 12738 4717 RT0001**
**Client #181330**
**Invoice#L6462**

To professional services rendered as Court Appointed CCAA Monitor for the period from May 1, 2014 to May 31, 2014.

| Date | Description | Hours |
|---|---|---|
| May 1, 2014 | Daniel Sobel | |
| | • Call with counsel re: claims process and letter from the Town, call with Chaitons and counsel re: same. | 1.50 hours |
| May 1, 2014 | Jan Oros | |
| | • Call with bookkeeper, send lender disbursements request for week ending May 2 to review and comment on disbursements proposed. | 0.25 hours |
| May 1, 2014 | Jonathan Krieger | |
| | • Conference call with counsel re: claims process and consideration of next steps re: same; Discussion with counsel re: status of proceedings. | 1.30 hours |
| May 2, 2014 | Jan Oros | |
| | • Review emails, file administration. | 0.10 hours |

| | | |
|---|---|---|
| May 2, 2014 | **<u>Rosa Wilford</u>** | |
| | • Follow email instructions from J. Oros, preparation of cheques and general banking administration. | 2.00 hours |
| May 6, 2014 | **<u>Jonathan Krieger</u>** | |
| | • Discussions re: matters related to claims process and comments thereto. | 0.80 hours |
| May 6, 2014 | **<u>Rosa Wilford</u>** | |
| | • Bank slip deposit, posting entries and general banking administration. | 0.40 hours |
| May 8, 2014 | **<u>Jan Oros</u>** | |
| | • Attend onsite to discuss marketing plan, Tarion cost & warranty tracking spreadsheet, other contingency costs that are arising, discuss other matters affecting CCAA, discuss disbursements to be issued. | 2.00 hours |
| May 13, 2014 | **<u>Jan Oros</u>** | |
| | • Review disbursements requested for week ending May 13, 2014. | 0.85 hours |
| May 13, 2014 | **<u>Rosa Wilford</u>** | |
| | • Review bank reconciliations for April 2014 and initial the Report for the Summary of Estate Balances. | 0.10 hours |
| May 14, 2014 | **<u>Jan Oros</u>** | |
| | • Review emails received from debtor, review disbursement spreadsheet proposed for week ending May 16. | 0.25 hours |
| May 15, 2014 | **<u>Jan Oros</u>** | |
| | • Review disbursements, sign payment vouchers and provide expense allocations, send email with cheque listing for week ending May 16 to DIP lender for comment. | 1.00 hours |
| May 16, 2014 | **<u>Rosa Wilford</u>** | |
| | • Review summary account against Directive 5R4 and update schedule. | 0.10 hours |

| | | |
|---|---|---|
| May 20, 2014 | **Rosa Wilford** | |
| | • Follow instructions from J. Oros, preparation of cheques, review schedule and general banking administration. | 4.00 hours |
| May 21, 2014 | **Jan Oros** | |
| | • Follow up with DIP lender re: payment of return deposit, call with purchaser regarding deposit paid. | 0.25 hours |
| May 21, 2014 | **Rosa Wilford** | |
| | • Follow email instructions from J. Oros, preparation of cheque and general banking administration. | 0.20 hours |
| May 22, 2014 | **Daniel Sobel** | |
| | • Review emails, file administration. | 0.25 hours |
| May 22, 2014 | **Jan Oros** | |
| | • Follow up on payments to be issued, review emails from the debtor on marketing, review marketing report from April and compare to current accepted offer received. | 0.50 hours |
| May 22, 2014 | **Rosa Wilford** | |
| | • Review and follow email instructions from J. Oros, preparation of cheque and general banking administration. | 0.20 hours |
| May 23, 2014 | **Daniel Sobel** | |
| | • Internal call, call with A. Jinnah, call to J. Greenberg. | 0.40 hours |
| May 23, 2014 | **Jan Oros** | |
| | • Review and respond to emails regarding cheques to be issued, arrange for receipt for cheque pickup to be signed for return of deposit. | 0.25 hours |
| May 26, 2014 | **Jan Oros** | |
| | • Review debtor marketing update and sale of property, follow up on deposits for homes, review disbursement request for flooring and send to DIP lender for comment. | 0.60 hours |
| May 26, 2014 | **Rosa Wilford** | |
| | • Review, follow and respond to instructions from J. Oros received through-out the afternoon, correspondences and preparation of cheques and general banking administration. | 1.20 hours |

| | | |
|---|---|---|
| May 27, 2014 | **Rosa Wilford** | |
| | • Review banking, correspondences with J. Krieger and J. Oros and general banking administration. | 0.50 hours |
| May 28, 2014 | **Daniel Sobel** | |
| | • Review draft memorandum from counsel. | 0.50 hours |
| May 28, 2014 | **Jan Oros** | |
| | • Review marketing materials, respond to emails. | 0.75 hours |
| May 29, 2014 | **Jan Oros** | |
| | • Review marketing report and provide comment on recent purchase and sale agreement of 21 Rossini Drive, Lot 20. | 0.25 hours |
| May 30, 2014 | **Daniel Sobel** | |
| | • Review Monitor's certificate, emails re: potential sale. | 0.40 hours |
| May 30, 2014 | **Jan Oros** | |
| | • Cheque request and marketing update from debtor. | 0.25 hours |
| May 30, 2014 | **Jonathan Krieger** | |
| | • Review of correspondence re: legal opinion; Review of correspondence re: lot sales; Review and execution of Receiver's Certificates. | 1.00 hours |
| May 30, 2014 | **Rosa Wilford** | |
| | • Bank slip deposits, posting entries and general banking administration. | 0.20 hours |
| May 31, 2014 | **Daniel Sobel** | |
| | • Internal call, review and comment on memorandum to Vetting Committee re: claims process. | 1.20 hours |
| May 31, 2014 | **Jonathan Krieger** | |
| | • Call with D. Sobel re: review of issues with position on claims process, issues with claims. | 0.30 hours |

**Time Summary**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| J. Krieger, Sr. Vice President | 3.40 | hours @ | $ | 550.00 | per hour | $ | 1,870.00 |
| D. Sobel, Vice President | 4.25 | hours @ | $ | 390.00 | per hour | $ | 1,657.50 |
| J. Oros, Manager | 7.30 | hours @ | $ | 270.00 | per hour | $ | 1,971.00 |
| R. Wilford, Manager | 8.90 | hours @ | $ | 225.00 | per hour | $ | 2,002.50 |
| | 23.85 | | | | | $ | 7,501.00 |
| 5% Technology and Administration | | | | | | $ | 375.05 |
| | | | | | | $ | 7,876.05 |
| **Disbursement** | | | | | | | |
| Courier | | | | | | $ | 88.78 |
| Mileage | | | | | | $ | 29.92 |
| | | | | | | $ | 118.70 |
| Total Time and Disbursements | | | | | | $ | 7,994.75 |
| HST (13%) | | | | | | $ | 1,039.32 |
| **Total Invoice Due** | | | | | | $ | 9,034.07 |

Accounts are due when rendered. All accounts outstanding over 30 days
will be charged interest at a rate of 1 ½% per month (18% per annum) until paid.

Exhibit "**B**" to the Affidavit of Jonathan Krieger, sworn before me this 18th day of June, 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, 2014.

**Exhibit "B"**

Silver Streams Home Inc. - CCAA

**Summary of Fees of the Proposed Monitor**

For the period from April 1, 2014 to May 31, 2014

| Period | | Fees | Disbursements | Subtotal | HST | | Total |
|---|---|---|---|---|---|---|---|
| April 1 - 30, 2014 | $ | 18,386.55 | 85.62 | 18,472.17 | 2,401.38 | $ | 20,873.55 |
| May 1 - 31, 2014 | $ | 7,876.05 | 118.70 | 7,994.75 | 1,039.32 | $ | 9,034.07 |
| | **$** | **26,262.60** | **204.32** | **26,466.92** | **3,440.70** | **$** | **29,907.62** |

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
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Email. sgraff@airdberlis.com

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

Lawyers for the Court-appointed Monitor

# TAB 7

Court File No. 13-10362-00CL

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

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

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

Applicants

# AFFIDAVIT OF IAN AVERSA
**(sworn June 17, 2014)**

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

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

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

    (a) an account dated May 30, 2014 in the amount of $36,376.59 in respect of the period from March 12, 2014 to May 29, 2014; and

    (b) an account dated June 17, 2014 in the amount of $22,618.79 in respect of the period from May 27, 2014 to June 13, 2014,

    (collectively, the "**Statements of Account**"). Attached hereto and marked as **Exhibit "A"** to this Affidavit are copies of the Statements of Account. The average hourly rate of Aird & Berlis LLP is $434.71.

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

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

| | | |
|---|---|---|
| **SWORN** before me at the City of Toronto, in the Province of Ontario this 17th day of June, 2014 | ) ) ) ) ) ) | |
| A commissioner, etc. Alyssa Keon | | **IAN AVERSA** |

Attached is Exhibit "A"

Referred to in the

AFFIDAVIT OF IAN AVERSA

Sworn before me

this 17th day of June, 2014

____________________________

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.: 483070**

PLEASE WRITE ACCOUNT NUMBERS
ON THE BACK OF ALL CHEQUES

File No.: 25227/118506

May 30, 2014

**Re: Silver Streams Homes Inc.**

FOR PROFESSIONAL SERVICES RENDERED on your behalf throughout the period ended May 29, 2014

| LAWYER | DATE | RATE/ HOUR | TIME | VALUE | DESCRIPTION |
|---|---|---|---|---|---|
| PGC | 12/03/14 | $295.00 | 2.10 | $619.50 | Review claims and draft notices of disallowance |
| IEA | 30/03/14 | $395.00 | 0.50 | $197.50 | Emails regarding the claims process and discussions with S. Graff regarding same |
| SRM | 30/03/14 | $310.00 | 0.10 | $31.00 | Email from S. Graff; Email to R. Hooke regarding subdivision |
| RTH | 31/03/14 | $625.00 | 0.20 | $125.00 | Discussion with K. Connell; Order subdivision plan |
| IEA | 01/04/14 | $395.00 | 0.70 | $276.50 | Telephone calls and emails to and from client and S. Graff regarding the claims process and next steps |
| KC | 01/04/14 | $275.00 | 0.60 | $165.00 | Receipt and review of plans; Discussion with S. Morris |
| PGC | 01/04/14 | $295.00 | 0.10 | $29.50 | Emails to and from client and S. Graff re: status update |
| PGC | 01/04/14 | $295.00 | 0.10 | $29.50 | Email from S. Graff re: status update and review of claims |
| SLG | 01/04/14 | $695.00 | 0.60 | $417.00 | Telephone call with D. Sobel re claims; review and deliver same to Chaitons |

| LAWYER | DATE | RATE/ HOUR | TIME | VALUE | DESCRIPTION |
|---|---|---|---|---|---|
| RTH | 01/04/14 | $625.00 | 0.20 | $125.00 | E-mail from S. Morris; E-mail from S. Graff |
| IEA | 02/04/14 | $395.00 | 0.70 | $276.50 | Telephone call with client regarding next steps; Discussions with S. Graff regarding same; Telephone call with M. Poliak and D. Sobel regarding motion date and related issues |
| IEA | 03/04/14 | $395.00 | 0.20 | $79.00 | Emails to and from D. Sobel and S. Graff regarding the claims process |
| KC | 03/04/14 | $275.00 | 0.20 | $55.00 | Receive instructions from R. Hooke |
| IEA | 04/04/14 | $395.00 | 0.30 | $118.50 | Emails regarding the claims process |
| KC | 04/04/14 | $275.00 | 2.80 | $770.00 | Review opinions re all outstanding security; Draft schedule to describe security location |
| SLG | 04/04/14 | $695.00 | 0.20 | $139.00 | Emails with M. Poliak re motion to extend |
| IEA | 07/04/14 | $395.00 | 3.20 | $1,264.00 | Engaged with reviewing the affidavit and providing comments; Emails to and from applicants' counsel, client and S. Graff regarding the same; Telephone call with D. Sobel regarding the same; Telephone call with S. Schwartz regarding the same; Engaged with reviewing the second report and providing comments; Emails regarding the same; Engaged with preparing the reimbursement agreement and emails regarding the same; Engaged with preparing the fee affidavit and emails regarding the same |
| IEA | 08/04/14 | $395.00 | 3.10 | $1,224.50 | Engaged with reviewing the revised affidavit and providing comments; Emails regarding the same; Engaged with preparing the affidavit of fees; Emails regarding the claims process; Engaged with reviewing the cash flow projections and emails regarding the same; Telephone call with S. Schwartz; Telephone call with D. Sobel |
| SLG | 08/04/14 | $695.00 | 0.80 | $556.00 | Telephone call with H. Chaiton; discussion with I. Aversa re next steps |
| RTH | 08/04/14 | $625.00 | 0.10 | $62.50 | Discussion with K. Connell re memo |

| LAWYER | DATE | RATE/ HOUR | TIME | VALUE | DESCRIPTION |
|---|---|---|---|---|---|
| IEA | 09/04/14 | $395.00 | 3.60 | $1,422.00 | Emails to and from client, C. Raphael and S. Graff regarding the claims process and next steps; Engaged with reviewing the motion materials and draft orders and providing comments; Emails regarding the same; Engaged with reviewing the cash flow projection; Telephone call with S. Schwartz; Telephone call with D. Sobel; Telephone call with P. Copeland; Telephone call with S. Graff |
| RTH | 09/04/14 | $625.00 | 0.60 | $375.00 | Review K. Connell; Memo to S. Graff; Memo to S. Graff |
| CVR | 09/04/14 | $450.00 | 0.50 | $225.00 | Emails from and to I. Aversa re: assertion of priorities over claimants |
| IEA | 10/04/14 | $395.00 | 2.30 | $908.50 | Engaged with reviewing the Applicants' motion record; Emails regarding the service list; Engaged with compiling the second report; Emails to and from client and S. Graff regarding the same; Engaged with reviewing the second report and providing comments; Discussions with P. Copeland regarding the claims process and instructions regarding same |
| PGC | 10/04/14 | $295.00 | 3.10 | $914.50 | Draft and assemble reporting material for vetting committee |
| SLG | 10/04/14 | $695.00 | 0.30 | $208.50 | Discussion re approach to claims |
| CA | 11/04/14 | $230.00 | 0.60 | $138.00 | Attending the Commercial List to file court documents for I. Aversa |
| IEA | 11/04/14 | $395.00 | 2.90 | $1,145.50 | Emails to and from client regarding second report; Engaged with compiling record and serving it; Correspondence to the service list regarding the same; Emails to and from the vetting committee regarding the claims process; Emails and discussions with P. Copeland regarding the same; Telephone call with J. Long; Telephone call with J. Greenberg |
| PGC | 11/04/14 | $295.00 | 1.20 | $354.00 | Review and finalize material for vetting committee; Telephone call with I. Aversa regarding same |
| IEA | 13/04/14 | $395.00 | 0.20 | $79.00 | Emails to and from S. Graff regarding the claims process |

| LAWYER | DATE | RATE/ HOUR | TIME | VALUE | DESCRIPTION |
|---|---|---|---|---|---|
| IEA | 14/04/14 | $395.00 | 0.40 | $158.00 | Engaged with reviewing correspondence from CRA and emails and discussions regarding the same |
| SLG | 14/04/14 | $695.00 | 0.20 | $139.00 | Address status |
| IEA | 15/04/14 | $395.00 | 0.60 | $237.00 | Emails and discussions with S. Graff and clients regarding correspondence from CRA; Emails to and from Applicants' counsel and client regarding same |
| IEA | 16/04/14 | $395.00 | 2.70 | $1,066.50 | Telephone calls and emails to and from Applicants' counsel, clients and S. Graff regarding the hearing and next steps; Telephone call with P. Copeland regarding claims process and emails regarding same; Emails to and from S. Schwartz regarding the same; Engaged with reviewing the notice of acceptance and providing comments; Discussions with S. Graff regarding next steps; Telephone call with S. Graff and client regarding same; Telephone call with Applicants' counsel regarding same; Emails to and from S. Graff and J. Long and discussions with S. Graff regarding same |
| PGC | 16/04/14 | $295.00 | 0.90 | $265.50 | Discussions with I. Aversa re: notices of acceptance; Draft notices of acceptance; Emails to and form I. Aversa re: same |
| SLG | 16/04/14 | $695.00 | 0.50 | $347.50 | Conference call with D. Sobel on distribution and position re CRA letter |
| CVR | 16/04/14 | $450.00 | 0.10 | $45.00 | Review e-mail from counsel for Silver Stream re: accepting costs of construction lien claims |
| CVR | 16/04/14 | $450.00 | 0.40 | $180.00 | Emails from J. Long and S. Graff; telephone call with S. Graff |
| IEA | 17/04/14 | $395.00 | 0.30 | $118.50 | Emails to and from J. Long and S. Graff regarding the claims process; Emails from service list regarding the hearing |
| SLG | 17/04/14 | $695.00 | 0.60 | $417.00 | Attend court on motion for LOI and sale approval and extension of stay |
| IEA | 21/04/14 | $395.00 | 0.30 | $118.50 | Emails regarding the claims process and discussions with S. Graff regarding same |

| LAWYER | DATE | RATE/ HOUR | TIME | VALUE | DESCRIPTION |
|---|---|---|---|---|---|
| IEA | 22/04/14 | $395.00 | 0.50 | $197.50 | Emails to and from S. Graff and C. Raphael regarding the claims process and next steps |
| PGC | 22/04/14 | $295.00 | 0.20 | $59.00 | Emails from S. Graff, I. Aversa and C. Raphael re: status update and further information |
| SLG | 22/04/14 | $695.00 | 1.00 | $695.00 | Lengthy telephone call with J. Long re basis of disallowance, issues re lien claims, position re Condrain claim, process for resolution and facts |
| CVR | 22/04/14 | $450.00 | 0.50 | $225.00 | Email from and to S. Graff |
| IEA | 23/04/14 | $395.00 | 1.80 | $711.00 | Meeting with S. Graff, C. Raphael and P. Copeland regarding the claims process and next steps and emails regarding the same |
| PGC | 23/04/14 | $295.00 | 2.60 | $767.00 | Meeting with S. Graff et al re: strategy and issues; Review mortgages to determine whether building mortgages |
| CVR | 23/04/14 | $450.00 | 2.00 | $900.00 | Meeting with I. Aversa, S. Graff and P. Copeland; review research priorities of liens |
| IEA | 24/04/14 | $395.00 | 0.50 | $197.50 | Engaged with reviewing correspondence from counsel to the Town of Richmond Hill; Emails and discussions regarding the same |
| IEA | 25/04/14 | $395.00 | 0.40 | $158.00 | Emails and discussions with C. Raphael and P. Copeland regarding the claims process |
| PGC | 25/04/14 | $295.00 | 3.50 | $1,032.50 | Review mortgages; Legal research; Discussions with C. Raphael re: building mortgages |
| CVR | 25/04/14 | $450.00 | 0.80 | $360.00 | Office discussion with P. Copeland re: review of mortgage and priorities of liens |
| IEA | 28/04/14 | $395.00 | 0.40 | $158.00 | Emails to and from client, S. Graff, C. Raphael and P. Copeland regarding the claims process; Emails regarding the Town of Richmond Hill |

| LAWYER | DATE | RATE/ HOUR | TIME | VALUE | DESCRIPTION |
|---|---|---|---|---|---|
| IEA | 29/04/14 | $395.00 | 0.50 | $197.50 | Emails to and from S. Graff, C. Raphael and P. Copeland regarding the claims process; Discussions with S. Graff regarding same; Emails to and from the client and S. Graff regarding same |
| IEA | 30/04/14 | $395.00 | 0.40 | $158.00 | Emails to and from S. Graff, C. Raphael and P. Copeland regarding the claims process; Discussions with S. Graff regarding the same |
| IEA | 01/05/14 | $395.00 | 1.70 | $671.50 | Engaged with reviewing correspondence from counsel to the Town of Richmond Hill; Discussions with S. Graff regarding same; Telephone call with clients and S. Graff regarding the claims process and next steps; Telephone call with Chaitons, client and S. Graff regarding same |
| PGC | 01/05/14 | $295.00 | 0.40 | $118.00 | Emails to and from S. Graff and others re: amending notices of disallowance; Revise notices of disallowance |
| SLG | 01/05/14 | $695.00 | 1.30 | $903.50 | Review emails on amendments to disallowances; call with H. Chaiton and M. Poliak, D. Sobel and J. Krieger; consider approach |
| CVR | 01/05/14 | $450.00 | 0.50 | $225.00 | Emails amongst P. Copeland and S. Graff re: amending Notices of Disallowance |
| IEA | 02/05/14 | $395.00 | 0.40 | $158.00 | Emails to and from S. Graff, C. Raphael and P. Copeland regarding the claims process and next steps |
| PGC | 03/05/14 | $295.00 | 0.20 | $59.00 | Email to C. Raphael re: amending notices |
| IEA | 05/05/14 | $395.00 | 0.50 | $197.50 | Telephone calls and emails to and from S. Schwartz and S. Graff regarding the claims process; Telephone calls and emails to and from H. Mandel and S. Graff regarding the claims process |
| SLG | 05/05/14 | $695.00 | 0.50 | $347.50 | Discussion with S. Schwartz; review status with B. Miller |
| CVR | 05/05/14 | $450.00 | 0.70 | $315.00 | Instructions re revision of Notices of Disallowances; Review revised Notices |

| LAWYER | DATE | RATE/ HOUR | TIME | VALUE | DESCRIPTION |
|---|---|---|---|---|---|
| IEA | 06/05/14 | $395.00 | 0.20 | $79.00 | Emails to and from S. Graff and C. Raphael regarding the claims process |
| SLG | 06/05/14 | $695.00 | 1.10 | $764.50 | Telephone call with D. Sobel on approach; review documents; meet with B. Miller; letter to H. Mandel |
| SLG | 20/05/14 | $695.00 | 1.80 | $1,251.00 | Review of file and prepare analysis of SS claims; consider mortgages and CLA |
| IEA | 21/05/14 | $395.00 | 0.30 | $118.50 | Engaged with reviewing correspondence from Gibson & Barnes and emails regarding the same; Discussions with S. Graff regarding same |
| IEA | 22/05/14 | $395.00 | 0.30 | $118.50 | Emails to and from client and S. Graff regarding Argyle Flooring claim; Telephone call with M. Poliak regarding same |
| IEA | 23/05/14 | $395.00 | 0.20 | $79.00 | Discussion with S. Graff regarding claims process and next steps |
| IEA | 26/05/14 | $395.00 | 0.40 | $158.00 | Emails to and from client and S. Graff regarding the claim process |
| SD | 26/05/14 | $225.00 | 0.20 | $45.00 | Receive instructions from C. Raphael re: updating Silver Streams Claims Summary Chart to include dates of the mortgages and claims for lien; Receipt and review of email exchanges between C. Raphael and S. Graff re: same |
| SD | 26/05/14 | $225.00 | 1.60 | $360.00 | Review claims and prepare updated Silver Stream Claims Summary chart to include a column with the date of registration for claims for lien; Discussion with C. Raphael; Email to C. Raphael and S. Graff and copy to I. Aversa re: updated Claims Summary chart |
| SLG | 26/05/14 | $695.00 | 3.00 | $2,085.00 | Telephone call with H. Chaiton; review facts; prepare summary |
| CVR | 26/05/14 | $450.00 | 0.30 | $135.00 | Email from and to S. Graff; office discussion with S. Duco |
| IEA | 27/05/14 | $395.00 | 1.10 | $434.50 | Engaged with reviewing letter to vetting committee and providing comments; Emails and discussions with S. Graff and J. Nemers regarding same |

| LAWYER | DATE | RATE/ HOUR | TIME | VALUE | DESCRIPTION |
|---|---|---|---|---|---|
| SLG | 27/05/14 | $695.00 | 0.50 | $347.50 | Review - Review letter to committee; consider options |
| IEA | 28/05/14 | $395.00 | 1.50 | $592.50 | Engaged with reviewing letter to vetting committee and providing comments; Emails and discussions with S. Graff regarding same; Engaged with reviewing and revising the letter; Emails to and from S. Graff and client regarding same |
| SLG | 28/05/14 | $695.00 | 0.80 | $556.00 | Discussion with I. Aversa; review and revise draft letter |
| IEA | 29/05/14 | $395.00 | 0.50 | $197.50 | Instruct J. Nemers regarding response to late claim; Engaged with reviewing and revising letter and emails to and from client and S. Graff regarding same |
| **TOTAL:** | | | 74.20 | $31,555.50 | |

| Name | Hours | Rate | Value |
|---|---|---|---|
| Patrick G. Copeland (PGC) | 14.40 | $295.00 | $4,248.00 |
| Ian E. Aversa (IEA) | 33.60 | $395.00 | $13,272.00 |
| Shannon R. Morris (SRM) | 0.10 | $310.00 | $31.00 |
| Randy T. Hooke (RTH) | 1.10 | $625.00 | $687.50 |
| Kari Connell (KC) | 3.60 | $275.00 | $990.00 |
| Steven L. Graff (SLG) | 13.20 | $695.00 | $9,174.00 |
| Courtney V. Raphael (CVR) | 5.80 | $450.00 | $2,610.00 |
| Ceili Andrew (CA) | 0.60 | $230.00 | $138.00 |
| Sonia Duco (SD) | 1.80 | $225.00 | $405.00 |

| | |
|---|---|
| **OUR FEE** | $31,555.50 |
| HST at 13% | $4,102.22 |

**DISBURSEMENTS**

**Subject to HST**

| | |
|---|---|
| Teraview Search | $90.00 |
| Photocopies - Local | $287.75 |
| Photocopies | $140.25 |
| Binding and Tabs | $34.75 |
| Deliveries/Parss | $22.80 |
| Imaging/Scanning | $38.50 |
| Travelling Expenses | $4.42 |
| Taxi | $17.70 |

| | |
|---|---|
| Total Disbursements | $636.17 |
| HST at 13% | $82.70 |

| | |
|---|---|
| **AMOUNT NOW DUE** | **$36,376.59** |

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.

18268119.1

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.: 484355**

PLEASE WRITE ACCOUNT NUMBERS ON THE BACK OF ALL CHEQUES

File No.: 25227/118506

June 17, 2014

**Re: Silver Streams Homes Inc.**

FOR PROFESSIONAL SERVICES RENDERED on your behalf throughout the period ended June 13, 2014

| LAWYER | DATE | RATE/ HOUR | TIME | VALUE | DESCRIPTION |
|---|---|---|---|---|---|
| JN | 27/05/14 | $230.00 | 3.70 | $851.00 | Review back-up documentation to verify and revise content of draft letter to vetting committee for I. Aversa |
| JN | 29/05/14 | $230.00 | 0.50 | $115.00 | Receive instruction from I. Aversa; Prepare draft letter for I. Aversa |
| IEA | 30/05/14 | $395.00 | 0.60 | $237.00 | Attend court; Emails to and from client and S. Graff regarding correspondence to Gibson & Barnes; Engaged with issuing letter |
| IEA | 01/06/14 | $395.00 | 0.80 | $316.00 | Telephone calls and emails to and from client and S. Graff regarding the claims process and next steps; Discussions with S. Graff regarding the same |
| SLG | 01/06/14 | $695.00 | 0.80 | $556.00 | Conference call with J. Krieger, D. Sobel and I. Aversa; further review of and revisions to letter to committee |
| IEA | 02/06/14 | $395.00 | 1.70 | $671.50 | Engaged with reviewing and revising the letter to the vetting committee; Emails to and from S. Graff and clients regarding the same; Discussions with S. Graff and J. Nemers regarding research regarding CRA claim |

| LAWYER | DATE | RATE/ HOUR | TIME | VALUE | DESCRIPTION |
|---|---|---|---|---|---|
| PGC | 02/06/14 | $295.00 | 0.40 | $118.00 | Emails to and from I. Aversa regarding private lenders; Review file and assemble material for vetting committee letter |
| SLG | 02/06/14 | $695.00 | 0.30 | $208.50 | Telephone call with S. Schwartz regarding status |
| JN | 02/06/14 | $230.00 | 2.90 | $667.00 | Proofread and revise letter regarding vetting committee for I. Aversa; Research regarding case law regarding CRA's deemed trust claim |
| IEA | 03/06/14 | $395.00 | 2.40 | $948.00 | Emails to and from client and S. Graff regarding letter to vetting committee; Engaged with reviewing and revising the letter; Telephone calls with clients regarding same; Discussion with P. Copeland and J. Nemers regarding same; Discussions with S. Graff regarding same; Engaged with compiling and issuing letter |
| JN | 03/06/14 | $230.00 | 0.60 | $138.00 | Prepare electronic scans of letter and attachments to vetting committee for I. Aversa |
| IEA | 04/06/14 | $395.00 | 0.70 | $276.50 | Emails to and from S. Schwartz and S. Graff regarding letter to vetting committee; Emails regarding the next stay extension; Research regarding CRA claim and emails regarding the same |
| JN | 04/06/14 | $230.00 | 0.40 | $92.00 | Email to I. Aversa, outlining arguments regarding CRA deemed trust claim |
| IEA | 05/06/14 | $395.00 | 0.80 | $316.00 | Emails to and from client regarding the sale agreement regarding 66 Puccini; Engaged with reviewing the sale agreement; Emails to and from the vetting committee regarding the meeting; Discussions with S. Graff regarding same |
| SLG | 05/06/14 | $695.00 | 1.00 | $695.00 | Review emails regarding timing of meeting |
| IEA | 06/06/14 | $395.00 | 1.10 | $434.50 | Discussions with S. Graff regarding the meeting with the vetting committee and next steps; Engaged with reviewing correspondence from J. Klein; Discussion with S. Graff regarding same; Emails to and from J. Klein regarding same; Engaged with preparing for meeting with vetting |

| LAWYER | DATE | RATE/ HOUR | TIME | VALUE | DESCRIPTION |
|---|---|---|---|---|---|
| | | | | | committee; Telephone call with M. Drudi regarding meeting and next steps |
| SLG | 06/06/14 | $695.00 | 0.30 | $208.50 | Discussion with I. Aversa and B. Miller on meeting materials and preparation |
| BHM | 06/06/14 | $640.00 | 1.80 | $1,152.00 | Review of various documents respecting lien claimants and priorities |
| JN | 06/06/14 | $230.00 | 0.50 | $115.00 | Receipt and review of letter from J. Klein; Prepare draft response for I. Aversa |
| IEA | 09/06/14 | $395.00 | 2.10 | $829.50 | Meeting with S. Graff and B. Miller regarding the meeting with the vetting committee; Engaged with preparing for the meeting |
| SLG | 09/06/14 | $695.00 | 0.70 | $486.50 | Prepare for meeting; Discussion with B. Miller and I. Aversa |
| BHM | 09/06/14 | $640.00 | 2.00 | $1,280.00 | Review of issues in preparation for attendance at vetting committee meeting; discussions with Steven Graff and Ian Aversa |
| IEA | 10/06/14 | $395.00 | 4.20 | $1,659.00 | Attend the meeting with the vetting committee; Engaged with reviewing the APS regarding 21 Rossini Drive; Discussions with P. Copeland regarding preparing notices of allowance and disallowance; Discussions with client regarding outcome of the meeting with the vetting committee; Telephone call with J. Krieger regarding same; Telephone call with D. Sobel |
| BHM | 10/06/14 | $640.00 | 0.30 | $192.00 | Attendance at meeting with Steven Graff and Ian Aversa |
| BHM | 10/06/14 | $640.00 | 2.70 | $1,728.00 | Attendance at meeting with vetting committee |
| PGC | 10/06/14 | $295.00 | 0.70 | $206.50 | Discussions with I. Aversa regarding next steps for mortgages and allowing/disallowing claims; Draft notices of allowance; Telephone calls with counsel for claimants |
| SLG | 10/06/14 | $695.00 | 4.50 | $3,127.50 | Prepare for and attend meeting with vetting committee to discuss claims for next steps |
| IEA | 11/06/14 | $395.00 | 0.70 | $276.50 | Emails to and from P. Copeland regarding notices of allowance and disallowance and |

| LAWYER | DATE | RATE/ HOUR | TIME | VALUE | DESCRIPTION |
|---|---|---|---|---|---|
| | | | | | letter regarding late claim; Discussions with client regarding same; Discussions with S. Graff regarding same |
| PGC | 11/06/14 | $295.00 | 0.40 | $118.00 | Draft notices of allowance and disallowance; Discussions with counsel regarding claim; Draft letter to claimant |
| IEA | 12/06/14 | $395.00 | 1.10 | $434.50 | Emails to and from P. Copeland regarding notices of allowance and disallowance and reviewing and revising same; Emails to and from client and Applicants' counsel regarding the hearing |
| PGC | 12/06/14 | $295.00 | 0.60 | $177.00 | Emails to and from I. Aversa regarding notices of disallowance and notices of acceptance; Draft same; Discussions with counsel for Home Trust regarding claim issues |
| IEA | 13/06/14 | $395.00 | 2.30 | $908.50 | Telephone call with D. Sobel regarding update and next steps; Emails to and from Applicants' counsel, clients and S. Graff regarding the draft motion materials and the hearing; Engaged with reviewing and revising the notices of allowance and disallowance and letter regarding late claim; Emails to and from clients regarding same; Discussions with P. Copeland regarding same; Emails to and from the vetting committee regarding the hearing and next steps; Discussions with S. Graff and client regarding same; Telephone call with M. Poliak regarding the hearing; Emails to and from J. Spiegelman regarding possible interim distribution; Engaged with reviewing letter from Gowlings regarding Home Trust; Emails regarding the same; Discussions with S. Graff regarding next steps |
| PGC | 13/06/14 | $295.00 | 0.40 | $118.00 | Discussions with I. Aversa regarding amending notices and letters to claimants; Draft same; Email to I. Aversa regarding same |
| SLG | 13/06/14 | $695.00 | 0.20 | $139.00 | Address status; Review emails |
| **TOTAL:** | | | 44.20 | $19,796.00 | |

| Name | Hours | Rate | Value |
|---|---|---|---|
| Jeremy Nemers (JN) | 8.60 | $230.00 | $1,978.00 |
| Ian E. Aversa (IEA) | 18.50 | $395.00 | $7,307.50 |
| Steven L. Graff (SLG) | 7.80 | $695.00 | $5,421.00 |
| Patrick G. Copeland (PGC) | 2.50 | $295.00 | $737.50 |
| Barbra H. Miller (BHM) | 6.80 | $640.00 | $4,352.00 |

| | |
|---|---|
| **OUR FEE** | $19,796.00 |
| HST at 13% | $2,573.48 |

**DISBURSEMENTS**

**Subject to HST**

| | | |
|---|---|---|
| Photocopies - Local | $162.00 | |
| Photocopies | $27.25 | |
| Imaging/Scanning | $29.00 | |
| Long Distance Charges | $2.38 | |
| Total Disbursements | | $220.63 |
| HST at 13% | | $28.68 |

**AMOUNT NOW DUE** **$22,618.79**

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.

18454585.1

Attached is Exhibit “B”

Referred to in the

AFFIDAVIT OF IAN AVERSA

Sworn before me

this 17th day of June, 2014

________________________________

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 | 21.00 | $14,595.00 |
| Ian Aversa | 2008 | $395.00 | 52.10 | $20,579.50 |
| Randy Hooke | 1989 | $625.00 | 1.10 | $687.50 |
| Barbra Miller | 1988 | $640.00 | 6.80 | $4,352.00 |
| Courtney Raphael | 2005 | $450.00 | 5.80 | $2,610.00 |
| Patrick Copeland | 2012 | $295.00 | 16.90 | $4,985.50 |
| | | | | |
| **Clerk/Student** | **Call to Bar** | **Hrly Rate** | **Total Time** | **Value** |
| Shannon Morris | N/A | $310.00 | 0.10 | $31.00 |
| Sonia Duco | N/A | $225.00 | 1.80 | $405.00 |
| Kari Connell | N/A | $275.00 | 3.60 | $990.00 |
| Ceili Andrew | N/A | $230.00 | 0.60 | $138.00 |
| Jeremy Nemers | N/A | $230.00 | 8.60 | $1,978.00 |

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

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

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

Court File No. 13-10362-00CL

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

**Proceeding commenced at Toronto**

**AFFIDAVIT OF IAN AVERSA**


**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
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**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*

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**

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


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

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

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

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


18472457.1