

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

MASTER *SPROAT*

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THURSDAY, THE 29TH DAY

OF MARCH, 2012

IN THE MATTER OF THE PROPOSAL OF NEW HOME SERVICES INC.
OF THE CITY OF BRAMPTON, IN THE PROVINCE OF ONTARIO

**ORDER APPROVING AMENDED PROPOSAL
(Section 60(5))
(DIVISION 1 – PART III)**

UPON the application of the Trustee, Albert Gelman Inc., and upon reading the Report of the Trustee and upon hearing the Trustee and the Court being satisfied that the required majority of creditors have duly accepted the Amended Proposal in the terms contained in the paper writing marked as Scheduled "A" annexed hereto and being satisfied that the said terms are reasonable and calculated to the benefit of the general body of creditors and that no offences or facts have been proven to justify the Court in withholding its approval, the said Amended Proposal is hereby approved.



Master M. Sproat

Scheduled "A"

Court No: 32-1473612

IN THE MATTER OF THE PROPOSAL OF
NEW HOME SERVICES INC.

A company duly incorporated under the laws
of the Province of Ontario and having its head office in the
City of Brampton in the Province of Ontario

FURTHER AMENDED PROPOSAL

New Home Services Inc. ("Debtor"), the above named Debtor hereby submits the following Proposal in accordance with the terms of *The Bankruptcy and Insolvency Act* (the "BIA"):

1. THAT payment of the claims of all secured creditors shall be made in the usual manner or as may be agreed between the Debtor and secured creditors.
2. THAT payment in priority to all other claims of all claims directed by the BIA to be so paid in the distribution of the property of an insolvent person shall be provided for as follows:
 - (a) Proven claims of Her Majesty in right of Canada or a province of all amounts of a kind that could be subject to a demand under subsection 224(1.2) of the *Income Tax Act* or under any substantially similar provision of provincial legislation ("Unremitted Payroll Deductions") that were outstanding at the time of filing of the Notice of Intention to Make a Proposal ("NOI") shall be paid as follows:
 - (i) The current assessed amount owing to the Crown is \$137,181.66 pursuant to Section 60(1.1) of the BIA. Of this amount, \$85,795.60, shall be paid in full within 6 months of Court Approval of the Proposal, with monthly instalments of no less than \$14,300 per month commencing in the month of Court Approval; and
 - (ii) The balance of \$51,386.06 shall be paid in monthly instalments of \$3,000 per month commencing in the 7th month following Court Approval of the Proposal.
 - (iii) If any additional amounts are assessed as owing to the Crown pursuant to this Paragraph before full performance of this Proposal, the full amount of such assessment shall be paid in full within 6 months of Court Approval of the Proposal, or forthwith following the assessment should the assessment occur later.

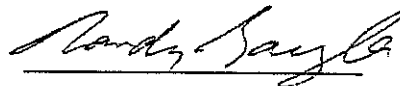
3. Proven claims of employees for services rendered during the six months immediately preceding the date of the filing of the NOI to a maximum of \$2,000 per employee, together with, in the case of salesmen, claims to a maximum of \$1,000 for business-related disbursements incurred by the salesmen during the same period, shall be paid immediately after Court approval of this Proposal.
4. All other proven preferred claims, without interest, shall be paid in full in priority to all claims of ordinary creditors.
5. The Trustee's fees shall be \$17,500 plus HST and out of pocket disbursements. The Debtor shall make instalment payments towards the Trustee's fees as follows:
 - a) \$10,000 (plus HST) within 6 months of Court Approval of this Proposal;
 - b) \$5,000 (plus HST) within 18 months of Court Approval of this Proposal; and
 - c) the balance of the Trustee's fees and expenses at or prior to the issuance of a Certificate of Full Performance of this Proposal.
6. THAT provision for all claims of Unsecured Creditors shall be made as follows:
 - a) All unsecured creditors shall be paid in full within 36 month of Court Approval of this Proposal.
7.
 - (a) THAT Albert Gelman Inc., of the City of Richmond Hill, in the Province of Ontario, shall be the Trustee of this Proposal;
 - (b) The Trustee under this Proposal is acting solely as Trustee and not in its personal capacity and shall not be responsible or liable for any obligations of the Debtor;
 - (c) All monies payable under the terms of this Proposal shall be paid over to the Trustee who shall make all payments in accordance with the terms of this Proposal;
 - (d) Upon making all payments in accordance with the terms of this Proposal, the Trustee shall be entitled to be discharged.
8. THAT the Creditors, at the meeting of creditors to consider this Proposal, may appoint up to five Inspectors who will have, in addition to any powers of Inspectors under the BIA, the power to:
 - (a) receive any notice of default in the performance of the Proposal and waive any such default,
9. Subject to Paragraph '10', upon this Proposal being completed and a Certificate of Full Performance being issued by the Trustee, each and every present and former director of New Home Services Inc. shall be released and discharged from any and

all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, options, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any creditor may be entitled to assert, against any such director as at the date filing of the Notice of Intention to Make a Proposal, including, without limitation, any and all claims in respect of the potential statutory liabilities of the present or former directors of New Home Services Inc. and any and all claims relating to the obligations of New Home Services Inc., where the present or former directors are or may be by law liable in their capacity as directors for payment of such obligations, and provided that nothing herein shall release or discharge any of the present or former directors of New Home Services Inc. from the exceptions set out in Section 50(14) of the BIA.

10. For greater clarity, Paragraph '9' shall not apply to any claims that may arise subsequent to the date of filing of the Notice of Intention to make a Proposal.
11. All proper claims against the Debtor arising with respect to goods supplied, services rendered, or other consideration given or provided after the date of the filing of the NOI, up to the date of approval of this Proposal by the Superior Court of Justice in Bankruptcy, and not otherwise dealt with pursuant to this Proposal, shall be paid in full by the Debtor in the ordinary course, in priority to the claims of all other Creditors.
12. Conditional upon acceptance of this Proposal by the creditors and the Court, Randall Baryla shall provide to the Trustee, a personal guarantee of the amounts due under paragraph '2(a)(i)' of this Proposal, to a maximum amount of \$85,795.60.
13. New Home Services Inc. may propose amendments to this Proposal at any time prior to the conclusion of the meeting of creditors called to vote on the Proposal, provided that any such amendment does not reduce the rights and benefits given to the creditors pursuant to this Proposal before such amendment and any or all such amendments shall be deemed to be a part of and incorporated into this Proposal.

Dated at Toronto Ontario this 15th day of March, 2012.

New Home Services Inc.


Randy Baryla

IN THE MATTER OF THE PROPOSAL OF NEW HOME SERVICES INC.
OF THE CITY OF BRAMPTON, IN THE PROVINCE OF ONTARIO

Court File No. 31-1184825

ONTARIO
SUPERIOR COURT OF JUSTICE
in Bankruptcy and Insolvency

Proceeding commenced at
TORONTO

**ORDER APPROVING AMENDED
PROPOSAL**

LIPMAN, ZENER & WAXMAN LLP
Barristers and Solicitors
1220 Eglinton Avenue West
Toronto, Ontario
M6C 2E3

SEAN N. ZEITZ
Tel.: (416) 789-0652
Fax: (416) 789-9015

Lawyers for the Trustee