

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

2502461 ONTARIO LTD.

Applicant

- and -

PORTOFINO CORPORATION

Respondent

APPLICATION UNDER Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c.C-43, as amended

**MOTION RECORD
(RETURNABLE MAY 8, 2018)**

April 23, 2018

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the court-appointed Receiver of
Portofino Corporation

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TAB 1

Court File No. CV-13-19866

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N :

2502461 ONTARIO LTD.

Applicant

-and-

PORTOFINO CORPORATION

Respondent

APPLICATION UNDER Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c.C-43, as amended

**NOTICE OF MOTION
(returnable May 8, 2018)**

BDO CANADA LIMITED ("BDO"), in its capacity as court-appointed receiver (the "Receiver") of the assets, undertakings and properties of Portofino Corporation ("Portofino" or the "Debtor") pursuant to the Order of The Honourable Mr. Justice Thomas dated October 29, 2013 (the "Appointment Order") will make a motion to the Court on Tuesday, May 8, 2018 at 10:00 a.m. or as soon after that time as the motion can be heard, at the Courthouse, 245 Windsor Avenue, Windsor, Ontario.

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR an Order as follows:

- (a) if necessary, abridging the time for service and filing and validating the method of service of all motion confirmation forms, the Motion Record, including the Notice of Motion and the Ninth Report of the Receiver dated April 23, 2018 and all appendices thereto (the "Ninth Report"), and directing that any further service of same be dispensed with such that this motion is properly returnable on May 8, 2018;

- (b) approving the Ninth Report and the activities and conduct of the Receiver described therein;
- (c) approving the Receiver's interim Statement of Receipts and Disbursements for the period October 29, 2013 to April 4, 2018 (the "**Statement of Receipts and Disbursements**");
- (d) approving the professional fees and disbursements of the Receiver and its legal counsel (the "**Professional Fees**");
- (e) approving and authorizing the distribution of \$1,700,000 to Windsor Family Credit Union ("**WFCU**") from the funds on hand; and
- (f) such further and other relief as counsel may advise and this Honourable Court deems just.

THE GROUNDS FOR THE MOTION ARE:

Approval of the Ninth Report, the Receiver's Activities and the Statements of Receipts and Disbursements

1. The Receiver has carried out its duties and responsibilities in accordance with the terms of the Appointment Order;
2. The Receiver seeks approval of the Ninth Report and the Receiver's activities detailed therein;
3. The particulars of the receipts and disbursements reflected in the Statement of Receipts and Disbursements are detailed in the Ninth Report;

Approval of Professional Fees

4. Pursuant to paragraph 19 of the Appointment Order, the Receiver and counsel to the Receiver were granted a first charge on the Property, as defined in the Appointment Order, as security for the Professional Fees, both before and after the making of the Appointment Order;
5. Pursuant to paragraph 20 of the Appointment Order, the accounts of the Receiver and its legal counsel must be passed from time to time by a judge of the Ontario Superior Court of Justice;

6. The Receiver and its legal counsel have maintained detailed records of the Professional Fees;
7. It is the Receiver's opinion that the Professional Fees are fair and reasonable and justified in the circumstances and accurately reflect the work performed by the Receiver and its legal counsel in connection with these receivership proceedings;

Interim Distribution to WFCU

8. The Receiver has received an Opinion from its independent legal counsel, Miller Thomson LLP, that, subject to the customary assumptions and qualifications, the security granted by the Debtor to Bank of Montreal, which security has been assigned to WFCU, over the assets realized upon by the Receiver to date is valid and enforceable and in priority to all other registered interests.

Other

1. Appointment Order;
2. Section 101 of the CJA;
3. Section 243 of the BIA;
4. Rules 3, 4, 6, 11 and 13 of the *Bankruptcy and Insolvency General Rules*;
5. Rules 1.04, 1.05, 3.02(1), 16 and 37 of the *Ontario Rules of Civil Procedure*; and
6. such other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

1. the Ninth Report;
2. the fees Affidavit of Stephen N. Cherniak sworn April 10, 2018 and the exhibits attached thereto;
3. the fees Affidavit of Tony Van Klink sworn April 23, 2018 and the exhibits attached thereto;
4. all other pleadings and materials previously filed in these proceedings; and

5. such further and other evidence as counsel may advise and this Honourable Court may permit.

April 23, 2017

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Lawyers for BDO Canada Limited, Court-appointed
Receiver of Portofino Corporation

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SERVICE LIST

as at April 23, 2018

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2502461 ONTARIO LTD.
Applicant

and PORTOFINO CORPORATION
Respondent

Court File No: CV-13-19866

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at WINDSOR

**NOTICE OF MOTION
(RETURNABLE MAY 8, 2018)**

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Lawyers for BDO Canada Limited, Court-Appointed
Receiver of Portofino Corporation

TAB 2

Court File No. CV-13-19866

ONTARIO
SUPERIOR COURT OF JUSTICE

BETWEEN:

2502461 ONTARIO LTD.

Applicant

- and -

PORTOFINO CORPORATION

Respondent

NINTH REPORT TO THE COURT SUBMITTED BY BDO CANADA LIMITED,
AS RECEIVER OF PORTOFINO CORPORATION

April 23, 2018

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- Appendix G** - Fee affidavit of Stephen N. Cherniak for interim accounts of BDO Canada Limited sworn April 10, 2018
- Appendix H** - Fee affidavit of Tony Van Klink for the interim accounts of Miller Thomson LLP sworn April 23, 2018
- Appendix I** - Legal Opinion of Miller Thomson LLP dated July 11, 2016
- Appendix J** - Legal Opinion of Miller Thomson LLP dated November 7, 2016
- Appendix K** - Legal Opinion of Miller Thomson LLP dated August 17, 2017
- Appendix L** - Legal Opinion of Miller Thomson LLP dated April 4, 2018
- Appendix M** - 2502461 Ontario Ltd. loan schedule at April 6, 2018

1. Introduction and Background

1.1 Introduction

- 1.1.1 This report is submitted by BDO Canada Limited, in its capacity as Receiver (“**BDO**” or the “**Receiver**”) of the assets, undertakings and properties of Portofino Corporation (“**Portofino**” or the “**Company**”) acquired for or used in relation to a business carried on by Portofino, including all proceeds thereof (the “**Property**”).
- 1.1.2 On application of Bank of Montreal (“**BMO**”), BDO was appointed as receiver by the Order of Mr. Justice Thomas dated October 29, 2013 (the “**Appointment Order**”). A copy of the Appointment Order is attached as **Appendix A** to this report.

1.2 Background

- 1.2.1 At all material times, Portofino was engaged in the development of a 123 unit luxury residential condominium project known as “Portofino” (the “**Portofino Condominium**” or the “**Project**”), located at 1225 Riverside Drive West in the City of Windsor, Ontario. Dr. Dante Capaldi (“**Capaldi**”) is the principal of Portofino.
- 1.2.2 Construction of the Portofino Condominium was completed in 2007, but not all individual units were completed. Essex Standard Condominium Corporation No. 122 (“**ECC 122**”) was registered and the closing of sales of units commenced in July, 2007.
- 1.2.3 At the time of the appointment of the Receiver, Portofino owned:
- (a) fifty-two (52) condominium units, including forty-three (43) fully finished units and nine (9) unfinished units (the “**Unsold Condominium Units**”);
 - (b) thirty-eight (38) parking units, including four (4) surface-level covered parking units and thirty-four (34) surface-level uncovered parking units (the “**Unsold Parking Units**”); and
 - (c) two (2) storage units (the “**Unsold Storage Units**”)
- (collectively, the “**Unsold Units**”).

- 1.2.4 Since 2005, there had been ongoing litigation commenced by Remo Valente Real Estate (1990) Limited ("**Valente Real Estate**"), as plaintiff, against Portofino, among others, in Court Action No. 05-CV-5864CM (the "**Valente Court Action**"). As outlined in the Receiver's Seventh Report to the Court dated February 7, 2017 (the "**Seventh Report**") and its Eighth Report to the Court dated August 22, 2017 (the "**Eighth Report**"), the Valente Court Action is now concluded.
- 1.2.5 Since its appointment on October 29, 2013, the Receiver has undertaken various activities, including, without limitation, the sale of 48 Unsold Condominium Units and the settlement of the Valente Court Action. To date, nine reports, including the within report, have been filed by the Receiver in these proceedings wherein these activities, transactions and litigation are described in greater detail.
- 1.2.6 As part of its Third Report to the Court, the Receiver sought prospective approval for future sales of the Unsold Units and the vesting of Portofino's right, title and interest in and to the applicable Unsold Unit, subject to certain conditions, in the applicable Purchaser.
- 1.2.7 By Order dated May 2, 2014 (the "**Omnibus Approval and Vesting Order**"), Mr. Justice Campbell prospectively approved the sales transactions in respect of the Unsold Units and vested all of Portofino's right, title and interest in and to the applicable Unsold Unit, subject to certain terms and conditions, in the Purchaser. A copy of the Omnibus Approval and Vesting Order is attached as **Appendix B**.
- 1.2.8 In June 2015, BMO sold to RREF II BHB IV PORTOFINO LLC ("**RREF**") its loans with Portofino and the security held for those loans, including the mortgage held by BMO over the Project (the "**BMO Mortgage**").
- 1.2.9 In May 2016, RREF, in turn, sold those loans and security, including the BMO Mortgage, to 2502461 Ontario Ltd. ("**250 Ontario**"). 250 Ontario subsequently assigned those loans and security to Windsor Family Credit Union ("**WFCU**") by way of security for amounts owing by 250 Ontario to WFCU.
- 1.2.10 By order dated July 26, 2016 (the "**July 26, 2016 Order**") Mr. Justice Campbell, among other things, approved certain amendments to the Omnibus Approval and Vesting Order. A copy of the July 26, 2016 Order is attached as **Appendix C**.

- 1.2.11 The July 26, 2016 Order also approved the interim distribution of \$4.0 million to WFCU from the net receipts from the sale of units and collection of rents. On July 26, 2016 the Receiver paid \$4.0 million to WFCU.
- 1.2.12 By order dated November 29, 2016 (the "**November 29, 2016 Order**") Mr. Justice Bondy, among other things, approved the further interim distribution of \$2.4 million to WFCU. On November 30, 2016 the Receiver paid \$2.4 million to WFCU.
- 1.2.13 By order dated February 28, 2017 (the "**February 28, 2017 Order**") Mr. Justice Monroe, among other things, authorized the Receiver to take no further steps with respect to certain litigation, as set out in the Seventh Report, but make the actions available to any creditor of Portofino to pursue at their own risk and expense.
- 1.2.14 The Receiver submitted its Eighth Report in which it advised that the actions outlined in the Seventh Report were abandoned, and motions for the scheduling of status hearings withdrawn. The Eighth Report was also submitted in support of a motion authorizing the Receiver to settle litigation between Dede Dalfidan carrying on business as Fidan Enterprise Contracting ("**Dalfidan**") as plaintiff, and Portofino and another party, as defendants, in Court File No. 07-CV-8478 and Court File No. 06-CV-8228 (collectively, the "**Dalfidan Action**"). A copy of the Eighth Report (without appendices) is attached as **Appendix D**.
- 1.2.15 By order dated September 19, 2017 (the "**September 19, 2017 Order**") Mr. Justice Patterson, among other things, authorized the Receiver to enter into a settlement agreement with Dalfidan, and approved the further interim distribution of \$1.7 million to WFCU. A copy of the September 19, 2017 Order is attached as **Appendix E**. On September 20, 2017 the Receiver paid \$1.7 million to WFCU, bringing the total distributed by the Receiver to WFCU, as assignee for 250 Ontario, to \$8.1 million.
- 1.2.16 The Receiver is presently holding net receipts of approximately \$1,852,000 from the sale of units and the collection of rents. The Receiver wishes to make a further interim distribution of \$1,700,000 from those funds.

2. Terms of Reference

- 2.1 In preparing this Ninth Report, the Receiver has relied upon unaudited and draft, internal financial information obtained from Portofino's books and records and discussions with management and staff (the "**Information**"). The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information and expresses no opinion, or other form of assurance, in respect of the Information.

3. Purpose of the Receiver's Ninth Report

- 3.1 This constitutes the Receiver's Ninth Report to the Court (the "**Ninth Report**") in this matter and is filed:
- (a) To provide the Court with information on:
 - (i) the Receiver's activities since the date of the Eighth Report;
 - (b) In support of an order of the Court:
 - (i) Approving the Ninth Report and the activities and conduct of the Receiver described herein;
 - (ii) Approving the Receiver's interim Statement of Receipts and Disbursements for the period October 29, 2013 to April 4, 2018 (the "**Statement of Receipts and Disbursements**");
 - (iii) Approving the professional fees and disbursements of BDO as Receiver ("**BDO Fees**");
 - (iv) Approving the professional fees and disbursements of Miller Thomson LLP ("**MT**"), counsel to the Receiver ("**MT Fees**" and collectively with the BDO Fees, the "**Professional Fees**"); and
 - (v) Approving and authorizing the distribution of \$1,700,000 to WFCU from the funds on hand.

4. Receiver's Activities

- 4.1 In its Eighth Report, the Receiver reported to the Court on its activities through August 22, 2017.
- 4.2 In this, the Ninth Report, the Receiver reports on its activities since the date of the Eighth Report.

Sale of the Unsold Units

- 4.3 The Fourth Report provided a detailed report of the Receiver's sale process for the Unsold Units and the results achieved to April 15, 2016.
- 4.4 Subsequent reports have provided updates on further sales of the Unsold Units.
- 4.5 Since the Eighth Report, the Receiver has completed the sales of units 1302, 1502, 102, 1602 and 1605. In addition the Receiver has entered into firm Agreements of Purchase and Sale for units 1201 and 1601, with scheduled closing dates of May 23, 2018 and May 30, 2018 respectively.
- 4.6 To date, the Receiver has sold 48 of the Unsold Condominium Units, including six (6) unfinished units.
- 4.7 The Receiver has sold six (6) of the Unsold Parking Units, consisting of four surface level garages and two surface level parking spaces.
- 4.8 Of the 52 Unsold Condominium Units owned by Portofino at the time of the appointment of the Receiver, 4 units remain unsold, 1 of which is fully finished and 3 are unfinished. In addition, 32 parking units and two basement level storage units remain unsold. A summary of the sales completed to date of the Unsold Condominium Units and the remaining Unsold Condominium Units is provided on the following page:

Condominium units sold by Receiver

Unit No.		Size (Sq. ft.)	Sale date	Unit No.		Size (Sq. ft.)	Sale date
1108	Finished	1,151	05-May-14	1001	Finished	1,593	24-Mar-16
704	Finished	1,282	30-Jun-14	708	Finished	1,150	16-May-16
904	Finished	1,602	31-Oct-14	1101	Finished	1,593	05-Jul-16
804	Finished	1,282	04-Dec-14	1202	Unfinished	2,450	13-Jul-16
1102	Finished	1,547	09-Jan-15	103	Finished	1,282	15-Jul-16
1104	Finished	1,602	12-Feb-15	304	Finished	1,282	02-Aug-16
803	Finished	1,217	29-May-15	601	Finished	1,150	05-Aug-16
1404	Finished	2,233	30-Jun-15	105	Finished	1,062	30-Aug-16
701	Finished	1,150	24-Jul-15	1501	Finished	2,233	20-Sep-16
402	Finished	1,062	30-Jul-15	104	Finished	1,217	03-Oct-16
1105	Finished	1,547	31-Jul-15	408	Finished	1,150	03-Oct-16
1002	Finished	1,547	14-Aug-15	309	Finished	1,151	02-Nov-16
508	Finished	1,150	03-Sep-15	806	Finished	1,217	06-Jan-17
805	Finished	1,282	23-Sep-15	1401	Finished	2,233	17-Feb-17
203	Finished	1,062	23-Oct-15	1301	Finished	2,233	31-Mar-17
1303	Finished	2,450	16-Nov-15	204	Finished	1,150	16-Jun-17
901	Finished	1,593	20-Nov-15	1603	Finished	2,450	22-Jun-17
903	Finished	1,602	20-Nov-15	1302	Unfinished	2,450	25-Sep-17
1403	Finished	2,450	01-Dec-15	1502	Finished	2,450	03-Oct-17
603	Finished	1,217	03-Dec-15	102	Finished	2,081	08-Jan-18
906	Finished	1,593	11-Dec-15	1602	Unfinished	2,450	31-Jan-18
1503	Unfinished	2,450	25-Jan-16	1605	Finished	1,718	29-Mar-18
1008	Finished	1,151	19-Feb-16	1201	Unfinished	2,233	23-May-18
401	Finished	1,150	08-Mar-16	1601	Unfinished	2,233	30-May-18

78,583

Remaining units

Unit No.		Size (Sq. ft.)
101	Unfinished	2,036
106	Finished	1,150
1402	Unfinished	2,450
1505	Unfinished	1,718

7,354

Tarion Warranty Corporation

4.9 The Receiver's Third Report to the Court, Fourth Report to the Court and the Eighth Report reported on Portofino's status with Tarion Warranty Corporation ("Tarion"), which administers the Ontario New Home Warranties Plan Act. The Receiver has continued to pay premiums to Northbridge General Insurance Corporation ("Northbridge") on a bond, in the amount of \$640,000, posted as security for Tarion.

- 4.10 In the Eight Report the Receiver reported that "in view of the small number of remaining deficiencies, and the sale of two of the unfinished units, the Receiver expects the amount of bond required by Tarion to be significantly reduced"
- 4.11 In November 2017 the Receiver confirmed with a representative of Tarion that the amount of security required was under review.
- 4.12 In March 2018 Tarion advised the Receiver that the security required by Tarion had been reduced to \$140,000. The Receiver advised legal counsel to Northbridge and expects the bond, and corresponding bond premium to be reduced accordingly.

Property Management

- 4.13 In October 2017 Capaldi Investment Holdings Inc. ("**Capaldi Holdings**") resigned as the property manager for ECC 122, who has retained M.F. Arnsby Property Management Ltd. ("**MF Arnsby**") as the property manager for the Portofino condominium.
- 4.14 Effective December 31, 2017 the Receiver terminated its property management agreement with Capaldi Holdings. The Receiver has retained M.F. Arnsby as its property manager with respect to the remaining unsold units.
- 4.15 The tenants of unit 1605 vacated their unit as of March 10, 2018 and the sale of the of the unit was completed on March 29, 2018. At this point the Receiver has no tenants. There is one remaining finished unit, namely unit 106, which will remain vacant until sold.

Other Matters

- 4.16 The Receiver worked with the Company's external accountant, Mr. Michael Greenaway CPA, in preparing annual financial statements for Portofino. Financial statements have been prepared, and income tax returns filed for the fiscal years through July 1, 2017.
- 4.17 At the Annual General Meeting of ECC 122 on October 18, 2017, Mr. Stephen Cherniak of the Receiver did not seek reappointment to the Board of Directors of ECC 122.

5. Litigation

Dalfidan

- 5.1 As authorized by the September 19, 2017 the Receiver paid \$80,000 to Dalfidan's legal counsel in full and final settlement of the Dalfidan Action.
- 5.2 Following the execution of settlement documents, and on application by Dalfidan, the Court ordered that the lien bond posted by Portofino as security with the Accountant of the Ontario Superior Court of Justice be delivered to the Receiver's counsel for cancellation. On November 29, 2017, the Receiver's counsel instructed Northbridge, formerly Lombard General Insurance Company of Canada, through their legal counsel, to cancel the lien bond.

6. Statement of Receipts and Disbursements of the Receiver

6.1 The Receiver maintains an account at BMO in London, Ontario. Attached as **Appendix F** is the Statement of Receipts and Disbursements. Details of the Receiver's receipts and disbursements are as follows:

6.2 Receipts

- a) *Sale of units and surface parking (\$13,977,550.96)* — The Receiver received net proceeds of \$13,977,550.96 from the sale of the Unsold Units. Proceeds received are net of amounts paid on closing for condominium fee arrears, real estate commissions inclusive of HST, and HST collected on the sale of Unsold Parking Units and unfinished Unsold Condominium Units.
- b) *Condominium rent collected (\$1,978,587.60)* — The Receiver collected \$1,978,587.60 from the rental of the Unsold Condominium Units.
- c) *Lawsuit (\$119,789.96)* — Portofino was involved in litigation arising from the original construction of the Project. The Receiver collected \$119,789.96, being the balance of holdback funds held in the lawyer's trust account, after distribution to sub-contractors in settlement of the litigation.
- d) *Reimbursement of Letter of Credit Costs (\$64,408.22)* — As required by the Orders of the Court of Appeal and Justice Quinn, Valente Real Estate reimbursed the costs of maintaining the letter of credit in the Valente Court Action.
- e) *Parking rent collected (\$34,314.69)* — The Receiver collected \$33,314.69 from the rental of Unsold Parking Units.
- f) *Interest (\$20,624.61)* — The Receiver received \$20,624.61 in interest on trust funds invested by the Receiver in Guaranteed Investment Certificates ("GIC") that matured or were redeemed. Interest is recognized as it is received.

- g) *HST refund (\$7,971.76)* — Upon filing the outstanding corporate income tax returns, the Receiver received \$7,971.76 in HST refunds accruing from prior to the appointment of the Receiver.

6.3 Disbursements

- a) *Property taxes (\$3,040,059.66)* — The Receiver has paid property taxes to the City of Windsor of \$3,040,059.66. This amount represents property tax arrears, interest and penalties to August 2015 and current installment payments for the balance of 2015, 2016, 2017 and the first two installments of 2018.
- b) *Receiver's fees (\$969,559.89)* – BDO's accounts for the period July 19, 2013 to May 17, 2017 in the amount of \$836,448.52, excluding HST, were previously approved by the Court and paid. The Receiver paid BDO's interim accounts for the period May 18, 2017 to January 10, 2018 in the amount of \$129,111.37 and is seeking approval of the Court for these invoices.
- c) *Condominium common fees (\$769,837.82)* — The Receiver has paid \$769,837.82 to ECC 122 for common fees on the Unsold Units, including arrears, interest and current monthly payments.
- d) *Legal fees (\$380,600.92)* – MT's accounts for the period September 9, 2013 to July 26, 2017 in the amount of \$367,424.24, excluding HST, were previously approved by the Court and paid. The Receiver paid MT's interim accounts for the period July 27, 2017 to November 28, 2017 in the amount of \$13,176.68, and is seeking approval of the Court of these invoices.
- e) *Repairs and Maintenance (\$237,427.74)* – The Receiver has paid \$237,427.74 in repairs and maintenance to the Unsold Units, replacement and enhanced landscaping to the west roof, replacement of the underground parking roof, installation of rooftop air conditioning units and construction of a demising wall between units 1601 and 1602.
- f) *HST paid (\$224,315.22)* – The Receiver has paid \$224,315.22 in HST on its disbursements.
- g) *HST remitted (\$168,062.62)* – The Receiver is obliged to collect HST on the sale of the Unsold Parking Units and unfinished Unsold Condominium Units and has

remitted \$168,062.72. This amount represents the HST collected, less any eligible input tax credits.

- h) *Settlement of Dalfidan litigation (\$80,000.00)* — The Receiver paid \$80,000.00 in full and final settlement of the Dalfidan Action.
- i) *Legal fees – Sutts Strosberg (\$78,662.72)* – The Receiver engaged Sutts Strosberg LLP (“SS”) to provide an initial review and chronology of the Valente Court Action for the Receiver’s counsel, and subsequently to continue the litigation on behalf of Portofino Corporation. The litigation is now concluded.
- j) *Property management fees (\$70,000.00)* — The Receiver has paid \$70,000.00 to Capaldi Holdings for property management of the Unsold Units.
- k) *Bond premiums (\$49,755.00)* — The Receiver paid \$49,755.00 to Northbridge for the premiums on bonds posted as security for: i) Tarion Warranty Corporation; and ii) the Portofino litigation with Dalfidan.
- l) *Advertising (\$40,346.72)* — The Receiver paid \$40,346.72 for advertising, signage, photography, web site maintenance, and the staging of condominium units listed for sale.
- m) *BMO Letter of credit fees (\$39,074.26)* — The Receiver paid \$39,074.26 to BMO for fees to maintain the \$2.0 million Letter of Credit in connection with the Valente Court Action.
- n) *Utilities (\$38,602.37)* — The Receiver paid \$38,602.37 for utilities on vacant Unsold Units and leased condominium units where utilities were paid by the Landlord.
- o) *Valente litigation – Costs Award (\$30,393.34)* — The Receiver paid \$30,393.34 in legal costs awarded to Valente Real Estate in the Valente Court Action.
- p) *Appraisal fees (\$15,014.50)* — The Receiver paid \$15,014.50 to Metrix Realty Group for an appraisal of the Unsold Condominium Units on an individual unit basis.

- q) *Insurance (\$7,372.08)* — The Receiver paid \$7,372.08 to Hub International for premiums on the Receiver's liability insurance policy.
- r) *Accounting fees (\$5,250.00)* — The Receiver has paid \$5,250.00 to Michael Greenaway Professional Corporation for the preparation of 2013 through 2017 financial statements and corporate income tax returns.
- s) *Commission on rentals (\$3,650.00)* — The Receiver paid \$3,650.00 to a party engaged by the former property manager to assist in the leasing of vacant Unsold Units.
- t) *Tarion Warranty Corporation fees (\$2,500.00)* — The Receiver has paid \$2,500.00 in Tarion annual renewal fees.
- u) *Other professional fees (\$1,972.00)* — The Receiver has paid \$1,972.00 in other professional fees.

7. Fees and Disbursements of the Receiver and Counsel to the Receiver

- 7.1 Pursuant to Paragraph 19 of the Appointment Order, the Receiver and counsel to the Receiver shall be paid their reasonable Professional Fees in each case at their standard rates and charges. The Receiver and counsel to the Receiver have been granted a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person as security for payment of the Professional Fees.
- 7.2 Pursuant to paragraph 21 of the Appointment Order, the Receiver is at liberty, from time to time, to apply reasonable amounts, out of the monies in its hands, against the Professional Fees, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its Professional Fees when and as approved by the Court.
- 7.3 Attached as **Appendix G** is the fee affidavit of Stephen N. Cherniak sworn April 10, 2018 containing BDO's interim accounts as Receiver for the following periods:
- o May 18, 2017 to August 14, 2017
 - o August 15, 2017 to October 19, 2017
 - o October 20, 2017 to January 10, 2018
 - o January 11, 2018 to March 29, 2018
- 7.4 The Receiver's fees to date, exclusive of HST, are as follows:
- | | | |
|---------------------------------------|---|-----------------------|
| Fees paid and Court approved | - | \$ 836,448.52 |
| Fees paid, but not yet Court approved | - | 129,111.37 |
| Fees neither paid, nor Court approved | - | <u>38,017.94</u> |
| | | <u>\$1,003,577.83</u> |
- 7.5 The Receiver submits that the hourly rates charged by the Receiver and its staff are commensurate with commercially reasonable rates for mid-market insolvency firms in the Southwestern Ontario region.
- 7.6 Attached as **Appendix H** is the fee affidavit of Tony Van Klink, sworn April 23, 2018 containing the interim accounts of MT for the period July 27, 2017 to March 29, 2018.

7.7 MT's fees to date, exclusive of HST, are as follows:

Fees paid and Court approved	-	\$ 367,424.24
Fees paid, but not yet Court approved	-	13,176.68
Fees neither paid, nor Court approved	-	<u>6,210.50</u>
		<u>\$386,811.42</u>

7.8 The Valente Court Action has been concluded. The fees of SS, exclusive of HST, are as follows:

Fees paid and Court approved	-	<u>\$73,662.72</u>
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7.9 It is the Receiver's opinion that the Professional Fees are fair and reasonable and justified in the circumstances and accurately reflect the work done by the Receiver and MT in connection with the receivership during the relevant periods. The Receiver recommends approval of the Professional Fees by the Court.

8. Distribution

- 8.1 The Receiver obtained an independent legal opinion of MT dated July 11, 2016 (the "**July 11th Opinion**") indicating that, subject to the customary assumptions and qualifications, the BMO Mortgage is valid and enforceable in accordance with its terms and has priority over all other registered charges. A copy of the independent legal opinion of MT was attached as Appendix G to the Receiver's Fifth Report to the Court and is attached hereto as **Appendix I**.
- 8.2 MT confirmed that the opinions expressed in the July 11th Opinion apply to the Net Receipts from sales of Unsold Units sold by the Receiver from July 11, 2016 to November 2, 2016. A copy of this letter was attached as Appendix H to the Receiver's Sixth Report to the Court and is attached hereto as **Appendix J**. MT confirmed that the opinions expressed in the July 11th Opinion apply to the Net Receipts from sales of Unsold Units sold by the Receiver from November 3, 2016 to August 14, 2017. A copy of this letter was attached as Appendix N to the Eighth Report and is attached hereto as **Appendix K**.
- 8.3 MT has confirmed that the opinions expressed in the July 11th Opinion apply to the Net Receipts from sales of Unsold Units sold by the Receiver from August 15, 2017 to March 29, 2018. A copy of this letter is attached hereto as **Appendix L**.
- 8.4 Based on the materials filed by BMO on the receivership application, as of September, 2013 BMO was owed approximately \$11.8 million by Portofino for principal and interest, including a \$2.0 million letter of credit posted by BMO on behalf of Portofino in the Valente Court Action.
- 8.5 As set out above, the BMO Mortgage was assigned to RREF, 250 Ontario and, most recently, WFCU. 250 Ontario has provided the Receiver with an irrevocable Direction directing the Receiver to make payment to WFCU of all amounts otherwise payable to 250 Ontario under the BMO Mortgage.
- 8.6 The July 26, 2016 Order authorized the Receiver to distribute \$4,000,000 to WFCU. On July 26, 2016 the Receiver paid \$4.0 million to WFCU.

- 8.7 The November 29, 2016 Order authorized the Receiver to distribute \$2,400,000 to WFCU. On November 30, 2016 the Receiver paid \$2.4 million to WFCU
- 8.8 At the Receiver's request, 250 Ontario provided the Receiver with a loan statement at August 8, 2017. The Receiver conducted a preliminary review of the statement and was satisfied that 250 Ontario's indebtedness exceeded the distributions to that date, plus the distribution proposed in the Eighth Report of \$1,700,000.
- 8.9 The September 19, 2017 Order authorized the Receiver to distribute \$1,700,000 to WFCU. On September 20, 2017 the Receiver paid \$1.7 million to WFCU.
- 8.10 The Receiver requested additional information from 250 Ontario in support of its loan statement and was supplied with additional documentation, including a BMO loan account statement as at March 31, 2015. The Receiver has reviewed the loan statement provided by 250 Ontario and is satisfied that the loan balance at August 8, 2017 is not overstated.
- 8.11 The Receiver has updated the 250 Ontario loan statement to April 6, 2018 and calculated the balance outstanding at this date to be \$3,541,213. A copy of the updated loan schedule prepared by the Receiver is attached as **Appendix M**.
- 8.12 The Receiver has sufficient funds on hand to distribute a further \$1,700,000.
- 8.13 The Receiver seeks an Order authorizing it to distribute \$1,700,000 to WFCU from the funds on hand.

9. Recommendations

- 9.1. The Receiver recommends and respectfully requests that the Court grant an order as follows:
- (a) Approving the Ninth Report and the activities and conduct of the Receiver described herein;
 - (b) Approving the Receiver's interim Statement of Receipts and Disbursements for the period October 29, 2013 to April 4, 2018;
 - (c) Approving the Professional Fees; and
 - (d) Approving and authorizing the distribution of \$1,700,000 to WFCU from the funds on hand.

All of which is Respectfully Submitted this 23rd day of April, 2018.

BDO Canada Limited in its capacity as Court Appointed Receiver of Portofino Corporation and not in any personal capacity.



Per: Stephen N. Cherniak, CPA, CA, CIRP
Licensed Insolvency Trustee
Senior Vice President

APPENDIX "A"

Court File No. CV-13-19866

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE
JUSTICE B. THOMAS

) TUESDAY, THE 25th
)
) DAY OF OCTOBER, 2013

BANK OF MONTREAL

Applicant

- and -

PORTOFINO CORPORATION

Respondent

ORDER

THIS APPLICATION made by the Applicant, Bank of Montreal, ("BMO") for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing BDO Canada Limited as receiver (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of Portofino Corporation (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 245 Windsor Avenue, Windsor, Ontario.

ON READING the affidavit of Greg Fedoryn sworn September 6, 2013 and the Exhibits thereto and on hearing the submissions of counsel for BMO, Essex Condominium Corporation 122 ("ECC 122"), the Estate of Patrick D'Amora, Portofino Corporation and Dante Capaldi, Remo Valente Real Estate (1990) Limited and Suttis Strosberg LLP, no one appearing for Lombard General Insurance Company of Canada (now Northbridge General Insurance

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Corporation) or Royal Bank of Canada, although duly served and on reading the consent of BDO Canada Limited to act as the Receiver,

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.

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, BDO Canada Limited is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "Property").

RECEIVER'S POWERS

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect of the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary

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course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor, and to complete any minor repairs or construction as may be required to release and/or reduce security held for the Debtor's obligations under the Ontario New Home Warranties Plan Act, R.S.O. 1990, c. O.31, as amended;

- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;
- (j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby

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- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

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conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

(k) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate; In marketing the Property, the Receiver will consult with ECC 122; however the advice and opinions of ECC 122 will not be binding upon the Receiver;

(l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,

(i) without the approval of this Court in respect of any transaction not exceeding \$50,000, provided that the aggregate consideration for all such transactions does not exceed \$200,000; and

(ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, [or section 31 of the Ontario *Mortgages Act*, as the case may be,] shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.

(m) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

(n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

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5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

REPORT TO COURT AND STAKEHOLDERS

7. THIS COURT ORDERS that the Receiver will deliver its first report to the Court on notice to BMO, Dante Capaldi, the Estate of Patrick D'Amore, Osvaldo Rizzo, Northbridge General Insurance Corporation, Remo Valente Real Estate (1990) Limited, Sutta Strosberg LLP;

Royal Bank of Canada, Essex Condominium Corporation no.122 and the City of Windsor (collectively, the "Stakeholders") within 45 days following its appointment.

8. THIS COURT ORDERS that the Receiver will report to the Stakeholders on a quarterly basis, prorated for 2013, such that the first such report is not required until the end of the first quarter of 2014.

NO PROCEEDINGS AGAINST THE RECEIVER

9. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

10. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court. Leave of the Court is hereby granted to continue the Proceeding known as *Remo Valente Real Estate (1990) Limited v. Portofino Riverside Tower Inc., Westview Park Gardens (2004) Inc., Portofino Corporation and Dante Capaldi*, Court file 05-CV-5864CM.

NO EXERCISE OF RIGHTS OR REMEDIES

11. THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

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NO INTERFERENCE WITH THE RECEIVER

12. THIS COURT ORDERS that 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 Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

13. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor 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 Debtor 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 Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current 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 Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

14. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

15. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

16. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

17. THIS COURT ORDERS that nothing herein contained shall require the Receiver 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 Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver'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.

LIMITATION ON THE RECEIVER'S LIABILITY

18. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or willful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

19. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

20. THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Ontario Superior Court of Justice.

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21. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

22. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$250,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

23. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

24. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

25. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

- 13 -

GENERAL

26. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
27. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.
28. 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 Receiver 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 Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
29. THIS COURT ORDERS that the Receiver 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 Receiver 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.
30. THIS COURT ORDERS that the applicant shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.
31. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

- 13 -

J. V. Jones

ENTERED AT WINDSOR	
In Book No.	24
re Document No.	1485
on	NOV 21 2012
by	<i>D</i>

"SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

32. THIS IS TO CERTIFY that BDO Canada Limited, the receiver (the "Receiver") of the assets, undertakings and properties of Portofino Corporation (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (the "Court") dated the _____ of _____, 2013 (the "Order") made in an action having Court file number _____ has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

33. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of Montreal from time to time.

34. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

35. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

36. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

37. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

38. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of _____, 2013.

BDO Canada Limited, solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

Bank of Montreal
Applicant and Purtofine Corporation
Respondent

Court File No. CV-13-19866

ONTARIO
SUPERIOR COURT OF JUSTICE
PROCEEDING COMMENCED AT
WINDSOR

ORDER

ROBINS APPLEBY & TAUBILLP
Barristers & Solicitors
2600 - 120 Adelaide Street West
Toronto ON M5H 1T1

David A. Tarr
LSUC No. 33518M
Tel: (416) 360-3354
Fax: (416) 868-0306

Lawyers for the Applicant, Bank of Montreal

APPENDIX“B”

ONTARIO
SUPERIOR COURT OF JUSTICE

THE HONOURABLE MR.)
JUSTICE CAMPBELL)
FRIDAY, THE 2ND
DAY OF MAY, 2014

BETWEEN:

BANK OF MONTREAL
Applicant

- and -

PORTOFINO CORPORATION
Respondent

OMNIBUS APPROVAL AND VESTING ORDER

THIS MOTION, made by BDO Canada Limited, in its capacity as Court-appointed receiver of all of the assets, undertakings and properties of Portofino Corporation ("Portofino") pursuant to the Order of The Honourable Justice Thomas dated October 29, 2013 (the "Receiver"), for an order:

- (a) prospectively authorizing the Receiver to accept an offer or offers to purchase any or all of the unsold units (the "Unsold Units") provided that the sale price for each Unsold Unit to which such offer(s) relates is acceptable to the Receiver having regard to the appraised value for such Unsold Unit(s) and prior sales of similar units and all other terms of the offer(s) are, in the Receiver's sole opinion, in the best interests of the stakeholders of Portofino;
- (b) prospectively authorizing the execution of an agreement of purchase and sale in respect of each Unsold Unit by the Receiver, as vendor, and the purchaser of each Unsold Unit (each purchaser hereinafter referred to as the "Purchaser") substantially in the form of the Form of Unsold Unit Sale Agreement attached as Schedule "A" to the Sale Agreement Order, together with any amendments or

modifications thereto deemed necessary by the Receiver (each agreement hereinafter referred to as an "Unsold Unit Sale Agreement");

- (c) prospectively approving the sale transactions (each such transaction, a "Transaction" and together, the "Transactions") in respect of the Unsold Units, more particularly described on Schedule "A" to this Order; and
- (d) providing that, upon the delivery by the Receiver to a Purchaser of a Receiver's Certificate substantially in the form attached as Schedule "B" to this Order (the "Receiver's Certificate"), all of Portofino's right, title and interest in and to the Unsold Unit(s) described in each applicable Unsold Unit Sale Agreement (the "Purchased Assets") will vest in and to the applicable Purchaser, free and clear of any and all claims and encumbrances including those listed on Schedule "C" and in paragraph 3 of this Order, save and except for those encumbrances listed on Schedule "D" of this Order,

was heard this day at the Courthouse, 245 Windsor Avenue, Windsor, Ontario.

ON READING the Third Report of the Receiver dated April 21, 2014 and all appendices thereto (the "Third Report"), and the Confidential Supplement to the Third Report and all appendices thereto (the "Confidential Supplement") and on hearing the submissions of counsel for the Receiver, and such other persons as may be present and on noting that no other persons appeared, although properly served as appears from the affidavit of Susan Jarrell sworn April 22, 2014, filed:

1. THIS COURT ORDERS that the Receiver is hereby prospectively authorized to accept an offer or offers to purchase any or all of the Unsold Units provided that the sale price for each Unsold Unit to which such offer(s) relates is acceptable to the Receiver having regard to the appraised value for such Unsold Unit(s) and prior sales of similar units and all other terms of the offer(s) are, in the Receiver's sole opinion, in the best interests of the stakeholders of Portofino.
2. THIS COURT ORDERS AND DECLARES that each Transaction is hereby prospectively approved, and the execution of each applicable Unsold Unit Sale Agreement by the Receiver is hereby authorized and approved, with any amendments or modifications thereto deemed necessary by the Receiver. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for

the completion of any Transaction and for the conveyance of the Purchased Assets to each applicable Purchaser.

3. THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver's Certificate to the Purchaser substantially in the form attached as **Schedule "B"** hereto, all of Portofino's right, title and interest in and to the Purchased Assets described in the applicable Unsold Unit Sale Agreement and listed on Exhibit "A" of the applicable Receiver's Certificate in respect of such Unsold Unit Sale Agreement shall vest absolutely in and to 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 Thomas dated October 29, 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; (iii) any Claims filed in respect of or affecting the Purchased Assets, which Claims are filed on or after the date of the granting of this Order, including without limitation, Claims in respect of the *Construction Lien Act* (Ontario); (iv) those Claims listed on **Schedule "C"** hereto in relation to the Purchased Assets (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"** in relation to the Purchased Assets) and, for greater certainty, this Court orders that upon delivery of the applicable Receiver's Certificate all of the Encumbrances affecting or relating to the Purchased Assets shall be expunged and discharged as against the Purchased Assets.

4. THIS COURT DIRECTS that the Land Registrar in respect of the Land Registry Office for the Land Titles Division of Essex (No. 12) (the "**Land Registry**") shall register a copy of this Order along with the applicable fully completed and executed Receiver's Certificate in respect of the Purchased Assets once the Land Registrar is in receipt of same.

5. THIS COURT ORDERS that upon the registration in the Land Registry of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act* (which will include a copy of this Order and the fully completed and executed Receiver's Certificate in respect of the Purchased Assets), the Land Registrar is hereby directed to enter the Purchaser named in the applicable Receiver's Certificate as the owner of the

Purchased Assets listed in Exhibit "A" to the Receiver's Certificate in fee simple, and is hereby directed to delete and expunge from title to the Purchased Assets all of the Claims listed in Schedule "C" hereto and in paragraph 3 of this Order.

6. 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 Receiver's Certificate in respect of an applicable Unsold Unit Sale Agreement, 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.

7. THIS COURT ORDERS AND DIRECTS the Receiver to file with the Court a copy of each Receiver's Certificate, forthwith after delivery thereof, and in any event no later than thirty (30) days after the date of the closing of the Transaction detailed in each applicable Unsold Unit Sale Agreement.

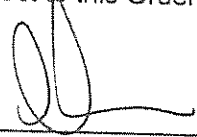
8. THIS COURT ORDERS that, notwithstanding:

- (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 Portofino and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of Portofino;

the vesting of the Purchased Assets in each applicable Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of Portofino and shall not be void or voidable by creditors of Portofino, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement 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.

9. THIS COURT ORDERS AND DECLARES that each Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

10. 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 Receiver 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 Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.



Justice, Superior Court of Justice

ENTERED AT WINNIPEG	
IN BOOK No	25
OR DOCUMENT No	572
DATE	May 2
BY	DR

Schedule "A" – Unsold Units

Legal Description

Description: Essex Standard Condominium Plan No. 122 and its appurtenant interest. The description of the condominium property is: LT 1, South Side of Sandwich Street, PI 392 & Pt Lot 73 Concession 1 Windsor; Pt 1 PI 12R17829; S/T Ease as set out in Schedule "A" of Declaration CE278123, Windsor Ontario (LT) (LRO#12)

Unsold Condominium Units					
Unit	Level		PIN		
1	1		01872	-	0001
2	1		01872	-	0002
3	1		01872	-	0003
4	1		01872	-	0004
5	1		01872	-	0005
6	1		01872	-	0006
3	2		01872	-	0052
4	2		01872	-	0053
4	3		01872	-	0058
9	3		01872	-	0063
1	4		01872	-	0065
2	4		01872	-	0066
8	4		01872	-	0072
8	5		01872	-	0082
1	6		01872	-	0085
3	6		01872	-	0087
1	7		01872	-	0095
4	7		01872	-	0098

Unsold Condominium Units					
Unit	Level		PIN		
8	7		01872	-	0102
3	8		01872	-	0107
4	8		01872	-	0108
5	8		01872	-	0109
6	8		01872	-	0110
1	9		01872	-	0115
3	9		01872	-	0117
4	9		01872	-	0118
6	9		01872	-	0120
1	10		01872	-	0123
2	10		01872	-	0124
8	10		01872	-	0130
1	11		01872	-	0131
2	11		01872	-	0132
4	11		01872	-	0134
5	11		01872	-	0135
1	12		01872	-	0139
2	12		01872	-	0140
1	13		01872	-	0145
2	13		01872	-	0146
3	13		01872	-	0147
1	14		01872	-	0151
2	14		01872	-	0152
3	14		01872	-	0153

Unsold Condominium Units					
Unit	Level		PIN		
4	14		01872	-	0154
1	15		01872	-	0157
2	15		01872	-	0158
3	15		01872	-	0159
5	15		01872	-	0161
1	16		01872	-	0162
2	16		01872	-	0163
3	16		01872	-	0164
5	16		01872	-	0166

Unsold Parking Units					
Unit	Level		PIN		
7	1		01872	-	0007
8	1		01872	-	0008
12	1		01872	-	0012
13	1		01872	-	0013
16	1		01872	-	0016
17	1		01872	-	0017
18	1		01872	-	0018
19	1		01872	-	0019
20	1		01872	-	0020
21	1		01872	-	0021
22	1		01872	-	0022
23	1		01872	-	0023

Unsold Parking Units					
Unit	Level		PIN		
24	1		01872	-	0024
25	1		01872	-	0025
26	1		01872	-	0026
27	1		01872	-	0027
28	1		01872	-	0028
29	1		01872	-	0029
30	1		01872	-	0030
31	1		01872	-	0031
32	1		01872	-	0032
33	1		01872	-	0033
34	1		01872	-	0034
35	1		01872	-	0035
36	1		01872	-	0036
37	1		01872	-	0037
38	1		01872	-	0038
39	1		01872	-	0039
40	1		01872	-	0040
41	1		01872	-	0041
42	1		01872	-	0042
43	1		01872	-	0043
44	1		01872	-	0044
45	1		01872	-	0045
46	1		01872	-	0046
47	1		01872	-	0047

Unsold Parking Units					
Unit	Level		PIN		
48	1		01872	-	0048
49	1		01872	-	0049

Unsold Storage Units					
Unit	Level		PIN		
2	A		01872	-	0168
1	A		01872	-	0167

Schedule "B" – Form of Receiver's Certificate

Court File No. CV-13-19866

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

BANK OF MONTREAL

Applicant

- and -

PORTOFINO CORPORATION

Respondent

RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Thomas of the Ontario Superior Court of Justice (the "Court") dated October 29, 2013, BDO Canada Limited ("BDO") was appointed as the receiver (the "Receiver") of all of the assets, undertakings and properties Portofino ("Portofino").

B. Pursuant to an Order of the Court dated May 2, 2014, the Court granted an omnibus approval and vesting order (the "Omnibus Approval and Vesting Order"), providing for among other things:

(a) the Court's approval of this Transaction in respect of the Purchased Assets (as defined below) as described in the Sale Agreement (as defined below);

(b) the Court's authorization of the Receiver entering into the Agreement of Purchase and Sale made as of _____ [DATE OF AGREEMENT] (the "Sale Agreement") between the Receiver and _____ [NAME OF PURCHASER] (the "Purchaser"); and

(c) the vesting in and to the Purchaser all of Portofino's right, title and interest in and to the lands and premises legally described on Exhibit "A" to this Receiver's Certificate (the "Purchased Assets"), with such vesting to be effective in respect of the Purchased

Assets upon the delivery by the Receiver to the Purchaser of this certificate confirming (i) the payment by the Purchaser of the purchase price for the Purchased Assets; (ii) that the conditions to closing as set out in the Sale Agreement have been satisfied or, to the extent that such conditions could be waived, have been waived by the Receiver and the Purchaser; and (iii) the transaction described in the Sale Agreement (the "Transaction") has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Omnibus Approval and Vesting Order.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the purchase price for the Purchased Assets payable on closing pursuant to the Sale Agreement;
2. The conditions to closing as set out in the Sale Agreement have been satisfied or, to the extent such conditions could be waived, have been waived by the Receiver and the Purchaser;
3. The Transaction has been completed to the satisfaction of the Receiver;
4. In accordance with the provisions of the Omnibus Approval and Vesting Order, upon delivery by the Receiver of this Receiver's Certificate to the Purchaser, the Transaction is approved and the Purchaser is vested with all of Portofino's right, title and interest in and to the Purchased Assets; and
5. This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

BDO CANADA LIMITED solely in its capacity as Court-appointed receiver of Portofino Corporation and not in its personal capacity

Per: _____
Name:
Title:

Exhibit "A" to Form of Receiver's Certificate – Purchased Assets

(INSERT LEGAL DESCRIPTION AND MUNICIPAL ADDRESS FOR EACH UNSOLD UNIT
COMPRISING THE PURCHASED ASSETS SUBJECT TO THE APPLICABLE UNSOLD UNIT
SALE AGREEMENT)

BANK OF MONTREAL
Plaintiff

and
PORTOFINO CORPORATION
Defendant

Court File No: CV-13-19866

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Windsor

RECEIVER'S CERTIFICATE

MILLER THOMSON LLP
One London Place
255 Queens Avenue, Suite 2010
London, ON Canada N6A 5R8

Tony Van Klink LSUC#: 29008M
Tel: 519.931.3509
Fax: 519.858.8511
Email: tvanklink@millerthomson.com

Sherry A. Kettle, LSUC #53561B
Tel: 519.931.3534
Fax: 519.858.8511
Email: skettle@millerthomson.com

Lawyers for BDO Canada Limited, Court-Appointed
Receiver of Portofino Corporation

Schedule "C" – Claims to be deleted and expunged from title to the Unsold Units

Description:	Essex Standard Condominium Plan No. 122 and its appurtenant interest. The description of the condominium property is: LT 1, South Side of Sandwich Street, PI 392 & Pt Lot 73 Concession 1 Windsor; Pt 1 PI 12R17829; S/T Ease as set out in Schedule "A" of Declaration CE278123, Windsor Ontario (LRO#12)
Unsold Condominium Units (See Schedule "A" for individual unit descriptions)	
1. 2. 3. 4. 5. 6. 7. 8. 9. 10. 11. 12.	<p>Instrument No. CE185236 – Charge in the principal amount of \$30,000,000 from Portofino Corporation to Bank of Montreal, registered on November 28, 2005.</p> <p>Instrument No. CE185421 – Charge in the principal amount of \$4,200,000 from Portofino Corporation to Lombard General Insurance Company of Canada, registered on November 29, 2005.</p> <p>Instrument No. CE297353 – Charge in the principal amount of \$1,000,000 from Portofino Corporation to Remo Valente Real Estate (1990) Limited, registered on October 12, 2007.</p> <p>Instrument No. CE380280 – Notice from Portofino Corporation to Bank of Montreal, registered on June 10, 2009.</p> <p>Instrument No. CE380282 – Postponement from Lombard General Insurance Company of Canada to Bank of Montreal, registered on June 10, 2009.</p> <p>Instrument No. CE459564 – Notice from Portofino Corporation to Bank of Montreal, registered on February 15, 2011.</p> <p>Instrument No. CE482047 – Charge in the principal amount of \$400,000 from Portofino Corporation to Sutts Strosberg LLP, registered on August 9, 2011.</p> <p>Instrument No. CE500568 – Charge in the principal amount of \$1,540,000 from Portofino Corporation to Royal Bank of Canada, registered on December 20, 2011.</p> <p>Instrument No. CE500569 – Notice Assignment of Rents from Portofino Corporation to Royal Bank of Canada, registered on December 20, 2011.</p> <p>Instrument No. CE508840 – Application Change Name from Lombard General Insurance Company of Canada to Northbridge General Insurance Corporation, registered on March 1, 2012.</p> <p>Instrument No. CE551002 – Charge in the principal amount of \$524,312 from Portofino Corporation to Sutts Strosberg LLP, registered on January 10, 2013.</p> <p>Instrument No. CE574028 – Notice from Portofino Corporation to Bank of Montreal,</p>

registered on July 22, 2013.

13. Instrument No. CE584310 – Construction lien in the amount of \$875,000, registered by Dante J. Capaldi and 1287678 Ontario Inc. on September 30, 2013.
14. Instrument No. CE584311 – Construction lien in the amount of \$3,000,000 registered by Andreolli Investments Inc. on September 30, 2013.
15. Instrument No. CE587801 – Construction lien in the amount of \$3,000,000 registered by Dante J. Capaldi and 1287678 Ontario Inc. on October 25, 2013.
16. Instrument No. CE587802 – Construction lien in the amount of \$875,000 registered by Andreolli Investments Inc. and Wilma Capaldi on October 25, 2013.
17. Instrument No. CE588099 – Condo Lien/98 in the amount of \$80,749 registered by Essex Standard Condominium Corporation No. 122 on October 29, 2013.
18. Instrument No. CE588864 – Certificate registered by Dante J. Capaldi and 1287678 Ontario Inc. on November 1, 2013.
19. Instrument No. CE588865 – Certificate registered by Andreolli Investments Inc. and Wilma Capaldi on November 1, 2013.
20. Instrument No. CE592122 – Application Court Order registered on November 28, 2013.

Unsold Parking Units (See Schedule "A" for individual unit descriptions)

1. Instrument No. CE185236 – Charge in the principal amount of \$30,000,000 from Portofino Corporation to Bank of Montreal, registered on November 28, 2005.
2. Instrument No. CE185421 – Charge in the principal amount of \$4,200,000 from Portofino Corporation to Lombard General Insurance Company of Canada, registered on November 29, 2005.
3. Instrument No. CE380280 – Notice from Portofino Corporation to Bank of Montreal, registered on June 10, 2009.
4. Instrument No. CE380282 – Postponement from Lombard General Insurance Company of Canada to Bank of Montreal, registered on June 10, 2009.
5. Instrument No. CE459564 – Notice from Portofino Corporation to Bank of Montreal, registered on February 15, 2011.
6. Instrument No. CE500568 – Charge in the principal amount of \$1,540,000 from Portofino Corporation to Royal Bank of Canada, registered on December 20, 2011.
7. Instrument No. CE500569 – Notice Assignment of Rents from Portofino Corporation to Royal Bank of Canada, registered on December 20, 2011.
8. Instrument No. CE508840 – Application Change Name from Lombard General Insurance Company of Canada to Northbridge General Insurance Corporation,

	registered on March 1, 2012.
9.	Instrument No. CE574028 – Notice from Portofino Corporation to Bank of Montreal, registered on July 22, 2013.
10.	Instrument No. CE584310 – Construction lien in the amount of \$875,000, registered by Dante J. Capaldi and 1287678 Ontario Inc. on September 30, 2013.
11.	Instrument No. CE584311 – Construction lien in the amount of \$3,000,000 registered by Andreolli Investments Inc. on September 30, 2013.
12.	Instrument No. CE587801 – Construction lien in the amount of \$3,000,000 registered by Dante J. Capaldi and 1287678 Ontario Inc. on October 25, 2013.
13.	Instrument No. CE587802 – Construction lien in the amount of \$875,000 registered by Andreolli Investments Inc. and Wilma Capaldi on October 25, 2013.
14.	Instrument No. CE588098 – Condo Lien/98 in the amount of \$23,497 registered by Essex Standard Condominium Corporation No. 122 on October 29, 2013.
15.	Instrument No. CE588864 – Certificate registered by Dante J. Capaldi and 1287678 Ontario Inc. on November 1, 2013.
16.	Instrument No. CE588865 – Certificate registered by Andreolli Investments Inc. and Wilma Capaldi on November 1, 2013.
Unsold Storage Units (See Schedule "A" for individual unit descriptions)	
1.	Instrument No. CE185236 – Charge in the principal amount of \$30,000,000 from Portofino Corporation to Bank of Montreal, registered on November 28, 2005.
2.	Instrument No. CE185421 – Charge in the principal amount of \$4,200,000 from Portofino Corporation to Lombard General Insurance Company of Canada, registered on November 29, 2005.
3.	Instrument No. CE380280 – Notice from Portofino Corporation to Bank of Montreal, registered on June 10, 2009.
4.	Instrument No. CE380282 – Postponement from Lombard General Insurance Company of Canada to Bank of Montreal, registered on June 10, 2009.
5.	Instrument No. CE459564 – Notice from Portofino Corporation to Bank of Montreal, registered on February 15, 2011.
6.	Instrument No. CE500568 – Charge in the principal amount of \$1,540,000 from Portofino Corporation to Royal Bank of Canada, registered on December 20, 2011.
7.	Instrument No. CE500569 – Notice Assignment of Rents from Portofino Corporation to

Royal Bank of Canada, registered on December 20, 2011.

8. Instrument No. CE508840 – Application Change Name from Lombard General Insurance Company of Canada to Northbridge General Insurance Corporation, registered on March 1, 2012.
9. Instrument No. CE574028 – Notice from Portofino Corporation to Bank of Montreal, registered on July 22, 2013.
10. Instrument No. CE584310 – Construction lien in the amount of \$875,000, registered by Dante J. Capaldi and 1287678 Ontario Inc. on September 30, 2013.
11. Instrument No. CE584311 – Construction lien in the amount of \$3,000,000 registered by Andreolli Investments Inc. on September 30, 2013.
12. Instrument No. CE587801 – Construction lien in the amount of \$3,000,000 registered by Dante J. Capaldi and 1287678 Ontario Inc. on October 25, 2013.
13. Instrument No. CE587802 – Construction lien in the amount of \$875,000 registered by Andreolli Investments Inc. and Wilma Capaldi on October 25, 2013.
14. Instrument No. CE588864 – Certificate registered by Dante J. Capaldi and 1287678 Ontario Inc. on November 1, 2013.
15. Instrument No. CE588865 – Certificate registered by Andreolli Investments Inc. and Wilma Capaldi on November 1, 2013.

**Schedule "D" – Permitted Encumbrances, Easements and Restrictive Covenants
related to the Unsold Units (Unsold Condominium Units, Unsold Parking Units and
Unsold Storage Units)**

(unaffected by the Omnibus Approval and Vesting Order)

- (i) Instrument No. CE98338 – Notice from the Corporation of the City of Windsor to Portofino Riverside Tower Inc.
- (ii) Instrument No. CE191717 – Notice from the Corporation of the City of Windsor to Portofino Corporation
- (iii) Instrument No. CE278123 – Declaration Condo
- (iv) Instrument No. ECP122 – Plan Condominium
- (v) Instrument No. CE279560 – Condo By-Law/98 (By-Law No. 1)
- (vi) Instrument No. CE279561 – Condo By-Law/98 (By-Law No. 2)
- (vii) Instrument No. CE279607 – Condo By-Law/98 (By-Law No. 3)
- (viii) Instrument No. CE279624 – Condo By-Law/98 (By-Law No. 4)
- (ix) Instrument No. CE279635 – Condo By-Law/98 (By-Law No. 5)
- (x) Instrument No. CE279643 – Condo By-Law/98 (By-Law No. 6)

BANK OF MONTREAL

and

PORTOFINO CORPORATION

Applicant

Respondent

Court File No: CV-13-19866

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Windsor

OMNIBUS APPROVAL AND VESTING ORDER

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Lawyers for BDO Canada Limited, Court-Appointed
Receiver of Portofino Corporation

APPENDIX“C”

Court File No.: CV-13-19866

ONTARIO
SUPERIOR COURT OF JUSTICE

THE HONOURABLE)
JUSTICE *Scott J. Campbell*)
)

TUESDAY, THE 26TH
DAY OF JULY, 2016

BETWEEN:

2502461 ONTARIO LTD.

Applicant

-and-

PORTOFINO CORPORATION

Respondent

APPLICATION UNDER Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c.C-43, as amended

ORDER

THIS MOTION, made by BDO Canada Limited ("BDO"), in its capacity as court-appointed receiver (the "Receiver") of the assets, undertakings and properties of Portofino Corporation pursuant to the Order of the Honourable Mr. Justice Thomas dated October 29, 2013 for an order:

- (a) if necessary, abridging the time for service and filing and validating the method of service of all motion confirmation forms, the Motion Record, including the Notice of Motion and the Fifth Report of the Receiver dated July 13, 2016 and all appendices thereto (the "Fifth Report"), and directing that any further service of same be dispensed with such that this motion is properly returnable on July 26, 2016;
- (b) amending Schedule "C" – Claims to be deleted and expunged from title to the Unsold Units – to the Omnibus Approval and Vesting Order of Mr. Justice Campbell dated May 2, 2014;

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- (c) deleting instrument numbers CE664524, CE715152, CE715154, CE715155, CE7157156, CE715157, CE715158, CE715159 and CE715282 from title to the condominium units comprised by property identifier numbers 01872-0131, 01872-0140 and 01872-0003;
- (d) approving the Fifth Report and the activities and conduct of the Receiver described therein;
- (e) approving the Receiver's interim Statement of Receipts and Disbursements for the period October 29, 2013 to June 30, 2016 (the "Statement of Receipts and Disbursements");
- (f) approving the professional fees and disbursements of BDO as Receiver;
- (g) approving the professional fees and disbursements of Miller Thomson LLP and Sutts Strosberg LLP, counsel to the Receiver;
- (h) approving and authorizing the distribution of \$4,000,000 to Windsor Family Credit Union from the funds on hand; and
- (i) such further and other relief as counsel may advise and this Honourable Court may deem just.

was heard this day at 245 Windsor Avenue, Windsor, Ontario.

ON READING the Fifth Report and on hearing the submissions of counsel for the Receiver, no one else appearing from the service list, although duly served as appears from the affidavit of Julie Los sworn July 14, 2016, filed:

1. **THIS COURT ORDERS** that the time for and method of service of all motion confirmation forms, the motion record, including the notice of motion and the Fifth Report, are hereby abridged and validated, as necessary, such that this motion is properly returnable today and hereby dispenses with further service thereof;
2. **THIS COURT ORDERS** that Schedule "C" – Claims to be deleted and expunged from title to the Unsold Units – to the Omnibus Approval and Vesting Order of Mr. Justice Campbell dated May 2, 2014 be and is hereby amended and replaced by the Schedule

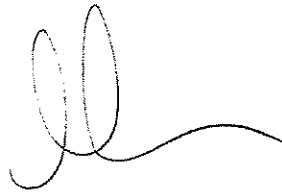
- 3 -

"C" – Claims to be deleted and expunged from title to the Unsold Units attached to this Order;

3. **THIS COURT ORDERS** that the following instruments are to be deleted and expunged from title to the condominium units having property identifier numbers 01872-0131, 01872-0140 and 01872-0003 and the Land Registrar in respect of the Land Registry Office for the Land Titles Division of Essex (No. 12) is hereby directed to delete and expunge the following instruments from title to the condominium units having property identifier numbers 01872-0131, 01872-0140 and 01872-0003:

- (a) instrument number CE664524 – Transfer of Charge from Bank of Montreal to RREF II BHB IV Portofino, LLC registered on June 29, 2015;
- (b) instrument number CE715152 – Transfer of Charge from RREF II BHB IV Portofino, LLC to 2502461 Ontario Ltd. registered on May 30, 2016;
- (c) instrument number CE715154 – Postponement from Dante J. Capaldi and 1287678 Ontario Inc. in favour of 2502461 Ontario Ltd. registered on May 30, 2016;
- (d) instrument number CE715155 – Postponement from Andreolli Investments Inc. in favour of 2502461 Ontario Ltd. registered on May 30, 2016;
- (e) instrument number CE715156 – Postponement from Dante J. Capaldi and 1287678 Ontario Inc. in favour of 2502461 Ontario Ltd. registered on May 30, 2016;
- (f) instrument number CE715157 – Postponement from Andreolli Investments Inc. and Wilma Capaldi in favour of 2502461 Ontario Ltd. registered on May 30, 2016;
- (g) instrument number CE715158 - Postponement from Dante J. Capaldi and 1287678 Ontario Inc. in favour of 2502461 Ontario Ltd. registered on May 30, 2016;
- (h) instrument number CE715159 – Postponement from Andreolli Investments Inc. and Wilma Capaldi in favour of 2502461 Ontario Ltd. registered on May 30, 2016; and

- (i) instrument number CE715282 – Transfer of Charge from 2502461 Ontario Ltd. to Windsor Family Credit Union Ltd. registered on May 31, 2016.
- 4. **THIS COURT ORDERS** that the Fifth Report and the activities and conduct of the Receiver described in the Fifth Report are hereby approved;
- 5. **THIS COURT ORDERS** that the Statement of Receipts and Disbursements be and the same is hereby approved;
- 6. **THIS COURT ORDERS** that the professional fees of the Receiver and its legal counsel, Miller Thomson LLP and Sutts Strosberg LLP, as described in the fee affidavits of Steven Cherniak sworn July 11, 2016, Tony Van Klink sworn July 13, 2016 and William Sasso sworn July 13, 2016 be and the same are hereby approved; and
- 7. **THIS COURT ORDERS** that the Receiver be and is hereby authorized to distribute to Windsor Family Credit Union the sum of \$4,000,000 from the funds being held by the Receiver.



ENTERED AT WINDSOR	
In Book No.	27
re Document No.	9164
on	JUL 26 2016
by	HK

Schedule "C" – Claims to be deleted and expunged from title to the Unsold Units

Description:	Essex Standard Condominium Plan No. 122 and its appurtenant interest. The description of the condominium property is: LT 1, South Side of Sandwich Street, PI 392 & Pt Lot 73 Concession 1 Windsor; Pt 1 PI 12R17829; S/T Ease as set out in Schedule "A" of Declaration CE278123, Windsor Ontario (LRO#12)
Unsold Condominium Units (See Schedule "A" for individual unit descriptions)	
1.	Instrument No. CE185236 – Charge in the principal amount of \$30,000,000 from Portofino Corporation to Bank of Montreal, registered on November 28, 2005.
2.	Instrument No. CE185421 – Charge in the principal amount of \$4,200,000 from Portofino Corporation to Lombard General Insurance Company of Canada, registered on November 29, 2005.
3.	Instrument No. CE297353 – Charge in the principal amount of \$1,000,000 from Portofino Corporation to Remo Valente Real Estate (1990) Limited, registered on October 12, 2007.
4.	Instrument No. CE380280 – Notice from Portofino Corporation to Bank of Montreal, registered on June 10, 2009.
5.	Instrument No. CE380282 – Postponement from Lombard General Insurance Company of Canada to Bank of Montreal, registered on June 10, 2009.
6.	Instrument No. CE459564 – Notice from Portofino Corporation to Bank of Montreal, registered on February 15, 2011.
7.	Instrument No. CE482047 – Charge in the principal amount of \$400,000 from Portofino Corporation to Sutts Strosberg LLP, registered on August 9, 2011.
8.	Instrument No. CE500568 – Charge in the principal amount of \$1,540,000 from Portofino Corporation to Royal Bank of Canada, registered on December 20, 2011.
9.	Instrument No. CE500569 – Notice Assignment of Rents from Portofino Corporation to Royal Bank of Canada, registered on December 20, 2011.
10.	Instrument No. CE508840 – Application Change Name from Lombard General Insurance Company of Canada to Northbridge General Insurance Corporation, registered on March 1, 2012.
11.	Instrument No. CE551002 – Charge in the principal amount of \$524,312 from Portofino Corporation to Sutts Strosberg LLP, registered on January 10, 2013.
12.	Instrument No. CE574028 – Notice from Portofino Corporation to Bank of Montreal, registered on July 22, 2013.
13.	Instrument No. CE584310 – Construction lien in the amount of \$875,000, registered by Dante J. Capaldi and 1287678 Ontario Inc. on September 30, 2013.

14. Instrument No. CE584311 – Construction lien in the amount of \$3,000,000 registered by Andreolli Investments Inc. on September 30, 2013.
15. Instrument No. CE587801 – Construction lien in the amount of \$3,000,000 registered by Dante J. Capaldi and 1287678 Ontario Inc. on October 25, 2013.
16. Instrument No. CE587802 – Construction lien in the amount of \$875,000 registered by Andreolli Investments Inc. and Wilma Capaldi on October 25, 2013.
17. Instrument No. CE588099 – Condo Lien/98 in the amount of \$80,749 registered by Essex Standard Condominium Corporation No. 122 on October 29, 2013.
18. Instrument No. CE588864 – Certificate registered by Dante J. Capaldi and 1287678 Ontario Inc. on November 1, 2013.
19. Instrument No. CE588865 – Certificate registered by Andreolli Investments Inc. and Wilma Capaldi on November 1, 2013.
20. Instrument No. CE592122 – Application Court Order registered on November 28, 2013.
21. Instrument No. CE664524 – Transfer of Charge from Bank of Montreal to RREF II BHB IV Portofino, LLC registered on June 29, 2015.
22. Instrument No. CE715152 – Transfer of Charge from RREF II BHB IV Portofino, LLC to 2502461 Ontario Ltd. registered on May 30, 2016.
23. Instrument No. CE715154 – Postponement from Dante J. Capaldi and 1287678 Ontario Inc. in favour of 2502461 Ontario Ltd. registered on May 30, 2016.
24. Instrument No. CE715155 – Postponement from Andreolli Investments Inc. in favour of 2502461 Ontario Ltd. registered on May 30, 2016.
25. Instrument No. CE715156 – Postponement from Dante J. Capaldi and 1287678 Ontario Inc. in favour of 2502461 Ontario Ltd. registered on May 30, 2016.
26. Instrument No. CE715157 – Postponement from Andreolli Investments Inc. and Wilma Capaldi in favour of 2502461 Ontario Ltd. registered on May 30, 2016 (save and except PIN's 01872-0161, 01872-0162, 01872-0163, 01872-0164 and 01872-0166).
27. Instrument No. CE715158 – Postponement from Dante J. Capaldi and 1287678 Ontario Inc. in favour of 2502461 Ontario Ltd. registered on May 30, 2016.
28. Instrument No. CE715159 – Postponement from Andreolli Investments Inc. and Wilma Capaldi in favour of 2502461 Ontario Limited registered on May 30, 2016.
29. Instrument No. CE715282 – Transfer of Charge from 2502461 Ontario Ltd. to Windsor Family Credit Union Limited registered on May 31, 2016.
30. Instrument No. CE715562 – Postponement from Andreolli Investments Inc. and Wilma Capaldi in favour of Windsor Family Credit Union Limited registered on June 1, 2016 (PIN's 01872-0161, 01872-0162, 01872-0163, 01872-0164 and 01872-0166).

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Unsold Parking Units (See Schedule "A" for individual unit descriptions)	
1.	Instrument No. CE185236 – Charge in the principal amount of \$30,000,000 from Portofino Corporation to Bank of Montreal, registered on November 28, 2005.
2.	Instrument No. CE185421 – Charge in the principal amount of \$4,200,000 from Portofino Corporation to Lombard General Insurance Company of Canada, registered on November 29, 2005.
3.	Instrument No. CE380280 – Notice from Portofino Corporation to Bank of Montreal, registered on June 10, 2009.
4.	Instrument No. CE380282 – Postponement from Lombard General Insurance Company of Canada to Bank of Montreal, registered on June 10, 2009.
5.	Instrument No. CE459564 – Notice from Portofino Corporation to Bank of Montreal, registered on February 15, 2011.
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7.	Instrument No. CE500569 – Notice Assignment of Rents from Portofino Corporation to Royal Bank of Canada, registered on December 20, 2011.
8.	Instrument No. CE508840 – Application Change Name from Lombard General Insurance Company of Canada to Northbridge General Insurance Corporation, registered on March 1, 2012.
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12.	Instrument No. CE587801 – Construction lien in the amount of \$3,000,000 registered by Dante J. Capaldi and 1287678 Ontario Inc. on October 25, 2013.
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15.	Instrument No. CE588864 – Certificate registered by Dante J. Capaldi and 1287678 Ontario Inc. on November 1, 2013.
16.	Instrument No. CE588865 – Certificate registered by Andreolli Investments Inc. and Wilma Capaldi on November 1, 2013.

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17.	Instrument No. CE664524 – Transfer of Charge from Bank of Montreal to RREF II BHB IV Portofino, LLC registered on June 29, 2015.
18.	Instrument No. CE715152 – Transfer of Charge from RREF II BHB IV Portofino, LLC to 2502461 Ontario Ltd. registered on May 30, 2016.
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25.	Instrument No. CE715282 – Transfer of Charge from 2502461 Ontario Ltd. to Windsor Family Credit Union Limited registered on May 31, 2016.
Unsold Storage Units (See Schedule "A" for individual unit descriptions)	
1.	Instrument No. CE185236 – Charge in the principal amount of \$30,000,000 from Portofino Corporation to Bank of Montreal, registered on November 28, 2005.
2.	Instrument No. CE185421 – Charge in the principal amount of \$4,200,000 from Portofino Corporation to Lombard General Insurance Company of Canada, registered on November 29, 2005.
3.	Instrument No. CE380280 – Notice from Portofino Corporation to Bank of Montreal, registered on June 10, 2009.
4.	Instrument No. CE380282 – Postponement from Lombard General Insurance Company of Canada to Bank of Montreal, registered on June 10, 2009.
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21. Instrument No. CE715158 – Postponement from Dante J. Capaldi and 1287678 Ontario Inc. in favour of 2502461 Ontario Ltd. registered on May 30, 2016.
22. Instrument No. CE715159 – Postponement from Andreolli Investments Inc. and Wilma Capaldi in favour of 2502461 Ontario Ltd. registered on May 30, 2016.
23. Instrument No. CE715282 – Transfer of Charge from 2502461 Ontario Ltd. to Windsor Family Credit Union Limited registered on May 31, 2016.
24. Instrument No. CE715562 – Postponement from Andreolli Investments Inc. and Wilma Capaldi in favour of Windsor Family Credit Union Limited registered on June 1, 2016

2502461 ONTARIO LTD. PORTOFINO CORPORATION
Applicant and Respondent

Court File No: CV-13-19866

**ONTARIO
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT WINDSOR

ORDER

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Lawyers for BDO Canada Limited, Court-
Appointed Receiver of Portofino Corporation

APPENDIX“D”

Court File No. CV-13-19866

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

2502461 ONTARIO LTD.

Applicant

- and -

PORTOFINO CORPORATION

Respondent

**EIGHTH REPORT TO THE COURT SUBMITTED BY BDO CANADA LIMITED,
AS RECEIVER OF PORTOFINO CORPORATION**

August 22, 2017

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Appendices

- Appendix A - Appointment Order dated October 29, 2013
- Appendix B - Omnibus Approval and Vesting Order dated May 2, 2014
- Appendix C - Order dated July 26, 2016
- Appendix D - Seventh Report of the Receiver dated February 7, 2017
- Appendix E - Order dated February 28, 2017
- Appendix F - Letter from Receiver to creditors dated March 8, 2017 re: assignment of Portofino legal actions
- Appendix G - Miller Thomson LLP letter to creditors dated April 12, 2017
- Appendix H - Minutes of Settlement dated June 29, 2017
- Appendix I - Statement of Receipts and Disbursements
- Appendix J - Fee affidavit of Stephen N. Cherniak for interim accounts of BDO Canada Limited sworn August 18, 2017
- Appendix K - Fee affidavit of Tony Van Klink for the interim accounts of Miller Thomson LLP sworn August 18, 2017
- Appendix L - Legal Opinion of Miller Thomson LLP dated July 11, 2016
- Appendix M - Legal Opinion of Miller Thomson LLP dated November 7, 2016
- Appendix N - Legal Opinion of Miller Thomson LLP dated August 17, 2017

1. Introduction and Background

1.1 Introduction

- 1.1.1 This report is submitted by BDO Canada Limited, in its capacity as Receiver ("BDO" or the "Receiver") of the assets, undertakings and properties of Portofino Corporation ("Portofino" or the "Company") acquired for or used in relation to a business carried on by Portofino, including all proceeds thereof (the "Property").
- 1.1.2 On application of Bank of Montreal ("BMO"), BDO was appointed as receiver by the Order of Mr. Justice Thomas dated October 29, 2013 (the "Appointment Order"). A copy of the Appointment Order is attached as Appendix A to this report.

1.2 Background

- 1.2.1 At all material times, Portofino was engaged in the development of a 123 unit luxury residential condominium project known as "Portofino" (the "Portofino Condominium" or the "Project"), located at 1225 Riverside Drive West in the City of Windsor, Ontario. Dr. Dante Capaldi ("Capaldi") is the principal of Portofino.
- 1.2.2 Construction of the Portofino Condominium was completed in 2007, but not all individual units were completed. Essex Standard Condominium Corporation No. 122 ("ECC 122") was registered and the closing of sales of units commenced in July, 2007.
- 1.2.3 At the time of the appointment of the Receiver, Portofino owned:
- (a) fifty-two (52) condominium units, including forty-three (43) fully finished units and nine (9) unfinished units (the "Unsold Condominium Units");
 - (b) thirty-eight (38) parking units, including four (4) surface-level covered parking units and thirty-four (34) surface-level uncovered parking units (the "Unsold Parking Units"); and
 - (c) two (2) storage units (the "Unsold Storage Units")
- (collectively, the "Unsold Units").

- 1.2.4 Since 2005, there has been ongoing litigation commenced by Remo Valente Real Estate (1990) Limited ("Valente Real Estate"), as plaintiff, against Portofino, among others, in Court Action No. 05-CV-5864CM (the "Valente Court Action").
- 1.2.5 Since its appointment on October 29, 2013, the Receiver has undertaken various activities, including, without limitation, the sale of 41 Unsold Condominium Units and the defence of the Valente Court Action. To date, eight reports, including the within report, have been filed by the Receiver in these proceedings wherein these activities, transactions and litigation are described in greater detail.
- 1.2.6 As part of its Third Report to the Court, the Receiver sought prospective approval for future sales of the Unsold Units and the vesting of Portofino's right, title and interest in and to the applicable Unsold Unit, subject to certain conditions, in the applicable Purchaser.
- 1.2.7 By Order dated May 2, 2014 (the "Omnibus Approval and Vesting Order"), Mr. Justice Campbell prospectively approved the sales transactions in respect of the Unsold Units and vested all of Portofino's right, title and interest in and to the applicable Unsold Unit, subject to certain terms and conditions, in the Purchaser. A copy of the Omnibus Approval and Vesting Order is attached as **Appendix B**.
- 1.2.8 In June 2015, BMO sold to RREF II BHB IV PORTOFINO LLC ("RREF") its loans with Portofino and the security held for those loans, including the mortgage held by BMO over the Project (the "BMO Mortgage").
- 1.2.9 In May 2016, RREF, in turn, sold those loans and security, including the BMO Mortgage, to 2502461 Ontario Ltd. ("250 Ontario"). 250 Ontario subsequently assigned those loans and security to Windsor Family Credit Union ("WFCU") by way of security for amounts owing by 250 Ontario to WFCU.
- 1.2.10 By order dated July 26, 2016 (the "July 26, 2016 Order") Mr. Justice Campbell, among other things, approved certain amendments to the Omnibus Approval and Vesting Order. A copy of the July 26, 2016 Order is attached as **Appendix C**.
- 1.2.11 The July 26, 2016 Order also approved the interim distribution of \$4.0 million to WFCU from the net receipts from the sale of units and collection of rents. On July 26, 2016 the Receiver paid \$4.0 million to WFCU.

- 1.2.12 By order dated November 29, 2016 (the "November 29, 2016 Order") Mr. Justice Bondy, among other things, approved the further interim distribution of \$2.4 million to WFCU. On November 30, 2016 the Receiver paid \$2.4 million to WFCU.
- 1.2.13 By order dated February 28, 2017 (the "February 28, 2017 Order") Mr. Justice Monroe, among other things, authorized the Receiver to take no further steps with respect to certain litigation, as set out in the Receiver's Seventh Report to Court dated February 7, 2017 (the "Seventh Report"), but make the actions available to any creditor of Portofino to pursue at their own risk and expense. The Seventh Report (without appendices) is attached as Appendix D. A copy of the February 28, 2017 Order is attached as Appendix E.
- 1.2.14 The Receiver is presently holding net receipts of approximately \$1,930,000 from the sale of units and the collection of rents. The Receiver wishes to make a further interim distribution of \$1,700,000 from those funds.

2. Terms of Reference

- 2.1 In preparing this Eighth Report, the Receiver has relied upon unaudited and draft, internal financial information obtained from Portofino's books and records and discussions with management and staff (the "Information"). The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information and expresses no opinion, or other form of assurance, in respect of the Information.

3. Purpose of the Receiver's Eighth Report

- 3.1 This constitutes the Receiver's Eighth Report to the Court (the "Eighth Report") in this matter and is filed:
- (a) To provide the Court with information on:
 - (i) the Receiver's activities since the date of the Seventh Report;
 - (ii) the completion of the Valente Court Action;
 - (iii) the status of the various litigation that was the subject of the February 28, 2017 Order; and
 - (iv) the status of litigation between Dede Dalfidan carrying on business as Fidan Enterprise Contracting ("Dalfidan") as plaintiff, and Portofino and another party, as defendants, in Court File No. 07-CV-8478 and Court File No. 06-CV-8228 (collectively, the "Dalfidan Action").
 - (b) In support of an order of the Court:
 - (i) Approving the Eighth Report and the activities and conduct of the Receiver described herein;
 - (ii) Approving the Receiver's interim Statement of Receipts and Disbursements for the period October 29, 2013 to July 21, 2017 (the "Statement of Receipts and Disbursements");
 - (iii) Authorizing the Receiver to enter into a settlement agreement with Dalfidan whereby the Receiver would pay \$80,000 in full and final settlement of the Dalfidan Action;
 - (iv) Approving the professional fees and disbursements of BDO as Receiver ("BDO Fees");

- (v) Approving the professional fees and disbursements of Miller Thomson LLP ("MT"), counsel to the Receiver ("MT Fees" and collectively with the BDO Fees, the "Professional Fees"); and
- (vi) Approving and authorizing the distribution of \$1,700,000 to WFCU from the funds on hand.

4. Receiver's Activities

- 4.1 In its Seventh Report, the Receiver reported to the Court on its activities through February 7, 2017.
- 4.2 In this, the Eighth Report, the Receiver reports on its activities since the date of the Seventh Report.

Sale of the Unsold Units

- 4.3 The Fourth Report provided a detailed report of the Receiver's sale process for the Unsold Units and the results achieved to April 15, 2016.
- 4.4 Subsequent reports have provided updates on further sales of the Unsold Units.
- 4.5 Since the Seventh Report, the Receiver has completed the sales of units 1301, 204 and 1603, and entered into a firm Agreement of Purchase and Sale for unit 1502 that is scheduled to close on October 3, 2017. Unit 1602 (unfinished) continues to be listed on the Multiple Listing Service ("MLS").
- 4.6 To date, the Receiver has sold 42 of the Unsold Condominium Units, including two unfinished units.
- 4.7 The Receiver has sold six (6) of the Unsold Parking Units, consisting of four surface level garages and two surface level parking spaces.
- 4.8 Of the 52 Unsold Condominium Units owned by Portofino at the time of the appointment of the Receiver, 10 units remain unsold, 3 of which are fully finished and 7 are unfinished. In addition, 32 parking units and two storage units remain unsold. A summary of the sales completed to date of the Unsold Condominium Units and the remaining Unsold Condominium Units is provided on the following page:

Condominium units sold by
Receiver

Unit No.		Size (Sq. ft.)	Sale date
1108	Finished	1,151	05-May-14
704	Finished	1,282	30-Jun-14
904	Finished	1,602	31-Oct-14
804	Finished	1,282	04-Dec-14
1102	Finished	1,547	09-Jan-15
1104	Finished	1,602	12-Feb-15
803	Finished	1,217	29-May-15
1404	Finished	2,233	30-Jun-15
701	Finished	1,150	24-Jul-15
402	Finished	1,062	30-Jul-15
1105	Finished	1,547	31-Jul-15
1002	Finished	1,547	14-Aug-15
508	Finished	1,150	03-Sep-15
805	Finished	1,282	23-Sep-15
203	Finished	1,062	23-Oct-15
1303	Finished	2,450	16-Nov-15
901	Finished	1,593	20-Nov-15
903	Finished	1,602	20-Nov-15
1403	Finished	2,450	01-Dec-15
603	Finished	1,217	03-Dec-15
906	Finished	1,593	11-Dec-15
1503	Unfinished	2,450	25-Jan-16
1008	Finished	1,151	19-Feb-16
401	Finished	1,150	08-Mar-16
1001	Finished	1,593	24-Mar-16
708	Finished	1,150	16-May-16
1101	Finished	1,593	05-Jul-16
1202	Unfinished	2,450	13-Jul-16
103	Finished	1,282	15-Jul-16
304	Finished	1,282	02-Aug-16
601	Finished	1,150	05-Aug-16
105	Finished	1,062	30-Aug-16
1501	Finished	2,233	20-Sep-16
104	Finished	1,217	03-Oct-16
408	Finished	1,150	03-Oct-16
309	Finished	1,151	02-Nov-16
806	Finished	1,217	06-Jan-17
1401	Finished	2,233	17-Feb-17
1301	Finished	2,233	31-Mar-17
204	Finished	1,150	16-Jun-17
1603	Finished	2,450	22-Jun-17
1502	Finished	2,450	03-Oct-17
		65,418	

Remaining units

Unit No.		Size (Sq. ft.)
101	Unfinished	2,036
102	Finished	2,081
106	Finished	1,150
1201	Unfinished	2,233
1302	Unfinished	2,450
1402	Unfinished	2,450
1505	Unfinished	1,718
1601	Unfinished	2,233
1602	Unfinished	2,450
1605	Finished	1,718

20,519

Tarion Warranty Corporation

- 4.9 The Receiver's Third Report to the Court, and the Receivers' Fourth Report to the Court (the "Fourth Report") reported on Portofino's status with Tarion Warranty Corporation ("Tarion"), which administers the Ontario New Home Warranties Plan Act. The Receiver has continued to pay premiums to Northridge General Insurance Corporation ("Northridge") on a bond, in the amount of \$640,000, posted as security for Tarion.
- 4.10 As noted in the Fourth Report, Essex Standard Condominium Corporation No. 122 ("ECC 122") engaged an engineer to conduct the outstanding Performance Audit required by Tarion. Mr. Tom Park of OHE Consultants ("OHE") attended at Portofino Condominium in February 2016, and provided his written Performance Audit Tracking Summary Report (the "PATS Report") on August 5, 2016.
- 4.11 On November 1, 2016, the President of ECC 122 provided Tarion with written comments, and an action plan, regarding the relatively small number of items that OHE had noted as still incomplete (the "November 1, 2016 Tarion Letter").
- 4.12 In April 2017, a representative of Tarion attended at a meeting of the Board of Directors of ECC 122, and subsequently viewed Portofino Condominium, including the items noted in the November 1, 2016 Tarion Letter.
- 4.13 On May 17, 2017, the Board of Directors of ECC 122 passed a resolution confirming that all items noted in the original, June 16, 2008 Performance Audit and the PATS Report are now resolved, with the exception of those noted in the November 1, 2016 Tarion Letter.
- 4.14 In view of the small number of remaining deficiencies, and the sale of two of the unfinished units, the Receiver expects the amount of bond required by Tarion to be significantly reduced. The Receiver has not yet been advised of the revised bond amount.

5. Litigation

Valente Court Action

- 5.1 The Seventh Report outlined the settlement of the Valente Court Action and the funding of the settlement amount of \$630,000.
- 5.2 As set out in the Seventh Report, the plaintiff drew upon the letter of credit posted as security in the action to satisfy the settlement amount of \$630,000.00. The letter of credit was thereafter delivered up to the Receiver by the Accountant of the Superior Court of Justice. The letter of credit has since been cancelled. This settlement has been completed and the Valente Court Action is now concluded.

Actions subject to the February 28, 2017 Order

- 5.3 Section 6 of the Seventh Report outlined the recommendation of the Receiver's counsel with respect to numerous other legal actions, including several that were approaching administrative dismissal due to the length of time that had elapsed since the commencement of the litigation.
- 5.4 The February 28, 2017 Order, among other things, authorized the Receiver to take no further steps with respect to certain litigation, as set out in the Seventh Report, but make the actions available to any creditor of Portofino to pursue at their own risk and expense.
- 5.5 On March 8, 2017 the Receiver notified all known creditors, including parties to litigation with Portofino, either by electronic mail or registered mail, of the February 28, 2017 Order and the mechanism for creditors to take an assignment of the actions (the "Actions"). A copy of the March 8, 2017 letter from the Receiver, including the creditor list, is attached as **Appendix F**.
- 5.6 The Receiver and its legal counsel received various enquiries from creditors regarding the process to take an assignment of the Actions. However, no creditors indicated their intention to take an assignment of the Actions.
- 5.7 By letter to all creditors dated April 12, 2017, a copy of which is attached as

Appendix G, the Receiver's legal counsel advised all known creditors that the Actions were being abandoned by the Trustee.

- 5.8 On April 12, 2017 the Receiver's legal counsel advised the Court that the Actions were being abandoned and withdrew motions for the scheduling of status hearings in certain of the Actions.

The Dalfidan Action

- 5.9 As set out in the Fourth Report, Civa Stucco Supply Ltd. also known as Civa Stucco Supply Ltd. & Moulding ("Civa") was the stucco contractor for the Project. Dalfidan was a subcontractor to Civa. Dalfidan seeks payment of approximately \$230,000 alleged to be owing under its subcontract with Civa. Dalfidan also seeks payment from Portofino for additional services and materials in the amount of \$16,945.40.
- 5.10 Dalfidan registered a construction lien against the Portofino condominium. Portofino vacated the registration of Dalfidan's construction lien by posting security in the amount of \$290,465.07 by way of a lien bond issued by Lombard General Insurance Company. Thereafter, an order was issued limiting the extent of the security posted by Portofino to \$150,000. A bond in this amount was issued by Northridge, on which the Receiver has continued to pay the premiums.
- 5.11 The Dalfidan Action was scheduled to proceed to trial in September, 2014 but has not proceeded because of the receivership.
- 5.12 Settlement discussions have resulted in a settlement being reached, subject to Court approval. Minutes of Settlement have been executed. A copy of the executed Minutes of Settlement is attached as Appendix H.
- 5.13 Under the terms of the Minutes of Settlement, Portofino is to pay the plaintiff Dalfidan \$80,000 on or before 30 days following the approval of the settlement by the Court.
- 5.14 In the Receiver's view, the settlement of the Dalfidan Action is reasonable and in the best interests of the creditors given the time, expense and uncertainty involved in the litigation process.

6. Statement of Receipts and Disbursements of the Receiver

- 6.1 The Receiver maintains an account at BMO in London, Ontario. Attached as Appendix I is the Statement of Receipts and Disbursements. Details of the Receiver's receipts and disbursements are as follows:
- 6.2 Receipts
- a) *Sale of units and surface parking (\$11,979,284.61)* — The Receiver received net proceeds of \$11,979,284.61 from the sale of the Unsold Units. Proceeds received are net of amounts paid on closing for condominium fee arrears, real estate commissions inclusive of HST, and HST collected on the sale of Unsold Parking Units and unfinished Unsold Condominium Units.
 - b) *Condominium rent collected (\$1,950,387.60)* — The Receiver collected \$1,950,387.60 from the rental of the Unsold Condominium Units.
 - c) *Lawsuit (\$119,789.96)* — Portofino was involved in litigation arising from the original construction of the Project. The Receiver collected \$119,789.96, being the balance of holdback funds held in the lawyer's trust account, after distribution to sub-contractors in settlement of the litigation.
 - d) *Reimbursement of Letter of Credit Costs (\$64,408.22)* — As required by the Orders of the Court of Appeal and Justice Quinn, Valente Real Estate reimbursed the costs of maintaining the letter of credit in the Valente Court Action.
 - e) *Parking rent collected (\$30,814.69)* — The Receiver collected \$30,814.69 from the rental of Unsold Parking Units.
 - f) *Interest (\$20,155.82)* — The Receiver received \$20,155.82 in interest on trust funds invested by the Receiver in Guaranteed Investment Certificates ("GIC") that matured or were redeemed. Interest is recognized as it is received.
 - g) *HST refund (\$7,971.76)* — Upon filing the outstanding corporate income tax returns, the Receiver received \$7,971.76 in HST refunds accruing from prior to the appointment of the Receiver.

6.3 Disbursements

- a) *Property taxes (\$3,004,706.56)* — The Receiver has paid property taxes to the City of Windsor of \$3,004,706.56. This amount represents property tax arrears, interest and penalties to August 2015 and current installment payments for the balance of 2015, 2016, and 2017 year to date.
- b) *Receiver's fees (\$836,448.52)* – BDO's accounts for the period July 19, 2013 to January 13, 2017 in the amount of \$773,249.64, excluding HST, were previously approved by the Court and paid. The Receiver paid BDO's interim accounts for the period January 14, 2017 to May 17, 2017 in the amount of \$63,199.28 and is seeking approval of the Court for these invoices.
- c) *Condominium common fees (\$726,121.44)* — The Receiver has paid \$726,121.44 to ECC 122 for common fees on the Unsold Units, including arrears, interest and current monthly payments.
- d) *Legal fees (\$364,642.44)* – MT's accounts for the period September 9, 2013 to December 31, 2016 in the amount of \$328,201.31, excluding HST, were previously approved by the Court and paid. The Receiver paid MT's interim accounts for the period January 1, 2017 to May 31, 2017 in the amount of \$36,441.13, and is seeking approval of the Court of these invoices.
- e) *Repairs and Maintenance (\$218,068.95)* – The Receiver has paid \$218,068.95 in repairs and maintenance to the Unsold Units, replacement and enhanced landscaping to the west roof, replacement of the underground parking roof, and the installation of a rooftop air conditioning unit for unit 1202.
- f) *HST paid (\$202,727.91)* – The Receiver has paid \$202,727.91 in HST on its disbursements.
- g) *HST remitted (\$116,483.44)* – The Receiver is obliged to collect HST on the sale of the Unsold Parking Units and unfinished Unsold Condominium Units and has remitted \$116,483.44. This amount represents the HST collected, less any eligible input tax credits.
- h) *Legal fees – Sutts Strosberg (\$78,662.72)* – The Receiver engaged Sutts Strosberg LLP ("SS") to provide an initial review and chronology of the Valente

Court Action for the Receiver's counsel, and subsequently to continue the litigation on behalf of Portofino Corporation.

- i) *Property management fees (\$70,000.00)* — The Receiver has paid \$70,000.00 to Capaldi Holdings for property management of the Unsold Units.
- j) *Bond premiums (\$41,004.00)* — The Receiver paid \$41,004.00 to Northbridge General Insurance Corporation for the premiums on bonds posted as security for:
 - i) Tarion Warranty Corporation; and
 - ii) Portofino litigation with Dalfidan.
- k) *Advertising (\$40,346.72)* — The Receiver paid \$40,346.72 for advertising, signage, photography, web site maintenance, and the staging of condominium units listed for sale.
- l) *BMO Letter of credit fees (\$39,074.26)* — The Receiver paid \$39,074.26 to BMO for fees to maintain the \$2.0 million Letter of Credit in connection with the Valente Court Action.
- m) *Utilities (\$37,641.05)* — The Receiver paid \$37,641.05 for utilities on vacant Unsold Units and leased condominium units where utilities were paid by the Landlord.
- n) *Valente litigation – Costs Award (\$30,393.34)* — The Receiver paid \$30,393.34 in legal costs awarded to Valente Real Estate in the Valente Court Action.
- o) *Appraisal fees (\$15,014.50)* — The Receiver paid \$15,014.50 to Metrix Realty Group for an appraisal of the Unsold Condominium Units on an individual unit basis.
- p) *Insurance (\$7,372.00)* — The Receiver paid \$7,372.00 to Hub International for premiums on the Receiver's liability insurance policy.
- q) *Miscellaneous (\$4,640.00)* — The Receiver has paid \$4,640.00 in miscellaneous expenses.
- r) *Accounting fees (\$4,250.00)* — The Receiver has paid \$4,250.00 to Michael Greenaway Professional Corporation for the preparation of 2013 through 2016 financial statements and corporate income tax returns.

- s) *Commission on rentals (\$3,650.00)* — The Receiver paid \$3,650.00 to a party engaged by the property manager to assist in the leasing of vacant Unsold Units.

7. Fees and Disbursements of the Receiver and Counsel to the Receiver

- 7.1 Pursuant to Paragraph 19 of the Appointment Order, the Receiver and counsel to the Receiver shall be paid their reasonable Professional Fees in each case at their standard rates and charges. The Receiver and counsel to the Receiver have been granted a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person as security for payment of the Professional Fees.
- 7.2 Pursuant to paragraph 21 of the Appointment Order, the Receiver is at liberty, from time to time, to apply reasonable amounts, out of the monies in its hands, against the Professional Fees, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its Professional Fees when and as approved by the Court.
- 7.3 Attached as Appendix J is the fee affidavit of Stephen N. Cherniak sworn August 18, 2017 containing BDO's interim accounts as Receiver for the following periods:
- o January 14, 2017 to March 13, 2017
 - o March 14, 2017 to May 17, 2017
- 7.4 The Receiver's fees to date, exclusive of HST, are as follows:
- | | | |
|---------------------------------------|---|---------------------|
| Fees paid and Court approved | - | \$ 773,249.64 |
| Fees paid, but not yet Court approved | - | 63,199.28 |
| Fees neither paid, nor Court approved | - | - |
| | | <u>\$836,448.52</u> |
- 7.5 The Receiver submits that the hourly rates charged by the Receiver and its staff are commensurate with commercially reasonable rates for mid-market insolvency firms in the Southwestern Ontario region.
- 7.6 Attached as Appendix K is the fee affidavit of Tony Van Klink, sworn August 18, 2017, containing the interim accounts of MT for the period January 3, 2017 to July 26, 2017.
- 7.7 MT's fees to date, exclusive of HST, are as follows:

Fees paid and Court approved	-	\$ 328,201.31
Fees paid, but not yet Court approved	-	36,441.13
Fees neither paid, nor Court approved	-	2,781.80
		<u>\$367,424.24</u>

7.8 The fees of SS, to date, exclusive of HST, are as follows:

Fees paid and Court approved	-	\$73,662.72
Fees paid, but not yet Court approved	-	-
Fees neither paid, nor Court approved	-	-
		<u>\$73,662.72</u>

7.9 It is the Receiver's opinion that the Professional Fees are fair and reasonable and justified in the circumstances and accurately reflect the work done by the Receiver, MT and SS in connection with the receivership during the relevant periods. The Receiver recommends approval of the Professional Fees by the Court.

8. Distribution

- 8.1 The Receiver obtained an independent legal opinion of MT dated July 11, 2016 (the "July 11th Opinion") indicating that, subject to the customary assumptions and qualifications, the BMO Mortgage is valid and enforceable in accordance with its terms and has priority over all other registered charges. A copy of the independent legal opinion of MT was attached as Appendix G to the Receiver's Fifth Report to the Court and is attached hereto as Appendix L. MT confirmed that the opinions expressed in the July 11th Opinion apply to the Net Receipts from sales of Unsold Units sold by the Receiver from July 11, 2016 to November 2, 2016. A copy of this letter was attached as Appendix H to the Receiver's Sixth Report to the Court and is attached hereto as Appendix M. MT has confirmed that the opinions expressed in the July 11th Opinion apply to the Net Receipts from sales of Unsold Units sold by the Receiver from November 3, 2016 to August 14, 2017. A copy of this letter is attached hereto as Appendix N.
- 8.2 Based on the materials filed by BMO on the receivership application, as of September, 2013 BMO was owed approximately \$11.8 million by Portofino for principal and interest, including a \$2 million letter of credit posted by BMO on behalf of Portofino in the Valente Court Action.
- 8.3 As set out above, the BMO Mortgage was assigned to RREF, 250 Ontario and, most recently, WFCU. 250 Ontario has provided the Receiver with an irrevocable Direction directing the Receiver to make payment to WFCU of all amounts otherwise payable to 250 Ontario under the BMO Mortgage.
- 8.4 The July 26, 2016 Order authorized the Receiver to distribute \$4,000,000 to WFCU. On July 26, 2016 the Receiver paid \$4.0 million to WFCU.
- 8.5 The November 29, 2016 Order authorized the Receiver to distribute \$2,400,000 to WFCU. On November 30, 2016 the Receiver paid \$2.4 million to WFCU.
- 8.6 At the Receiver's request, 250 Ontario provided the Receiver with a loan statement at August 8, 2017. The Receiver conducted a preliminary review of the statement. Although the Receiver will require additional information from 250 Ontario to complete its review, the Receiver is satisfied that 250 Ontario's indebtedness exceeds the

distributions to date, plus the proposed distribution of \$1,700,000.

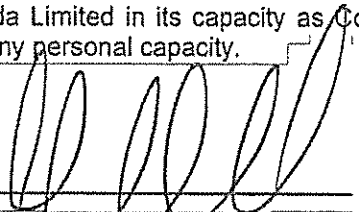
- 8.7 The Receiver has sufficient funds on hand to distribute a further \$1,700,000.
- 8.8 The Receiver seeks an Order authorizing it to distribute \$1,700,000 to WFCU from the funds on hand.

9. Recommendations

- 9.1. The Receiver recommends and respectfully requests that the Court grant an order as follows:
- (a) Approving the Eighth Report and the activities and conduct of the Receiver described herein;
 - (b) Approving the Receiver's interim Statement of Receipts and Disbursements for the period October 29, 2013 to July 21, 2017;
 - (c) Authorizing the Receiver to enter into a settlement agreement with Dalfidan whereby the Receiver would pay \$80,000 in full and final settlement of the Dalfidan Action;
 - (d) Approving the Professional Fees; and
 - (e) Approving and authorizing the distribution of \$1,700,000 to WFCU from the funds on hand.

All of which is Respectfully Submitted this 22nd day of August, 2017.

BDO Canada Limited in its capacity as Court Appointed Receiver of Portofino Corporation and not in any personal capacity.


Per: Stephen N. Cherniak, CPA, CA, CIRP
Licensed Insolvency Trustee
Senior Vice President

APPENDIX“E”

Court File No.: CV-13-19866

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE)	TUESDAY, THE 19TH
MR)	
JUSTICE T. PATRICK)	DAY OF SEPTEMBER, 2017

BETWEEN:

2502461 ONTARIO LTD.

Applicant

- and -

PORTOFINO CORPORATION

Respondent

APPLICATION UNDER Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c.C-43, as amended

ORDER

THIS MOTION, made by BDO Canada Limited ("BDO"), in its capacity as court-appointed receiver (the "Receiver") of the assets, undertakings and properties of Portofino Corporation ("Portofino") pursuant to the Order of the Honourable Mr. Justice Thomas dated October 29, 2013 for an order:

- (a) if necessary, abridging the time for service and filing and validating the method of service of all motion confirmation forms, the Motion Record, including the Notice of Motion and the Eighth Report of the Receiver dated August 22, 2017 and all appendices thereto (the "Eighth Report"), and directing that any further service of same be dispensed with such that this motion is properly returnable on September 19, 2017;
- (b) approving the Eighth Report and the activities and conduct of the Receiver described therein;

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- (c) approving the Receiver's interim Statement of Receipts and Disbursements for the period October 29, 2013 to July 21, 2017 (the "**Statement of Receipts and Disbursements**");
- (d) approving the professional fees and disbursements of the Receiver and its legal counsel (the "**Professional Fees**");
- (e) authorizing the Receiver to enter into a settlement agreement (the "**Settlement Agreement**") with Dede Dalfidan c.o.b. Fidan Enterprise Contracting ("**Dalfidan**") whereby the Receiver would pay \$80,000 (the "**Settlement Amount**") in full and final settlement of the issues arising in the actions under Court File No. 07-CV-8478 and Court File No. 06-CV-8228 and approving the Settlement Agreement;
- (f) approving and authorizing the distribution of \$1,700,000 to Windsor Family Credit Union ("**WFCU**") from the funds on hand; and
- (g) such further and other relief as counsel may advise and this Honourable Court deems just.

was heard this day at 245 Windsor Avenue, Windsor, Ontario.

ON READING the Eighth Report and on hearing the submissions of counsel for the Receiver, no one else appearing from the service list, although duly served as appears from the affidavit of Susan Jarrell sworn August 22, 2017, filed:

1. **THIS COURT ORDERS** that the time for and method of service of all motion confirmation forms, the motion record, including the notice of motion and the Eighth Report, are hereby abridged and validated, as necessary, such that this motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that the Eighth Report and the activities and conduct of the Receiver described in the Eighth Report are hereby approved.
3. **THIS COURT ORDERS** that the Statement of Receipts and Disbursements be and the same is hereby approved.
4. **THIS COURT ORDERS** that the professional fees of the Receiver and its legal counsel, Miller Thomson LLP, as described in the fee affidavits of Stephen N. Cherniak sworn August 18, 2017 and Tony Van Klink sworn August 18, 2017, be and the same are

- 3 -

hereby approved.

5. **THIS COURT AUTHORIZES** the Receiver to enter into the Settlement Agreement with Dalfidan and approves the Settlement Agreement including, but not limited to, the payment of the Settlement Amount.
6. **THIS COURT ORDERS** the distribution of \$1,700,000 to WFCU from the funds on hand.



Justice, Ontario Superior Court of Justice

ENTERED AT WINDSOR	
In Book No. <u>28</u>	
re Document No. <u>992</u>	
on <u>Sept. 19</u> 20 <u>17</u>	
by <u>DF</u>	

2502461 ONTARIO LTD.

Applicant

and

PORTOFINO CORPORATION

Respondent

Court File No: CV-13-19866

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT WINDSOR

ORDER

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Lawyers for BDO Canada Limited, Court-
Appointed Receiver of Portofino Corporation

APPENDIX“F”

BDO Canada Limited Court Appointed Receiver of
Portofino Corporation
Statement of Receipts and Disbursements
October 29, 2013 through April 4, 2018

Receipts:

Sale of units & surface parking	\$ 14,857,509.00	
Less: real estate commissions (incl HST)	(570,041.27)	
Less: property tax arrears	(424,295.34)	
Less: ECC No. 122 common fees	(36,959.02)	
Less: closing adjustments	(24,058.29)	
Add: HST collected on parking and unfinished units	<u>175,395.88</u>	
		\$ 13,977,550.96
Unit rental income		1,978,587.60
Holdback funds re: Portofino sub-trades		119,789.96
Reimbursement of Letter of Credit costs		64,408.22
Parking space rental		34,314.69
Interest		20,624.61
HST refund		7,971.76
Miscellaneous litigation		<u>497.88</u>
		<u>16,203,745.68</u>

Disbursements:

City of Windsor - property taxes	3,040,059.66	
Receiver's fees	965,559.89	
ECC No. 122 - common fees	769,837.82	
Miller Thomson LLP - Receiver's legal fees	380,600.92	
Repairs & maintenance	237,437.74	
HST paid on disbursements	224,315.22	
HST remitted	168,062.72	
Settlement of Dalfidan litigation	80,000.00	
Sutts, Strosberg LLP- legal fees	78,662.72	
Property management fees	70,000.00	
Bond premiums	49,755.00	
Advertising	40,346.72	
BMO - Letter of Credit fees re Valente litigation	39,074.26	
Utilities	38,602.37	
Valente litigation - costs award	30,393.34	
Appraisal fees	15,014.50	
Insurance	7,372.08	
Accounting fees	5,250.00	
Commission paid re rentals	3,650.00	
Tarion Warranty Corporation fees	2,500.00	
Other professional fees	1,972.00	
Corporate income tax	695.14	
Miscellaneous expenses	667.98	
Valente litigation - interest on settlement	628.36	
Bank charges	602.50	
Receiver General - receivership filing fee	<u>70.00</u>	
		6,251,130.94

Excess receipts over disbursements

\$ 9,952,614.74

Represented by:**Payments to Secured Creditors**

2502461 Ontario Ltd. / WFCU \$ 8,100,000.00

Funds Held by Receiver

Guaranteed Investment Certificate re: City of Windsor	27,450.00	
Guaranteed Investment Certificate	800,000.00	
Balance in Receiver's account at April 4, 2018	<u>1,025,164.74</u>	
		1,852,614.74
		<u>\$ 9,952,614.74</u>

APPENDIX“G”

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

IN THE MATTER OF THE RECEIVERSHIP OF PORTOFINO CORPORATION

AFFIDAVIT OF STEPHEN N. CHERNIAK

I, **Stephen N. Cherniak**, of the City of London, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am a Senior Vice-President of BDO Canada Limited, the Receiver of Portofino Corporation, (“Portofino”) and, as such, I have knowledge of the matters hereinafter deposed to.
2. By Order dated October 29, 2013 BDO Canada Limited was appointed as Receiver of Portofino (the “Receiver”).
3. The Receiver’s First Report to the Court was approved by Mr. Justice Thomas on December 13, 2013. The first account of the Receiver for the period July 19, 2013 to November 28, 2013 was also approved by the Order of Justice Thomas on December 13, 2013.
4. The Receiver’s Second Report to the Court was submitted to the Court on February 28, 2014.
5. The Receiver’s Third Report to the Court was approved by Mr. Justice Campbell on May 2, 2014. The second account of the Receiver for the period November 28, 2013 to April 9, 2014 was also approved by the Order of Justice Campbell on May 2, 2014.
6. The Receiver’s Fourth Report to the Court was approved by Mr. Justice Desotti on May 17, 2016. The third account of the Receiver for the period April 10, 2014 to March 10, 2016 was also approved by the Order of Justice Desotti on May 17, 2016.
7. The Receiver’s Fifth Report to the Court was approved by Mr. Justice Campbell on July 26, 2016. The fourth account of the Receiver for the period March 11, 2016 to June 14, 2016 was also approved by the Order of Justice Campbell on July 26, 2016.

8. The Receiver's Sixth Report to the Court was approved by Mr. Justice Bondy on November 29, 2016. The fifth account of the Receiver for the period June 15, 2016 to September 26, 2016 was also approved by the Order of Justice Bondy on November 29, 2016.
9. The Receiver's Seventh Report to the Court was approved by Mr. Justice Monroe on February 28, 2017. The sixth account of the Receiver for the period September 27, 2016 to January 13, 2017 was also approved by the Order of Justice Monroe on February 28, 2017
10. The Receiver's Eighth Report to the Court was approved by Mr. Justice Patterson on September 19, 2017. The seventh account of the Receiver for the period January 14, 2017 to May 17, 2017 was also approved by the Order of Justice Patterson on September 19, 2017.
11. Since the date of the Receiver's last account the Receiver has been engaged in the following:
 - Prepare the Eighth Report of the Receiver and attend Court hearing on September 19, 2017;
 - Negotiate the sale of units 102, 1201, 1302, 1502, 1601, 1602 and 1605 through the Receiver's agent;
 - Review offers received for units 1505 and 1402, without a firm Agreement of Purchase and Sale being achieved;
 - Negotiate various extensions to the closing date of unit 1603;
 - Complete the sale of condominium units 102, 204, 1302, 1502, 1602, 1603 and 1605 ;
 - Prepare working schedules and correspond with external accountant regarding July 1, 2017 financial statement and income tax return;
 - Telephone calls and correspondence with the Receiver's legal counsel regarding the settlement of the Dalfidan Court Action;
 - Telephone calls and correspondence with the Receiver's legal counsel regarding the Westview Park vendor take back mortgage;

- Prepare HST New Housing Rebate application for buyer of unit 1503;
 - Telephone calls and correspondence with S. Nevicato of Tarion regarding reduction in security;
 - Attend at Portofino on December 1, 2017 to inspect unsold units;
 - Review mortgage statement and supporting documentation provided by 2502461 Ontario Limited;
 - Prepare Ninth Report of the Receiver;
 - Attend one (1) meeting of the Board of Directors of ECC 122 by telephone and Annual General Meeting in person:
 - Direct Receiver's Property Manager to complete various repairs to condominium units prior to sale completion, as agreed to by the Receiver under Agreements of Purchase and Sale;
 - Telephone calls and correspondence with ECC 122 and its Property Manager(s) regarding maintenance, repairs, board of directors and property management transition, and other issues;
 - Collect monthly rents for the leased, unsold units and parking spaces;
 - Respond to tenant queries and concerns; and
 - Various telephone calls and correspondence with the stakeholders and their respective counsel
12. In the course of performing the duties pursuant to the Order and as set out above at paragraph 11, and since the date of the Eighth Report the Receiver's staff expended 429.6 hours for the period of May 18, 2017 through March 29, 2018. Attached hereto and marked as Exhibit "A" to this my Affidavit are the accounts of the Receiver together with a summary sheet.
13. To the best of my knowledge, the rates charged by the Receiver throughout the course of these proceedings are comparable to the rates charged by other insolvency practitioners in the Ontario mid-market for providing similar insolvency and restructuring services.
14. The hourly billing rates outlined in Exhibit "A" to this my Affidavit are not more than the normal hourly rates charged by BDO Canada Limited for services rendered in relation to similar proceedings.

15. Although the assets of Portofino are located in Windsor and the Receiver's primary office is located in London the Receiver has not charged for travel time or travel expenses.
16. I verily believe that the fees and disbursements incurred by the Receiver are fair and reasonable in the circumstances.
17. This Affidavit is sworn in support of the motion for approval of the Receiver's fees and disbursements and for no other or improper purposes.

SWORN BEFORE ME at the City of
London in the Province of Ontario
on the 10th day of April, 2018



Commissioner for Taking Affidavits

David Randall Flett, a
Commissioner, etc., Province of Ontario,
For BDO Canada Limited and BDO Canada LLP.
Expires April 20, 2019.



STEPHEN N. CHERNIAK, CPA, CA, CIRP

Court File No: CV-13-19866

Attached is Exhibit A
To the Affidavit of Stephen N. Cherniak
Sworn the 10th day of April 2018.



A Commissioner, Etc

David Randall Flett, a
Commissioner, etc., Province of Ontario,
For BDO Canada Limited and BDO Canada LLP.
Expires April 20, 2019.

**Summary of Receiver's Accounts for the period
May 18, 2017 through March 29, 2018**

Invoice Date	Hours Expended	Fees & Disbursements	HST	Invoice Total
August 15, 2017	116.3	\$44,533.84	\$5,789.40	\$50,323.24
October 23, 2017	108.8	43,045.06	5,595.86	48,640.92
January 11, 2018	105.8	41,532.47	5,399.22	46,931.69
April 4, 2018	98.7	38,017.94	4,942.33	42,960.27
	429.6	\$167,129.31	\$21,726.81	\$188,856.12



Invoice # 89073436
 Portofino Corporation
 HST Reg # 101518124RT0001

Ontario Superior Court of Justice
 245 Windsor Ave
 Windsor, ON N9A 1J2

August 15, 2017

Re: Portofino Corporation

For professional services rendered for the period May 18, 2017 through August 14, 2017 as per the attached detail:

Our Fee	\$44,500.00
Disbursements (courier)	<u>33.84</u>
Sub total	44,533.84
HST	5,789.40
	<hr/>
Total	<u>\$50,323.24</u>

REMITTANCE ADVICE

Cheque Payments to:
 100-633 Colborne Street
 London, ON N6B 2V3

Invoice #	89073436
Amount	\$50,323.24

Staff	Date	Time	Narrative
Flett, D	29-May-17	1.6	Email with D Capaldi re: property expenses; email to M Greenaway re: 2013 financials; review cash position and email re: distribution and court report; review parking space map and status; email re distribution, enquiry on purchase of 2 parking spaces; call with J. McClelland on unit 1602 showings, unit 1304 conditional sale, Cassano purchase of parking spaces 23, 24 and email re: parking space particulars.
Cherniak, S	30-May-17	0.5	Emails from D. Capaldi re D' Amore payout and condo board meeting. Email from S. D' Amore re paydown. Respond. Email to D. Capaldi re f/s.
Flett, D	30-May-17	0.7	Review S. D'Amore emails re: loan balance; review F2016 financial statement BMO loan treatment; call with J. McClelland on unit 1602 showing, parking spaces 23, 24 offer.
Cherniak, S	31-May-17	0.3	Review of agenda for in camera board meeting. Review response re clean out of units 1402 and 1505. Discuss D. Capaldi expenses.
Flett, D	31-May-17	0.2	Email with D. Capaldi re; storage; review April property expenses.
Cherniak, S	1-Jun-17	0.4	Email from D. Capaldi re clean out of units. Discussion re same. Review and approve expenses.
Hooper, L	1-Jun-17	0.1	Banking.
Finnegan, M	2-Jun-17	0.2	Pay bill.
Flett, D	2-Jun-17	0.3	Call with J. McClelland re: unit 1402 interest, stored articles, receiver availability to receive offer; email with D. Capaldi.
Cherniak, S	7-Jun-17	1.2	Review of emails from condo board. Call with J. Bowman re parking spaces. Review offer on unit 1402. Execute counter. Execute new listing for unit 1402. Execute documents for sale of unit 204.
Finnegan, M	7-Jun-17	0.2	Bill payment.
Flett, D	7-Jun-17	3.2	Review unit 1402 offer and listing agreement; review unit 204 adjustments and trust statement and email with Miller Thomson re: unit 204 documents; analysis of unit 1402 offer, completion costs and calls with J. McClelland re: offer, form 801; prepare unit 1402 counter offer; call with D. Capaldi re: clean out of unfinished units, surplus appliances, unit 204 pre-closing repairs, unit 1505 parking space amendment; review parking spaces 18-20 conveyance to ECC 122; review next distribution; email with L. Lattimore re: unit 102 locker.
Cherniak, S	8-Jun-17	0.5	Review email from J. Bowman. Discuss with D. Flett. Forward response to Bowman. Review of 2017-18 operating budget.
Flett, D	8-Jun-17	1.8	Review 2017/2018 condo fees and forward updated amounts to J. McClelland for listings; memo re: surface parking property tax process and amounts re: Bowman enquiry; emails to J. McClelland re: unit 204 pre-closing repairs, unit 1505 parking space correction; call with J. McClelland re: unit 1402 offer, unit 1505 parking; review MPAC correspondence re: parking space adjustments.
Cherniak, S	9-Jun-17	0.2	Review and discuss counter offer on unit 1402. Not proceeding.

Staff	Date	Time	Narrative
Flett, D	9-Jun-17	0.7	Review unit 1402 counter offer, realtor email and review; call with J. McClelland re: unit 1402 offer, unit 1602 interest, resale listings.
Hooper, L	9-Jun-17	0.1	Banking.
Cherniak, S	12-Jun-17	0.3	Review of request from S. D'Amore and related info re remaining condos.
Finnegan, M	12-Jun-17	0.5	Deposit rent cheques and update rent roll.
Flett, D	12-Jun-17	2.4	Update unsold unit schedule for July 1 condo fee increase and prepare updated unit summary, list prices for S. D'Amore; review unit 1502 offer; call with J. McClelland on unit 1502 offer, unit 1502 showings; call with J. McClelland re unit 204 inspection, unit 1602 enquiry, questions re: layout change, taxes and common fees; review June rents; email to D. Capaldi re: unit 1505 parking space amendment; email to J. McClelland re: unit 1302 AC condenser; call with J. McClelland re: unit 1302 AC, closing timing.
Cherniak, S	13-Jun-17	0.1	Email from D. Capaldi re unit 1505 parking.
Finnegan, M	13-Jun-17	0.3	Set up 2017/ 2018 condo fee payment schedule.
Flett, D	13-Jun-17	0.4	Review further amended schedule F to condo declaration for parking spaces and compare to prior.
Flett, D	14-Jun-17	0.3	Call with J. McClelland re: schedule, irrevocable dates, unit 1302 interested party, unit 1502 showing; brief review of parking space amendment issues.
Cherniak, S	15-Jun-17	0.8	Deal with D. Capaldi extension. Review draft letter to D. Capaldi. Email back to Miller Thomson with edit.
Flett, D	15-Jun-17	0.5	Review draft unit 1603 closing statements and calculations and email with Miller Thomson on revisions; call re: unit 1603; review Miller Thomson email re: unit 1603 extension and letter to buyer.
Cherniak, S	16-Jun-17	0.5	Emails from D. Capaldi re board meeting. Call from Miller Thomson re Dalfidan and settlement.
Flett, D	16-Jun-17	0.2	Email with Miller Thomson and J. McClelland re: unit 204 closing; text msg with D. Capaldi re: unit 204 closing.
Cherniak, S	19-Jun-17	1.0	Review of email from D. Capaldi re issues at building. Respond re emergency board meeting. Update on possible offer on unit 1502. Review of letter re Dalfidan settlement. Respond. Review and discuss offer and counter on unit 1502.
Finnegan, M	19-Jun-17	0.5	Deposit sale funds and rent cheque.
Flett, D	19-Jun-17	1.8	Review confidential ECC 122 memo re units owner issues; review unit 1502 offer; several emails with J. McClelland on unit 1502 conditions, clarification on additional information required; call/email re: unit 1502 offer; email memo re unit 1602 counter offer, conditions.
Cherniak, S	20-Jun-17	1.0	Email from D. Capaldi re HVAC. Review and edit offer on unit 1502. Review of emails re D. Capaldi closing and review of statement of adjustments.

Staff	Date	Time	Narrative
Flett, D	20-Jun-17	2.0	Email with J. McClelland re: realtor enquiry on unit 1502 square footage, floor plan; review receiver unit 1502 counter offer; call with J. McClelland re unit 1502 offer, fixtures, closing date; email re: unit 1502 offer, no assumption of tenants; email re: further revisions to receiver counter offer and conditions; review revised unit 1603 closing documents and emails with Miller Thomson; review and forward further revised unit 1502 counter to J. McClelland.
Cherniak, S	22-Jun-17	1.2	Email from S. D'Amore re unit 1603 closing. Respond. Update from Miller Thomson on closing. Advise D'Amore. Update on unit 1502 potential counter. Review Miller Thomson email re approval of Dalifidan settlement. Respond. Attend emergency board meeting by conference call.
Flett, D	22-Jun-17	0.2	Email with Miller Thomson on unit 1603 closing; email with J. McClelland re: unit 1502 counter offer status.
Cherniak, S	23-Jun-17	0.6	Review of emails from D. Capaldi re issue in unit 402. Review of counter on unit 1502. Decide no counter. Review of correspondence to Dalifidan.
Finnegan, M	23-Jun-17	0.5	Deposit.
Flett, D	23-Jun-17	1.5	Review unit 1502 offer and email re: no counter by Receiver; call with J. McClelland re: unit 1502 offer, realtor enquiry, showings; update sales summary/accounting for unit 204, unit 1603 closings and balance net proceeds to statements of adjustment, trust; update unsold unit inventory summary for recent sales.
Cherniak, S	26-Jun-17	1.0	Email from S. D'Amore re viewing unfinished units. Respond to various emails from D'Amore re same. Update D. Flett re issue with tenant of unit 204. Discuss realtor compensation for en bloc sale of units. Discuss changes to condo declaration re parking and review email re same to D. Capaldi.
Finnegan, M	26-Jun-17	0.3	Deposit.
Finnegan, M	26-Jun-17	0.4	File HST returns.
Flett, D	26-Jun-17	2.5	Update on ECC 122 issues, parking declaration amendment, unfinished unit interested party, Dalifidan, next court report; call with J. McClelland on unfinished unit enquiry and showing, commission; email re: unfinished unit enquiry; email re: unfinished unit list prices and listing agreements; email memo to D. Capaldi re: amendment to amended parking declaration - queries and potential issues; review July condo fees and revise; email with J. McClelland re: unit 101 listing; update unsold unit inventory summary.
Cherniak, S	27-Jun-17	0.2	Response from D. Capaldi re declaration issue.
Finnegan, M	27-Jun-17	0.3	Pay monthly condo fees.
Flett, D	27-Jun-17	0.4	Review D. Capaldi email re: parking space amendment and review; sign and return unit 101 listing extension to J. McClelland.
Cherniak, S	29-Jun-17	0.3	Review of correspondence to D. Capaldi. Email from Cassano re Bowman resigning. Update on possible offer on unit 1502.

Staff	Date	Time	Narrative
Flett, D	29-Jun-17	1.6	Review 2017 final tax bills and emails to J. McClelland and D. Capaldi re: recent sales of units 204, 1603; email to J. McClelland re: garage 13 taxes still in Portofino name; prepare updated schedule of 2017 taxes and condo fees for J. McClelland and forward; call with J. McClelland and email on possible unit 1502 offer.
Flett, D	30-Jun-17	1.1	Review unit 1502 offer; call with J. McClelland re: offer and email; prepare counter offer with several revisions and forward to J. McClelland; review 2017 parking space tax account.
Hooper, L	30-Jun-17	0.1	Deposit.
Cherniak, S	4-Jul-17	1.0	Emails from Cassano re treasurer position. Review responses from other board members. Respond to D. Capaldi/Cassano. Review Cassano reply. Review HVAC complaint. Review D. Capaldi response. Review offer on unit 1502 and advise on counter.
Cherniak, S	5-Jul-17	0.2	Review of email to D. Capaldi re units 101 and 106. Review of email to MPAC re errors in assessment.
Flett, D	5-Jul-17	1.7	Email to D. Capaldi re: ECC 122 water repair status; call with J. McClelland re: unit 1502 offeror enquiry; review of parking space tax roll and sale timing; detailed email to MPAC re 2017 final tax bill unresolved issues.
Cherniak, S	6-Jul-17	0.2	Review of D. Capaldi reply. Discuss our response.
Flett, D	6-Jul-17	1.4	Review D Capaldi email and detailed reply re; status of water repairs, unit 101 conditional sale; call and email with J. McClelland re: unit 101 buyer enquiries, amendments to APS; review unit 1502 counter offer and call with J. McClelland; balance unit sale summary to receiver accounting for sales and HST collected.
Cherniak, S	7-Jul-17	1.0	Review of D. Capaldi emails re units 101/106. Discuss review and execute counter on unit 1502. Execute extension on unit 101. Review of correspondence re Dalifidan settlement. Call with Miller Thomson re same. Update on call with D. Capaldi re water problems in units 101 and 106. Review of memo re same.
Flett, D	7-Jul-17	2.7	Review unit 1502 offer and prepare counter offer; call with J. McClelland re: unit 1502; email with D. Capaldi re: water issues; start 8th report of Receiver; lengthy call with D. Capaldi re: ECC 122 efforts to engage caulking contractor, upper floor water issues, units 101 and 106 moisture, 8th Receiver's report timing; memo to file re: ECC 122; review units 101, 106 status and unsold finished units.
Cherniak, S	10-Jul-17	0.5	Review of email from D. Capaldi. Review of email re results of rain and effect on unit 106. Review of sale of unit 1502 and email to D. Capaldi. Discussion re unit 1502 tenants.
Flett, D	10-Jul-17	2.5	Review unit 1502 accepted offer and call with J. McClelland; email, text msg to D. Capaldi re: unit 1502 conditional sale and inspection of unit; update sales and unsold unit inventory summaries; continue with 8th report - receiver activities, litigation; email to D. Capaldi re: ECC 122 water repairs.

Staff	Date	Time	Narrative
Cherniak, S	11-Jul-17	0.2	Review of emails from D. Capaldi re water in unit 106 and inspection of unit 1502. Pay bills.
Flett, D	11-Jul-17	2.2	Email with D. Capaldi and J. McClelland re: sale of unit 1502, inspection; continue with 8th report - receiver activities, Tarion, purpose of report; professional fees.
Cherniak, S	12-Jul-17	0.6	Review of email to D. Capaldi re status of Tarion audit report. Emails to Miller Thomson re missing account. Review and approve same. Email to Sasso re any outstanding account
Finnegan, M	12-Jul-17	0.1	Deposit.
Flett, D	12-Jul-17	1.8	Review status of legal fees for 8th report; continue with 8th report; email to D. Capaldi re: Tarion and bond status; voice mail from J. McClelland re: unit 1502 inspection; review Miller Thomson invoices; email re: Sutts Strosberg fees.
Hooper, L	12-Jul-17	0.1	Banking.
Cherniak, S	13-Jul-17	0.1	Update from D. Capaldi on Tarion.
Finnegan, M	13-Jul-17	0.6	Update 2017 property tax schedule. Pay bills.
Flett, D	13-Jul-17	1.8	Sign Receiver cheques; two calls with J. McClelland on unit 1502 sale status, financing and inspection conditions, detail of tenant modifications to unit and clarification re: pending sale; continue with, and updates to 8th report.
Hooper, L	13-Jul-17	0.1	Banking.
Cherniak, S	14-Jul-17	0.1	Review of email from D. Capaldi re Tarion.
Finnegan, M	14-Jul-17	0.6	Deposit rents and update rent schedule. Pay bill.
Flett, D	14-Jul-17	0.3	Text msg and phone call with J. McClelland re: unit 1502 waiver of conditions.
Hooper, L	14-Jul-17	0.1	Banking.
Cherniak, S	17-Jul-17	0.7	Pictures from leakage in units 101 and 106 from Capaldi. Email from S. D'Amore re viewing units. Discussion re accepted offer on unit 1502 and dealing with tenants vacating re removal of chattels. Brief discussion of offer on unfinished unit.
Flett, D	17-Jul-17	2.8	Emails with D. Capaldi re: units 101, 106 water issues; review unit 1302 offer; review unit 1502 fulfillment and J. McClelland emails; review unit 1502 sale, tenant vacate and unit modification issues; several calls with J. McClelland on unit 1502 sale, tenant continuation with new owner, tenant modifications to unit, unfinished unit showing, unit 101 water issues and conditional sale status; email to J. McClelland on request to unit 1502 tenant for detail of unit modifications; update unsold unit inventory schedule and 8th court report.
Cherniak, S	18-Jul-17	0.7	Email from D. Capaldi re unit 101. Review of email to D. Capaldi re parking spot situation. Review of email re offer on unit 1302. Respond. Review of email from S. D'Amore. Respond. Review of unsold unit summary.
Finnegan, M	18-Jul-17	0.4	Prepare and send property tax installment payment.

Staff	Date	Time	Narrative
Flett, D	18-Jul-17	3.0	Prepare updated unsold unit summary for S. D'Amore and forward; review S. D'Amore emails; email to D. Capaldi re: proposed amendment to parking space declaration; call with J. McClelland re: unit 1302 offer closing date, D'Amore showing, unit 1602 ducting and offer; email re: proposed unit 1302 counter offer; prepare unit 1302 counter offer and listing agreement and forward to J. McClelland; review unit 1602 offer and call with J. McClelland re: offer and numerous conditions re: parking, etc; Continue with 8th report - Tarion, receiver activities, R&D narrative; review R&D preparation, unit sale summary.
Cherniak, S	19-Jul-17	0.6	Review of emails to D. Capaldi re HVAC issue and his response. Review of email to D. Capaldi re unit 1502.
Finnegan, M	19-Jul-17	0.8	Deposit rent cheque, update rent roll, Prepare R & D for court report.
Flett, D	19-Jul-17	3.3	Review unit 1302 counter offer received; call with J. McClelland re: unit 1302 offer, unit 1502 tenant, unit 1605 listing and tenant; email to D. Capaldi re: firm sale of unit 1502, tenant notice to vacate and repairs to unit; email to Miller Thomson, with documents, re: sale of unit 1502; detailed email to MPAC re: still unresolved tax roll issues for sold parking units; call with J. McClelland re: unit 1602 revised offer, unit 101 closing date unit 1605 listing, unit 1302 counter offer to be reviewed; review draft R&D and general ledger; preliminary review of unit 1602 offer.
Cherniak, S	20-Jul-17	1.0	Review of emails from D. Capaldi re units 1502 and 1605. Discuss counter on unit 1302. Long call from J. Bloomfield re condo board issues. Review of email to MPAC re problems with property tax allocations.
Flett, D	20-Jul-17	3.5	Review unit 1302 counter offer, prepare, and forward to J. McClelland; email with D. Capaldi and J. McClelland re: listing unit 1605, tenant option to purchase; continue with 8th report; review R&D, general ledger and review revisions; review unit 1602 offer and prepare counter offer and revisions to several conditions; txt messages with D. Capaldi re: unit 1602 HVAC install; call with J. McClelland on unit 1302 counter offer status, unit 1602 offer conditions and closing date; further revisions to 8th report and R&D; review 250 Ontario loan considerations.
Cherniak, S	21-Jul-17	1.1	Review emails from/to board re HVAC inspection issue. Review of email to D. Capaldi re conditional sale of unit 1302. Execute sale documents for unit 1302. Execute counter on unit 1602. Review of draft eighth report. Review of email to Miller Thomson re same.
Finnegan, M	21-Jul-17	0.3	Bill payment.

Staff	Date	Time	Narrative
Flett, D	21-Jul-17	4.0	Review unit 1302 counter offer; lengthy call with J. McClelland re: unit 1302, unit 1602 offeror enquiries re: Tarion coverage, hst, other issues; revisions to 8th report; review unit 1302 counter offer and unit 1602 offer; forward unit 101 amendment, unit 1302 accepted offer, unit 1602 counter offer to J. McClelland; forward draft 8th report, with comments to Miller Thomson; update unsold unit inventory schedule; email to D. Capaldi re: unit 1302 sale; review Portofino MLS sale report for last 12 months; call with J. McClelland on unit 1602 offeror, verbal 'offer', additional conditions re: Tarion, occupancy.
Hooper, L	21-Jul-17	0.1	Banking.
Flett, D	24-Jul-17	2.1	Email with D. Capaldi re: unit 1502 notice to vacate and review; call with J. McClelland re: unit 1602 offer, unit 1302 conditions, unit 101 parking space enquiry; email re unit 1602 counter offer details and Trieste sale history; call with J. McClelland re: unit 1502 tenants; prepare unit 1602 counter offer and forward to J. McClelland.
Flett, D	25-Jul-17	2.2	Call with J. McClelland on unit 1602 counter offer and review realtor email, additional condition; text messages with D. Capaldi on construction of demising wall between units 1601 and 1602 and timing; prepare Schedule A with unit 1602 demising wall condition, other conditions; prepare counter offer and forward to J. McClelland; Call with J. McClelland to review unit 1602 counter offer; revisions to unit 1602 counter and forward to J. McClelland; email to Miller Thomson re: Schedule C for unfinished units.
Flett, D	26-Jul-17	2.6	Review revised 1602 offer, escape clause revision; call with J. McClelland re: unit 1602, escape clause revision, unit 1505 parking and list price, unit 1605 list price; call with Miller Thomson re: Schedule C for unfinished units; review revised schedule C and forward to J. McClelland; call with J. McClelland re: new offer on unit 1602, timing, HST rebate, HVAC completion; email memo on unit 1602 offer, issues re: revision to escape clause / conditional period; call with J. McClelland re: unit 1602 approximate HVAC completion costs; further call with J. McClelland re: 2nd offeror, first offer escape clause.
Flett, D	27-Jul-17	2.0	Review august condo fee payment; review unit 1302 conditions; call with J. McClelland on competing unit 1602 offers, unit 1302 condition extension; review unit 1302 amendment, sign, return to J. McClelland; call with J. McClelland re unit 1602 offeror enquiry; review/confirm HST new housing rebate filing deadline; review July rent roll and email to D. Capaldi; call with J. McClelland re: 2nd party not offering; prepare unit 1602 counter offer and forward to J. McClelland.
Hooper, L	27-Jul-17	0.1	Banking.
Flett, D	28-Jul-17	2.2	Email with D. Capaldi re: unit 1502 rent; msg from J. McClelland; call with J. McClelland re: unit 1502 tenants, unit 1602 acceptance and conditions, construction process; review unit 1602 accepted offer; review and forward various documents to J. McClelland re: unit 1602 buyer condition on finishing unit; pull 2017 final tax bills for conditionally sold units; start fee affidavit for 8th report.

Staff	Date	Time	Narrative
Finnegan, M	31-Jul-17	0.3	File HST return.
Flett, D	31-Jul-17	2.7	Email with J. McClelland re: unit 1605 listing; review unit 1306 sale, unit 1605 comparable and email to J. McClelland re: list price; update unsold unit inventory summary; call with J. McClelland on unit 1402 showing, unit 1605 list price and recent comparables; call with J. McClelland on unit 1302 inspection, connection of utilities, water heater arrangements; continue fee affidavit for 8th report; call with J. McClelland re: prior unit 1505 conditional buyer; review unit 1605 listing agreement.
Flett, D	1-Aug-17	3.2	Revisions to fee affidavit and finalize; edits to unit 1605 listing agreement, sign and return to J. McClelland; prepare F2017 summary of units sold; review issues, notes re: F2017 financial statements; review unit 1602 buyer questions re: finishing of unit; call with J. McClelland re: unit 1602 buyer questions, unit 1605 listing; email to D. Capaldi to request ECC 122 response to unit 1602 buyer questions; review unit 1602 HVAC and utility set-up invoices; email to D. Capaldi re: quotation for unfinished unit HVAC completion.
Flett, D	2-Aug-17	1.3	Review email from D Capaldi on HVAC completion; call with unit 1602 buyer's accountant re: HST rebate, seller HVAC installation clause; call with J. McClelland on unit 1602 conditions, ECC 122 questions, unit 1605 enquiries and showings, unit 1302 expiry of conditions; review email from unit 1602 buyer's agent with further questions re: finishing of unit; email to DC re unit 1602 buyer questions on ECC 122 process and regulations; update on 8th report; further email with D. Capaldi on unit 1602 buyer queries, unit 1502 rent status.
Flett, D	3-Aug-17	1.8	Review D. Capaldi emails; email to J. McClelland re: ECC 122 response to unit 1602 buyer questions; review Westview Park vtb documents; call with J. McClelland on unit 1602 buyer queries, unit 1302 conditions and amendment; unit 1605 showings and irrevocable date; review further email queries from unit 1602 buyer's agent and call with J. McClelland; detailed email to unit 1602 conditional buyer's agent re: questions, request for concession on ECC 122 elevator policies.
Finnegan, M	4-Aug-17	0.5	Deposit rent cheques and update rent roll.
Flett, D	4-Aug-17	1.6	Review D. Capaldi email on unit 1602 buyer further questions and forward to J. McClelland; review, sign unit 1302 amendment, notice of fulfillment and return to J. McClelland; update sale and inventory schedules; emails and documents to D. Capaldi and Miller Thomson re: unit 1302 conditions fulfilled; call with J. McClelland re: unit 1302 fulfillment, unit 1605 showings, unit 1602 buyer queries; review unit 1602 buyer agent's email and call with J. McClelland.
Cherniak, S	8-Aug-17	1.5	Various emails and call while away re unit 1602. Emails from D. Capaldi re ECC#122 business. Review of emails to/from D. Capaldi re unit 1602. Discussion with D. Flett re unit 1602 requests. Call and email from Miller Thomson re Westview. Execute Acknowledgement and Direction. Review of emails re sale of unit 1302.

Staff	Date	Time	Narrative
Flett, D	8-Aug-17	2.2	Email with D. Capaldi re: unit 1302, property expense reporting; email with J. McClelland re: unit 1605 showings; review unit 1302 status, unit 1602 conditions and status, and 8th report; email to J. McClelland in reply to unit 1602 buyer agent email; call with J. McClelland on unit 1602 conditions, unit 101 closing date and inspection.
Flett, D	9-Aug-17	1.6	Review D. Capaldi email re: unit 1302; lengthy call with City of Windsor, regarding surface parking space account, and 2015, 2016 adjustment applications; email to withdraw 2016 application; prepare 2017 adjustment application re: units 8, 22.
Hooper, L	9-Aug-17	0.1	Banking.
Cherniak, S	10-Aug-17	0.1	Execute documents re property tax re assessment.
Flett, D	10-Aug-17	1.2	Calls with J. McClelland on unit 1302 closing extension request, unit 1602 status, unit 1605 showings; finalize 2017 tax adjustment application, review outstanding ECC 122 items.
Hooper, L	10-Aug-17	0.1	Banking.
Finnegan, M	11-Aug-17	0.4	Bill payment and correspondence re taxes to City of Windsor
Cherniak, S	14-Aug-17	0.5	Email from board member re bylaws and problems at Portofino. Execute mutual release for unit 1602. Review of email to D. Capaldi re same. Deal with unit 1302 request for extension.

116.3 Total Time

Staff	Position	Office	Rate	Time
Cherniak, S	Sr. Vice President	London	\$495	22.4
Finnegan, M	Administrative	London	\$175	8.6
Flett, D	Vice President	London	\$350	84.2
Hooper, L	Estate Administrator	London	\$125	1.1
				116.3



Invoice # 89137623
Portofino Corporation
HST Reg # 101518124RT0001

Ontario Superior Court of Justice
245 Windsor Ave
Windsor, ON N9A 1J2

October 23, 2017

Re: Portofino Corporation

For professional services rendered for the period August 14, 2017 through October 19, 2017 as per the attached detail:

Our Fee	\$43,000.00
Disbursements (courier)	<u>45.06</u>
Sub total	43,045.06
HST	5,595.86
Total	<u>\$48,640.92</u>

REMITTANCE ADVICE

Cheque Payments to:
100-633 Colborne Street
London, ON N6B 2V3

Invoice #	89137623
Amount	\$48,640.92

October 23, 2017

For professional services rendered

Staff	Date	Time	Narrative
Flett, D	14-Aug-17	1.9	Call with J. McClelland re: 1602 sale not proceeding, 1302 closing extension request; 1602 interested parties; forward 1602 mutual release to J. McClelland and update sales, inventory schedules; review 1302 carrying costs and email re: closing extension; email to City Windsor re; parking unit 13 tax account; email to J. McClelland re: 1302 extension terms.
Cherniak, S	15-Aug-17	0.9	Review of Capaldi emails to board member re condo bylaws. Emails to/from S. D'Amore re outstandings. Email to Miller Thomson re update on report revisions.
Finnegan, M	15-Aug-17	0.5	File administration.
Flett, D	15-Aug-17	0.3	Review S. D'Amore emails re: 8th report, 250 Ontario loan statement; review rent roll.
Cherniak, S	16-Aug-17	0.2	Update from Miller Thomson on report. Review of mortgage statement from S. D'Amore.
Finnegan, M	16-Aug-17	0.2	Update rent roll with unit sale information.
Flett, D	16-Aug-17	2.6	Emails with City of Windsor re: parking unit 13 and provide additional information, documentation; email to J. McClelland re: parking unit 13 buyers to contact City; review 2502461 Ontario loan statement, BMO commitment letter, BMO demand and 2013 loan statement, prime rate history and interest calculation; update/revise unsold unit estimated distribution schedule.
Cherniak, S	17-Aug-17	0.3	Review of correspondence from Miller Thomson. Call from Libro re Capaldi.
Flett, D	17-Aug-17	1.8	Update unsold unit schedule and estimated future distributions; call with J. McClelland re: 1302 closing extension status, 1605, 1601 and 1602 showings; further call with J. McClelland on 1302 extension terms; email to S. Merry re: HST rebate application process; call 1503 buyer on unit completion HST rebate application, defective AC condenser.
Cherniak, S	18-Aug-17	1.2	Call with Libro re Capaldi. Review of emails and discuss a/c repair in 1503. Review change to section of report. Review and execute fee affidavit. Execute 1302 amendment. Call from purchaser of unit re Portofino.
Finnegan, M	18-Aug-17	0.4	Send affidavit to Miller Thomson re report. Deposit rent cheque.

Staff	Date	Time	Narrative
Flett, D	18-Aug-17	2.7	Email to F. Bisson, S. Merry, with documents re: HST rebate application; review 8th report status and timing, 250 Ontario loan statement, 1302 sale status; Update 8th report re: distribution, 250 Ontario indebtedness; revise fee affidavit; review Miller Thomson opinion letter and distribution section revisions; review F. Bisson email, documents re: 1503 AC condenser repairs and review; call with J. McClelland re: 1302 extension, 1602 mutual release, 604 buyer, weekend showing schedule; sign 1302 closing date amendment and forward to J. McClelland.
Cherniak, S	21-Aug-17	0.7	Review of Miller Thomson edits to report. Respond.
Cherniak, S	22-Aug-17	1.0	Email from Capaldi re condo board. Edits to eighth report. Review of Miller Thomson service of report. Emails re edits to the service list.
Jokanovic, I	22-Aug-17	0.1	HST rebate.
Merry, Scott	22-Aug-17	0.1	Review documents from Bisson rebate.
Cherniak, S	23-Aug-17	0.2	Email from Beaudoin re condo. Email from Capaldi re condo board business.
Jokanovic, I	23-Aug-17	0.1	GST/HST Rebate worksheet.
Cherniak, S	24-Aug-17	0.3	Review of cost of 1502 renovations. Email from Miller Thomson re Calderwood. Respond.
Finnegan, M	24-Aug-17	0.3	File HST return.
Jokanovic, I	24-Aug-17	0.1	Email re request for missing info for GST/HST Rebate.
Cherniak, S	25-Aug-17	0.2	Review of email from Northbridge. Email to Beaudoin.
Hooper, L	25-Aug-17	0.1	Banking.
Cherniak, S	28-Aug-17	0.5	Deal with Beaudoin offer.
Flett, D	28-Aug-17	3.0	Brief review of motion record; lengthy call with D. Beaudoin, 1602 interested party; call with J. McClelland re: 1602 interest, pending offer(s); email to D. Capaldi re: east water repairs, 101 closing date; review 1602 offer and email; two calls with J. McClelland re: 1602 offer; review Beaudoin emails.
Cherniak, S	29-Aug-17	0.7	Review of emails from Beaudoin re lowball offer. Discussion re same. Respond to Beaudoin. Review of emails re water issue in 101 and 106. Discussion re same. Execute listing extension on 106.
Finnegan, M	29-Aug-17	0.3	Pay monthly condo fees.
Flett, D	29-Aug-17	0.8	Call with J. McClelland re: 1602 offer; review D. Beaudoin emails re: 1602 offer; call with J. McClelland re: 1602 interested parties, 1602 showing, 1402 interested party and drywall included in unit; email to D. Capaldi re: 1402.

Staff	Date	Time	Narrative
Cherniak, S	30-Aug-17	0.1	Review of Miller Thomson email to counsel re abandoned lawsuits.
Flett, D	30-Aug-17	2.2	Call with J. McClelland re: 1605 showings, 1402 enquiry, Beaudoin offer status; review 1105 lease, rent roll; email to D. Capaldi re: 1502 tenant lease, last month deposit; review January 2016 HST return and email with S. Merry re: 1503 rebate; reviewed revised 1602 mutual release; prepare letter to 1502 tenants re: vacating issues, unauthorized renovations, instructions.
Jokanovic, I	30-Aug-17	0.4	Add missing info received to rebates.
Merry, S	30-Aug-17	0.3	Review rebate application for Frank Bisson - unit 1503.
Cherniak, S	31-Aug-17	0.5	Emails from Capaldi re 1502 tenants and deposit. Review of condo board emails re furnace repair and parking situation. Discussion and review of letter to tenants re 1502. Review of email to Bisson from BDO Tax Group.
Flett, D	31-Aug-17	1.7	Review emails from D. Capaldi re: 1402, 1502; sign and forward 1602 mutual release to J. McClelland; continue with and finalize letter to 1502 tenants re: unit modifications, vacating issues and forward to D. Capaldi for delivery; email to J. McClelland re: additional 1302 deposit; review S. Merry email and 1503 HST rebate application; email with S. Merry re: HST rebates.
Jokanovic, I	31-Aug-17	0.5	Scan completed rebate package, email for client to sign/review provide missing information.
Merry, S	31-Aug-17	0.3	Final review of rebate, email to Frank Bisson.
Szypula, C	31-Aug-17	0.5	Review Report # 8.
Flett, D	1-Sep-17	0.7	Email with S. Merry re: HST rebate applications; email, voice mail messages with J. McClelland re: 1502 buyer appraisal request; review re-sale listings.
Cherniak, S	5-Sep-17	0.4	Call from S. D'Amore. Respond by email.
Flett, D	5-Sep-17	2.8	Review ECC 122 agenda; call with J. McClelland re: 1502 buyer request, tenant considerations, showing update; review 2017 GL and reconcile to F2017 unit sale summary; review 250 Ontario loan balance at July 1, 2017; organize 2010-2016 financial statement documents; revisions to 2017 sale summary; further call with J. McClelland on 1502 buyer financing, request for further viewing, 1605 showing; review property management.
Jokanovic, I	5-Sep-17	0.5	Fix/assemble/courier signed rebate package.
Merry, S	5-Sep-17	0.2	Frank Bisson rebate.
Cherniak, S	6-Sep-17	0.3	Review of email to Capaldi. Review of financial info to Greenaway.

Staff	Date	Time	Narrative
Flett, D	6-Sep-17	2.6	Review 2017 financial statement considerations; review 2015/2016 statements; memo to M. Greenaway with schedules and additional information for F2017 statement preparation; call with J. McClelland on 1602 showing, 1502 buyer walk through, 101 water issues.
Cherniak, S	7-Sep-17	0.2	Review of email from Capaldi. Deal with Bisson invoice.
Flett, D	7-Sep-17	0.4	Email, voice mail messages from/to D. Capaldi re: ECC 122 water issue; review general ledger, status of Woodall payment; update unsold unit summary.
Cherniak, S	8-Sep-17	0.5	Update on water issues re 101 and 106. Update on Capaldi. Review of emails to Capaldi re 1302 closing. Update on tenants vacating unit.
Flett, D	8-Sep-17	1.6	Lengthy call with D. Capaldi on water issues, ECC 122 retention of Beverley Caulking, 101 sale status, 1502 rent, 1302 sale, property management; email to D. Capaldi re: 1302 closing, A/C condenser status; review water issues, property management status, 1302 closing, call with J. McClelland re 101 conditional offer, 102 listing timing.
Hooper, L	8-Sep-17	0.1	Banking.
Cherniak, S	11-Sep-17	0.3	Deal with 101 amendment. Email from BMO re update on Letter of Credit. Respond.
Finnegan, M	11-Sep-17	0.5	Deposit rent cheques and update rent roll.
Flett, D	11-Sep-17	0.3	Review D. Capaldi emails re: 1302, 101; email and text msg with J. McClelland re: 101 closing extension; email re: 101 extension.
Hooper, L	11-Sep-17	0.1	Banking.
Finnegan, M	12-Sep-17	0.7	Bill payment. Prepare and send property tax installment payment.
Flett, D	12-Sep-17	1.8	Review ECC 122 correspondence with Beverly Caulking; review and file 101 amendment to extend closing; review 1302 closing arrangements; email with Miller Thomson re: 1302 closing; call with J. McClelland on 1202 HST rebate, 1302 closing inspection, 1602 showing, 101 amendment revision; sign further 101 amendment and return; review 5th installment property taxes; review City of Windsor correspondence re: request for tax adjustment.
Flett, D	13-Sep-17	2.1	Review 1302 closing documents and email with Miller Thomson re: revisions, buyer request to self-assess HST; further email with Miller Thomson and review HST indemnity; calls with J. McClelland re: 1302 closing, 1605 showings and ceiling repair, 1602 interested party query; email to D. Capaldi re: 1605 repairs; Review 1302 closing documents and sign.

Staff	Date	Time	Narrative
Cherniak, S	14-Sep-17	0.8	Emails from Capaldi re condo board business. Email re 1605 update. Update on 1302 closing. Confirmation of motion for court.
Flett, D	14-Sep-17	0.6	Review D. Capaldi email re: 1605; call with J. McClelland re: 1302 walk through and closing, 1502 tenant; email to D. Capaldi re: 1302 AC and services status.
Flett, D	15-Sep-17	1.5	Emails with D. Capaldi on status, timing for completion of 1302 AC condenser and install of services; call with J. McClelland re: 1302 services still to be connected, inspection, options for closing; review, sign and return 1502 amendment; call with J. McClelland on 1302 buyer's agent, closing; emails with Miller Thomson re: 1302 closing, AC and services.
Cherniak, S	18-Sep-17	0.7	Numerous emails re 1302 closing being pushed back. Email to Capaldi re delay. Call from Miller Thomson re possible objections in court.
Finnegan, M	18-Sep-17	0.3	Deposit rent cheque.
Flett, D	18-Sep-17	1.3	Review Sept 19 court hearing, Capaldi motion; several emails with Miller Thomson re: 1302 service issues and closing postponement; call with J. McClelland re: 1302 inspection, closing date; email to D. Capaldi re: 1302 closing extension.
Cherniak, S	19-Sep-17	2.5	Attendance at court re motion. Meet with opposing counsel after court. Call with Miller Thomson. Review of order.
Flett, D	19-Sep-17	1.4	Call with J. McClelland re: 1302 walk through and closing date, 1502 buyer and tenant arrangements, 1602 and 1605 showings; revise and update unsold unit inventory summary; review court hearing outcome and order; further call with J. McClelland re: 1302, 1502 sales, Biarritz re-sale particulars.
Flett, D	20-Sep-17	0.8	Review distribution to WFCU; review 102, 1605 sale status; call with J. McClelland on 1605 showings.
Finnegan, M	21-Sep-17	0.6	Prepare and send secured creditor payment to WFCU. Prepare and send refund payment to City of Windsor re overpayment of cost sharing.
Flett, D	21-Sep-17	0.5	Email with D. Capaldi and J. McClelland re: 1302 services; review 1602 signed mutual release and email with J. McClelland; call with J. McClelland re: 1302 closing.
Cherniak, S	22-Sep-17	0.3	Updates on 1302. Discussion and review of email to Miller Thomson re lawsuits.

Staff	Date	Time	Narrative
Flett, D	22-Sep-17	2.2	Email with Miller Thomson re: 1302 services, closing; review 1302 revised statements of adjustment and trust; review M. Greenaway queries re 2017 statements, A/P list; email to Miller Thomson re status of BR Crevatin and Eagle Mechanical Actions; prepare 2502461 Ontario loan roll forward / interest calculation for 2017 statements; call with J. McClelland re: 1302 inspection, hvac test, 1602 offer, 1502 closing; email to D. Capaldi re: 1302 gas.
Cherniak, S	25-Sep-17	0.5	Emails from Capaldi re 1302. Review of emails from Miller Thomson re closing. Review of interest calculations from financial statements. Review of email from Miller Thomson re Villalta action.
Flett, D	25-Sep-17	2.8	Emails with D. Capaldi and J. McClelland re: 1302 union gas connection, hvac testing and buyer inspection. Email with J. McClelland re: 1302 inspection and hvac; review October condo fee payment; call with J. McClelland re: 1302 inspection and hvac, 1502 amendment; emails with Miller Thomson re: 1302 closing; call with J. McClelland re: 1302 closing; text msg to D. Capaldi re: 1302 closed; update sales and unsold unit inventory schedules for 1302 sale; email to D. Capaldi re: 1502 pre-closing repairs; further call and email with J. McClelland in evening re: 1302 key arrangements and email to D. Capaldi re; keys, Tarion certificate.
Cherniak, S	26-Sep-17	0.3	Review of emails from Capaldi re 1302 and 1502. Discussion re 1502 closing and potential problems.
Finnegan, M	26-Sep-17	0.2	File HST return.
Flett, D	26-Sep-17	1.6	Email with J. McClelland re: 1302 keys, 1502 repairs; call with J. McClelland and text msg with D. Capaldi re: 1302 buyer access, unlocking of unit; review property management, ECC 122 annual meeting; call with J. McClelland on 1502 inspection, tenant considerations, 1605 showings; review 1502 closing.
Hooper, L	26-Sep-17	0.1	Banking.
Cherniak, S	27-Sep-17	0.4	Emails re 1502 closing. Discussion re tenant issues.
Finnegan, M	27-Sep-17	0.6	Prepare and send sale documents for unit 1502. Deposit sale funds re 1302.
Flett, D	27-Sep-17	2.2	Detailed email reply to Miller Thomson re: 1502 closing, tenant status and potential issues; further email with Miller Thomson re: 1502; review draft 1502 closing documents, statements; review Miller Thomson email re: Villalta litigation; review email from Miller Thomson re: BR Crevatin and Eagle claims; email to M. Greenaway re: 2017 accounts payable balance; email to D. Capaldi re: 1502 last month rent; call with J. McClelland re; 1502 pre-closing inspection, buyer tenant arrangements.
Cherniak, S	28-Sep-17	0.1	Call from Jim Bravo.

Staff	Date	Time	Narrative
Flett, D	28-Sep-17	0.4	Email with D. Capaldi re: September/October rents; preliminary review of 2017 statements.
Cherniak, S	29-Sep-17	0.3	Email from board member re nomination process. Email re 1502 closing. Email to Capaldi re board issue.
Hooper, L	29-Sep-17	0.1	Banking.
Cherniak, S	2-Oct-17	0.7	Email from Capaldi re board position. Review email re directors' nominations. Numerous emails and call re 1502 closing. Review of Miller Thomson account.
Flett, D	2-Oct-17	2.5	Text messages with D. Capaldi re: 1502 pre-closing repairs; several text messages with J. McClelland re 1502 inspection, buyer/tenant arrangements; draft wording for 1502 amendment and email re: 1502 status, amendment; email to J. McClelland re: 1502. Text message with D. Capaldi re: 1502 tenant; review J. McClelland text message re: buyer amendment; call with J. McClelland re: 1502 amendment; further text messages with J. McClelland re: 1502 status, buyer request re: rent; several emails with Miller Thomson re: 1502 closing, buyer/tenant arrangements, tenant notice to vacate, last month's rent and review revised statements of adjustment, trust.
Cherniak, S	3-Oct-17	1.7	Emails from Capaldi re board meetings. Review AGM package. Email to Capaldi re meaning of agenda item. Review of emails re 1502 closing. Execute amendment. Review of Bravo interest schedule. Review and discussion of 1201 offer. Execute listing agreement. Review of email to Capaldi re 102 tenant and potential listing. Discuss investing funds.
Flett, D	3-Oct-17	4.5	Review 1502 amendment, and forward signed, with comments to J. McClelland and Miller Thomson; call with J. McClelland re: 1502 status, 1201 hvac and possible offer, 1605 listing; review ECC 122 correspondence re: property management, by-law revisions; review 1502 tax statement from City of Windsor re: parking space rebate applications approved; email to D. Capaldi re: listing 102, tenant notice; text msg with D. Capaldi re: 1502 keys; email with Miller Thomson re: 1502 closing; email with Miller Thomson re: 503 vtb mortgage documents; review 503 vtb mortgage charge terms and prepare preliminary interest calculation/statement; review 1201 offer and email with J. McClelland with questions; review 503 vtb, 1202 offer; finalize draft 503 vtb mortgage statement; prepare 1202 counter offer; forward 1201 counter and listing agreement to J. McClelland; update sales and inventory schedules for 1502 closing; email re: GIC.
Cherniak, S	4-Oct-17	1.3	Review of emails from Capaldi re upcoming board meeting. Review of property manager credentials and draft agreement. Email from condo owner re issues with furnace. Review and respond. Review email to Capaldi re same. Execute counter on 1201. Update on call with Beaudoin.

Staff	Date	Time	Narrative
Finnegan, M	4-Oct-17	0.5	Deposit sale funds and arrange GIC purchase.
Flett, D	4-Oct-17	2.6	Review 1201 offer; lengthy call with D Beadouin re: process, CB commission, HST; call with J. McClelland re: Beadouin offer, 1605 showings, 1201 counter offer, light fixtures; prepare 1201 counter offer; update unsold unit summary schedule; review correspondence on ECC 122. furnace inspection; email to D. Capaldi re: inspection of Receiver's units HVAC; forward 1201 counter offer to J. McClelland with comments; call with J. McClelland on 1502 buyer request re: keys, 1605 showing, 1201 offer status; finalize 503 vtb mortgage statement.
Cherniak, S	5-Oct-17	1.6	Review of emails re board meeting. Review of final f/s. Update on 1201. Attend condo board meeting by conference call.
Flett, D	5-Oct-17	0.9	Review draft 2017 financial statements and email with M. Greenaway; email with J. McClelland and review/archive 1502 MLS listing; review 1201 offer, upcoming listing status.
Flett, D	6-Oct-17	0.4	Email to D. Capaldi re: HVAC inspections; call with J. McClelland re: 1605 showings, interested parties, list price.
Cherniak, S	10-Oct-17	0.8	Review of emails from board members re appointment of new property manager. Review of revised property manager agreement. Review of email from Capaldi re new heat condensers required for 2 units. Review of board member comments on new agreement. Email from S. D'Amore re receipt of cheque.
Flett, D	10-Oct-17	1.4	Email with D. Capaldi re: HVAC inspections and replacement of 102, 106 heat exchangers; review ECC 122 meeting, property management transition; review 2017 financial statements, T2 and return signed T183 to M. Greenaway; voice mail from J. McClelland; call with J. McClelland re: 1602 interested party, 1605 list price reduction, 102 listing and list price.
Cherniak, S	11-Oct-17	0.2	Review of emails to Capaldi re rent cheques and property manager expenses. Review of email from condo board member.
Finnegan, M	11-Oct-17	0.5	Deposit rent cheques.
Flett, D	11-Oct-17	2.1	Email with D. Capaldi re: heat exchangers, property management expenses; review and edit 102 MLS listing; review 102 photos; call with J. McClelland re: 1602 offer, 102 listing, photos, 102 enquiry; forward 102 photos, signed listing agreement to J. McClelland; review October rent roll; review 1602 offer; call with J. McClelland re 1602 offer conditions; email with J. McClelland re: 1602 offer; revise conditions for 1602 counter offer.
Hooper, L	11-Oct-17	0.1	Banking.

Staff	Date	Time	Narrative
Cherniak, S	12-Oct-17	0.4	Email from Capaldi re caulking. Email from chair of board re Capaldi employees. Discuss and execute counter on 1602.
Flett, D	12-Oct-17	1.6	Assemble 1602 schedules, prepare conditions and counter offer and review; forward 1602 counter offer to J. McClelland and email; brief review of ECC 122 property management agreement; review D. Capaldi email re: caulking repairs; review 102 MLS listing.
Cherniak, S	13-Oct-17	1.0	Review of email to Capaldi re condenser in 102. Review of counter on 1602 and execute further counter. Review of offer on 102 and counter. Long call with Suzanne Cayen re upcoming AGM. Review of newsletter to residents.
Flett, D	13-Oct-17	2.4	Review 1602 buyer counter offer; call with J. McClelland re: 1602 counter offer, 102 showings and arrangements; prepare 1602 seller counter offer; review 102 offer; call with J. McClelland re: 102 offer, heat exchangers, 102 showings; review ECC 122 AGM issues, 1602 and 102 offers; email to D. Capaldi re: 102 heat exchanger repair; prepare 102, 1602 counter offers, forward to J. McClelland; call with J. McClelland and revision to 1602 counter.
Cherniak, S	16-Oct-17	0.5	Emails to/from Capaldi re 102 HVAC replacement. Email re conditional sale of 102. Discussion and counter on 1601.
Flett, D	16-Oct-17	2.5	Review 102 accepted offer, 102 offer from other party; call with J. McClelland on 102 offers, 1602 counter offer and additional conditions; update sale and unsold unit schedules; emails with D. Capaldi re: 102 heat exchanger replacement, 102 conditional sale; text msg with DC re: leftover marble in 1602; prepare 1602 counter offer; prepare receiver 1602 counter offer and review; call with J. McClelland re: 1602 counter offer, 1605 pending offer and forward 1602 counter; review 2017 final tax bill - unit 102.
Cherniak, S	17-Oct-17	0.9	Email from Capaldi re 1602 repairs. Email to Capaldi re sale of 1602. Review emails from Miller Thomson re Dalifidan lawsuit. Executed release and arrange for certified cheque. Respond to Miller Thomson. Review of and execute counter on 1605. Discuss Capaldi as property manager and conversations with J. McClelland re same.
Finnegan, M	17-Oct-17	0.4	Prepare and certify cheque re Dalifidan matter.
Flett, D	17-Oct-17	2.6	Review 1602 accepted offer; review 1605 offer; email with J. McClelland re: 102 appraisal; lengthy call with J. McClelland re: 1605 offer, 102 financing condition, 101 listing agreement, property management transition, other issues; email to D. Capaldi re: conditional sale of 1602, offer conditions, HVAC installation and timeline; review/sign Dalifidan settlement cheque; review 1605 offer, prepare counter offer; review 1605 counter offer, J. Bloomfield call, property management arrangements; call with J. McClelland re: 1602 counter offer, receiver revisions.

Staff	Date	Time	Narrative
Cherniak, S	18-Oct-17	4.3	Review of emails from Capaldi re 1602. Review of letter from Miller Thomson to Dalifidan. Attend Portofino AGM.
Flett, D	18-Oct-17	1.6	Email with D. Capaldi re: 1602 sale conditions and completion date, 102 heat exchangers; call with J. McClelland on 1605 offer; review 1605 offer and review counter; further calls with J. McClelland re 1605 Receiver counter offer; prepare and forward 1605 counter offer to J. McClelland; call with J. McClelland re: 1602 closing date.
Cherniak, S	19-Oct-17	1.2	Update file on AGM. Review of emails from Capaldi re 1602. Review of counter on 1605. Call with D. Flett re same. Send counter. Review of email from realtor.
Finnegan, M	19-Oct-17	0.4	Pay bills and deposit postdated rent cheque.
		108.8	Total Time

Staff	Position	Office	Rate	Time
Cherniak, S	Sr. Vice President	London	\$495	29.0
Finnegan, M	Administrative	London	\$175	6.4
Flett, D	Vice President	London	\$350	69.7
Hooper, L	Estate Administrator	London	\$125	0.6
Jokanovic, I	Tax – Administrator	Cambridge	\$105	1.7
Merry, S	Tax - Sr. Vice President	Cambridge	\$480	0.9
Szypula, C	Sr. Vice President	London	\$425	0.5
				108.8



Invoice # 89222218
Portofino Corporation
HST Reg # 101518124RT0001

Ontario Superior Court of Justice
245 Windsor Ave
Windsor, ON N9A 1J2

January 11, 2018

Re: Portofino Corporation

For professional services rendered for the period October 20, 2017 through January 10, 2018
as per the attached detail:

Our Fee	\$41,500.00
Disbursements (courier)	<u>32.47</u>
Sub total	41,532.47
HST	5,399.22
Total	<u>\$46,931.69</u>

REMITTANCE ADVICE

Cheque Payments to:
100-633 Colborne Street
London, ON N6B 2V3

Invoice #	89222218
Amount	\$46,931.69

January 11, 2018

For professional services rendered

Staff	Date	Time	Narrative
Hooper, L	20-Oct-17	0.1	Banking
Flett, D	20-Oct-17	1.2	Email with D. Capaldi re: 1602 closing date, pre-closing renovations; call with J. McClelland re: 1605 buyer counter offer; 1605 receiver counter offer, comparables, ECC 122 AGM and board changes; review J. McClelland emails re: 1605 buyer; email with J. McClelland re: 1602 closing date.
Cherniak, S	20-Oct-17	0.5	Call with Miller Thomson to update on AGM. Email from J. McClelland re 1605. Respond. Emails from Board.
Cherniak, S	23-Oct-17	0.6	Review of emails to D. Capaldi re 102 and 1602. Discussion of role of new property manager vis a vis D. Capaldi. Execute 106 extension.
Flett, D	23-Oct-17	2.2	Email to D. Capaldi re: ECC 122 Board transition, 101, 1602 closings and pre-closing seller conditions; call with J. McClelland re: 1605 interested party, 1602 conditions and closing arrangements; review 1602 hvac and closing date; call with J. McClelland re: 1602 status certificate condition; review 101 listing extension and forward to J. McClelland; review ECC 122 property management agreement and call with J. McClelland re; property management; call with J. McClelland re: 102 heat exchanger replacement, email to D. Capaldi.
Flett, D	24-Oct-17	2.8	Review D. Capaldi emails; prepare email to Miller Thomson re: 1602 conditions, possible closing with undertaking to complete hvac etc and review Miller Thomson reply; review 101 closing, property management issues; draft email to D. Capaldi re: ECC 122 property management transition, 1602 completion, status of receiver property management; lengthy call with J. McClelland re: property management transition, 101 closing date, 102 waiver of conditions and heat exchanger replacement, 1602 conditions and closing date; review 102 waiver and fulfillment and return signed to J. McClelland; draft condition for 1602 sale re: undertaking to complete after closing; two calls with J. McClelland re: 1602 buyer financing and closing date; email with documents to Miller Thomson re: 102 sale; review 1605 list price reduction and return to J. McClelland.
Cherniak, S	24-Oct-17	0.8	Review of email from D. Capaldi re new property manager. Review of email to Miller Thomson re 1602 closing. Review response. Review of email to D. Capaldi re heat exchanger. Review and discuss email to D. Capaldi re his role as property manager. Execute final documents re sale of 102. Execute price reduction to 1605.
Cherniak, S	25-Oct-17	0.2	Review of D. Capaldi response to property manager question. Review of email re 1302.
Flett, D	25-Oct-17	2.1	Review D. Capaldi emails re: property management, heat exchanger replacement; forward 102 heat exchanger invoice to J. McClelland; review property management and board of directors transition; email to D. Capaldi re: firm sale of 102, continued tenancy with new owners; call with J. McClelland re: 1602 conditions, 1605 showing, 102 tenants; further calls with J. McClelland re: 1602 buyer financing, request for extension, receiver concerns.

Staff	Date	Time	Narrative
Hooper, L	25-Oct-17	0.1	Banking.
Finnegan, M	25-Oct-17	0.3	Pay condo fees
Flett, D	26-Oct-17	0.8	Review D. Capaldi emails; review Tarion CCP form for 1302 and return to D. Capaldi; call with J. McClelland re: 101 closing extension, 1602 mutual release, new 1602 enquiry;
Cherniak, S	26-Oct-17	0.3	Review of emails from D. Capaldi. Execute Tarion form.
Cherniak, S	27-Oct-17	0.5	Review of emails to D. Capaldi re 1602 aborted deal. Email from D. Capaldi re tenant and deposit. Review of email from Miller Thomson re D. Capaldi request for unit information. Review request.
Flett, D	27-Oct-17	1.8	Review D. Capaldi email re: 102 last month rent, review rent roll; review D. Capaldi counsel request, 1602 sale status; prepare unsold unit summary schedule and 2502461 Ontario updated loan statement re: request of D. Capaldi counsel; email to D. Capaldi re: 1602 status.
Hooper, L	27-Oct-17	0.1	Banking
Finnegan, M	27-Oct-17	0.5	Bill payments
Flett, D	30-Oct-17	0.4	Finalize information for D. Capaldi counsel request; call with J. McClelland on weekend showings, 1602 mutual release.
Cherniak, S	30-Oct-17	0.6	Review schedules for D. Capaldi request. Draft email to D. Capaldi from Miller Thomson to send to Godard. Call from Miller Thomson re same.
Cherniak, S	31-Oct-17	1.0	Long call with Aimee Allen (new Director of ECC122) re issues at condo corporation. Update D. Flett.
Flett, D	31-Oct-17	0.6	Review 101 amendment, sign and return to J. McClelland; review ECC 122 Board transition, building repairs; call with J. McClelland re: Board access to receiver units, 1602 release; review Tarion status.
Hooper, L	31-Oct-17	0.1	Banking
Cherniak, S	1-Nov-17	0.2	Review of emails from D. Capaldi re 102 tenant.
Flett, D	1-Nov-17	0.5	Call with J. McClelland re: showings, 1602 mutual release; ECC 122 inspection of receiver units; email with D. Capaldi re: 102 tenant; email to J. McClelland re: 102 tenant contact info, amendment for lease with buyer.
Flett, D	2-Nov-17	0.5	Call with J. McClelland re: 1602 mutual release, unfinished unit summary; update receiver surface parking summary; review 1602 mutual release.
Flett, D	3-Nov-17	0.4	Call with J. McClelland re: ESCC 122, 1605 showing, 1605 tenants, 1602 mutual release; sign and return 1602 mutual release to J. McClelland
Flett, D	6-Nov-17	0.4	Call with J. McClelland re: update on weekend showings, 1605 repairs; review 1605 email and email to D. Capaldi re: 1605 repair status.
Flett, D	7-Nov-17	2.5	Email with D. Capaldi re: 1605 ceiling repair; prepare summary of unit sales, include buyer name re: ESCC 122 enquiry; review parking revenue, space assignment; prepare update memo to June 1, 2016 parking space summary.

Staff	Date	Time	Narrative
Cherniak, S	7-Nov-17	0.6	Review of email from Aimee Allen re ECC 122 questions. Compile information for response. Review of email from D. Capaldi re ceiling repair at 1605. Discussion re update from Tarion re bond.
Cherniak, S	8-Nov-17	0.7	Finish email to ECC 122. Review updated lease parking situation. Discuss and review email to Miller Thomson re conveyance of parking spots taken by ECC 122.
Flett, D	8-Nov-17	1.8	Finalize email re: parking update; review email to ECC 122 re: information request; prepare detailed email to Miller Thomson re: background, documents and registrations for conveyance of 3 parking spaces to ECC 122; further email with Miller Thomson re: parking space conveyance, 2017 tax bill; review November unit and parking rents and email to D. Capaldi re: 102; update unsold unit summary; msg for S. Nevicato of Tarion.
Finnegan, M	8-Nov-17	0.3	Deposit
Flett, D	9-Nov-17	0.5	Call with J. McClelland re: 1602, 1605 enquiries, unsold unit key arrangements; review keys and access; review D. Capaldi email re: 1605.
Cherniak, S	9-Nov-17	0.1	Update on key situation at Portofino.
Flett, D	10-Nov-17	0.1	Review November property tax remittance.
Flett, D	13-Nov-17	0.5	Email with Miller Thomson re: conveyance of 3 parking spaces to ECC 122; call with J. McClelland on upcoming showings, 102 buyer.
Finnegan, M	13-Nov-17	0.3	Prepare and send property tax payment.
Cherniak, S	13-Nov-17	0.2	Email to/from Miller Thomson re parking spaces. Respond.
Cherniak, S	14-Nov-17	0.2	Email from D. Capaldi. Review and discussion of reporting email.
Flett, D	14-Nov-17	0.6	Review D. Capaldi emails re: property management, property expenses report; call with J. McClelland and confirm parking space property taxes and condo fees; email from J. McClelland re: 102; initial review of property expenses.
Flett, D	15-Nov-17	1.9	Email with J. McClelland re: property management; call with Tarion re: performance audit status, process for security reduction and status; Notes to file re Tarion call; review May - Oct 2017 property expenses report; email with Tarion re: unfinished units, security release; review accounting, status of Dalfidan bond with Northridge.
Flett, D	16-Nov-17	1.2	Review call with Tarion, unfinished unit Tarion security, bond reduction; email memo re: Dalfidan bond; email to D. Capaldi re; query on property expense report, property manager compensation; memo re: property management
Hooper, L	16-Nov-17	0.2	Banking.
Cherniak, S	16-Nov-17	0.3	Update on D. Capaldi. Review of email re expenses. Discussion re compensation.
Cherniak, S	17-Nov-17	0.1	Review of D. Capaldi response to property manager email.
Flett, D	17-Nov-17	0.1	Voice mail from J. McClelland re: recent showings, 1602 verbal offer rejected.

Staff	Date	Time	Narrative
Flett, D	20-Nov-17	0.6	Review property management arrangements, common fees, review Tarion bond status; call with J. McClelland re: 1602 interested party, 1402 bathroom layout, status certificate requests.
Finnegan, M	20-Nov-17	0.5	Deposit rent cheque. Pay bills.
Cherniak, S	20-Nov-17	0.1	Discussion re where to send condo fee payment cheque.
Cherniak, S	21-Nov-17	0.5	Email from Miller Thomson re closing. Review response. Email from Arnsby re new property manager. Respond. Deal with request for who to send status certificate requests to.
Flett, D	21-Nov-17	1.1	Review property management of unsold parking spaces, unit 1402 status; email to D. Capaldi re: 1402 contents; review listing status and email with J. McClelland re: 1602; review property management change, December condo fee payment; email with Miller Thomson re: 1602 conditional sale status; email to J. McClelland re: status certificates.
Flett, D	22-Nov-17	0.4	Email with D. Capaldi and J. McClelland re: 1402; review 1602 listing extension and return to J. McClelland.
Finnegan, M	22-Nov-17	0.4	HST returns
Cherniak, S	22-Nov-17	0.1	Execute listing extension on 1602
Cherniak, S	23-Nov-17	0.2	Review and approve D. Capaldi bill.
Finnegan, M	23-Nov-17	0.5	Pay bills
Hooper, L	23-Nov-17	0.1	Banking
Flett, D	24-Nov-17	1.2	Call with J. McClelland re: 1602 offer, 1605 showing, 1602 offeror financing; review 1602 offer and review conditions; prepare 1602 counter offer; call with J. McClelland on 1602 closing date, schedules B & C, 1505 list price and parking; review email with Arnsby re: unfinished units.
Cherniak, S	24-Nov-17	1.0	Discussion of offer on 1602. Review of offer. Call from Neil Bear at Arnsby. Review file. Send email that was sent to condo board. Send ECC122 bylaws. Call with J. McClelland re no keys on two units. Email Arnsby re same.
Cherniak, S	27-Nov-17	1.1	Review and execute Tarion agreement. Review of email re D. Capaldi monthly reporting. Review of email to D. Capaldi re 1605 ceiling repair. Review of email to D. Capaldi re installing furnace/ac to unfinished units. Update on 1602 offer. Review and counter offer on 1605. discussion and review of email re locks for two unfinished units.
Flett, D	27-Nov-17	3.0	Voice mail from J. McClelland re: 1602 offeror; review 1605 offer; email with D. Capaldi re: 402, 1605 repairs, Tarion renewal; review 1605 offer; lengthy call with J. McClelland re: 1602 buyer questions re: closing date, hvac install, services, demising wall; email to J. McClelland re: freight elevator; email to D. Capaldi re: winter AC installation, 1602 inspection and connection of services; review December common fee payment; call with J. McClelland re: 1605 offer, closing date, comparables, 1602 revised offer, closing date; review 1605 offer, property management query, 106 water issues; email to D. Capaldi re: 1201, 1505 locks; prepare 1605 counter offer and forward to J. McClelland.
Hooper, L	27-Nov-17	0.1	Banking.

Staff	Date	Time	Narrative
Finnegan, M	27-Nov-17	0.3	Prepare Tarion cheque and forward to D. Capaldi.
Flett, D	28-Nov-17	2.6	Review D. Capaldi emails on several matters including; 1602 hvac; review 1605 revised offer; call with J. McClelland on 1605 offer, 1602 hvac and closing date; review emails with Arnsby; review 1605 offer; voice message for, email to J. McClelland re no counter to 1605 offer; review email and documents from Miller Thomson re: Dalfidan litigation; detailed email to Arnsby re: ECC 122 construction of demising wall between 1601/1602; call with Arnsby re: 1601/1602 demising wall; review demising wall, possible sale of 106; call with J. McClelland re: 106 listing price, 1605 offer status; email to Miller Thomson re: Dalfidan bond cancellation; review D. Capaldi emails re: keys.
Cherniak, S	28-Nov-17	1.5	Review of D. Capaldi responses to queries re 1605 ceiling repair, keys for units, a/c installation. Email to Arnsby re keying. Review response. Review of email to D. Capaldi re same and response. Discussion re counter on 1605. Review of email to Arnsby re demising wall. Discuss Arnsby response. Review of correspondence from Miller Thomson on Dalifidan settlement agreement, mutual release and order dismissing action. Review of correspondence re bond being returned to Northridge. Discussion re 1602 offer.
Cherniak, S	29-Nov-17	0.7	Review of emails/photo from Arnsby re a hole in wall between 1601 and 1602. Discussion re same. Call from Arnsby re insurance. Review of email to D. Capaldi re 102 rent. Emails from Arnsby re repair of wall. Discuss and counter 1602 offer.
Flett, D	29-Nov-17	2.2	Review Arnsby email and photo re 1601/1602 wall and reply with additional queries; review S Kettle letter to Northridge counsel; call with J. McClelland re: 1602 offer, demising wall; further email to Arnsby re: 1602 wall construction; prepare 1602 counter offer; review ECC 122 insurance and email to Arnsby; review MPAC annual assessment notices for unsold units and update inventory schedule; prepare 1602 counter offer and forward to J. McClelland; email to J. McClelland with parking 13, unit 806 MPAC assessment notices; call with J. McClelland re 1602 counter offer.
Flett, D	30-Nov-17	1.8	Review 1602 accepted offer and update sales and inventory summaries; call with J. McClelland re: 1602 inspection request, receiver viewing arrangements; update re: 1602 sale, property management arrangements and building access; call with Arnsby re: building issues, realtor access arrangements, 1602 wall; call with J. McClelland re showings and ECC 122, viewing of unfinished units.
Finnegan, M	30-Nov-17	0.3	Pay bills
Cherniak, S	30-Nov-17	0.4	Discussion re counter on 1602. Discussion re call with Arnsby and problems at building.
Flett, D	1-Dec-17	3.0	Attend at Portofino and inspect all unsold units with J. McClelland; meet with Arnsby and A. Allen of ECC 122 and inspect roof, garage, roof AC condenser area; Discuss parking, 106 with Arnsby and A. Allen.
Hooper, L	1-Dec-17	0.1	Banking

Staff	Date	Time	Narrative
Flett, D	4-Dec-17	3.5	Review attendance at Portofino including status of unfinished units and articles to be removed, property management, meeting with ESCC 122 representative; review 1201 offer; email with Miller Thomson re: closing date; call with J. McClelland re 1201 offer; prepare 1201 counter offer; review unfinished unit AC status; email to Arnsby with Gillett West Roof and parking deck invoices.; review and organize numerous photos from Dec 1 attendance.
Cherniak, S	4-Dec-17	0.7	Update on Portofino problems with water, units full of D. Capaldi items and decision to terminate D. Capaldi as property manager.
Cherniak, S	5-Dec-17	0.5	Review and discussion of counter on 1201. Review of emails to Arnsby re property management info. Update on D. Capaldi/Arnsby interaction. Review of email re D. Capaldi using 106 as office. Review of draft email to Arnsby re property manager.
Flett, D	5-Dec-17	1.3	Email to Arnsby re: rooftop AC inventory; call with Arnsby re: rooftop AC condensers, property manager services and transition, parking deck membrane replacement; email with J. McClelland re: 1202 offer status; draft detailed email memo to Arnsby re: units status, receiver property management requirements.
Flett, D	6-Dec-17	1.3	Email to Arnsby re; status of unfinished unit completion, process and documents; review property management and email to Arnsby with details of receiver requirements; review upper floor AC condenser list; review March 2017 property management expenses.
Cherniak, S	6-Dec-17	0.2	Review of emails to Arnsby and response.
Cherniak, S	7-Dec-17	0.2	Review of email to Arnsby about utilities. Review of draft email to D. Capaldi re termination.
Flett, D	7-Dec-17	1.2	Review photos; draft email to D. Capaldi re: termination of property management agreement, direction re: extensive articles in unfinished units; further email to Arnsby re: property management considerations.
Flett, D	8-Dec-17	1.8	Review termination of Capaldi property management agreement, and email; voice message from J. McClelland; review unsold unit stored articles and debris; call with J. McClelland re: recent showings, 1602 condition status, 1201 offer status; review pending sales, future distributions; review plan for clean out of unfinished units; email to Arnsby re: Capaldi clean-out of unfinished units; call with J. McClelland re: status of 1602 financing condition, 1602 showing and possible offer; prepare updated unsold unit schedule and forward to S. D'Amore with comments
Finnegan, M	8-Dec-17	0.5	Rent cheque deposit and update of rent roll.
Cherniak, S	8-Dec-17	0.8	Review of pictures of debris and other in units. Call with D. Capaldi. Call with S. D'Amore units and payments. Review of emails to Arnsby. Review email to D. Capaldi re termination of property manager agreement and send to D. Capaldi.
Cherniak, S	11-Dec-17	0.4	Update on 1602 offer past deadline and new offer on 1602. Review of email to Arnsby.

Staff	Date	Time	Narrative
Flett, D	11-Dec-17	1.4	Call with J. McClelland re: 1602 conditions lapsed, mutual release, new 1602 offer, clean-out of unfinished units; call with J. McClelland re: 1602 offer to be submitted; call with Arnsby re; property management for next 12 months; call with J. McClelland re: 1602 offer, 102 tenant; review 1602 offer and further call with J. McClelland re: no counter; email to Arnsby with rooftop AC details, query re: unfinished unit condensers to be installed.
Flett, D	12-Dec-17	1.8	Update on new property management arrangements, unfinished unit clean out; emails to Arnsby re: remuneration proposal, 1602 sale status, demising wall quotations; voice mail msg from J. McClelland and review draft 102 amendment; review cash balance, future closings and distribution; review revised 1602 offer and several conditions; review 1602 offer with J. McClelland; further call with J. McClelland re: 1602 offers.
Cherniak, S	12-Dec-17	0.4	Discussion re offers on 1602 and response. Discuss and review email to property manager re fees and units on roof.
Cherniak, S	13-Dec-17	0.2	Review of emails to property manager re a/c units on roof. Updates on 1602.
Flett, D	13-Dec-17	1.7	Review new Watters offer for 1602; call with J. McClelland re: 1602 multiple offers, mutual release to be obtained; review 1602 mutual release and email to J. McClelland; call with J. McClelland re: required revision to 1602 mutual release; email to Arnsby re: AC condenser spaces per condo declaration; call with J. McClelland on 1602 enquiry, possible additional offer.
Flett, D	14-Dec-17	2.7	Call with J. McClelland on 1602 showing and additional offer to be submitted; review AC condenser issues and email with Arnsby; call with J. McClelland re: 1602 offers, new offer closing date; review new 1603 offer; review 1603 offers, buyer financing status; call with J. McClelland re; 1603 offeror sale of house, previous financing conditions; emails with Miller Thomson re: parcel register of Chatham property; prepare 1602 counter offer and forward to J. McClelland; detailed email to D. Capaldi re: 5 rooftop AC condensers still to be installed, space availability.
Cherniak, S	14-Dec-17	0.8	Update on rooftop condensers. Deal with offers on 1602. Counter on one offer. Review of emails on potential equity in one offerer's home.
Cherniak, S	15-Dec-17	0.4	Review of D. Capaldi reply on A/C units on roof. Review of email to D. Capaldi re 102 tenant. Review of email to Miller Thomson re 1602. Review of email from Arnsby re quotes.
Flett, D	15-Dec-17	0.5	Email with D. Capaldi re: unfinished unit AC condensers, 102 extension of tenancy; review 1602 accepted offer; email to Miller Thomson re: sale of 1602, with sale and property tax document; update sale and unsold unit schedules; email with J. McClelland re: 1602 buyer lawyer.
Cherniak, S	16-Dec-17	0.3	Call from Arnsby re D. Capaldi dumping garbage. Review of email re same. Text D. Capaldi to desist.
Cherniak, S	18-Dec-17	0.7	Review of emails re termination of tenancy in 1605. Email to Arnsby re same. Review of email to D. Capaldi re sale of 1602. Review of bxt from D. Capaldi re weekend garbage issue. Review and execute 102 amendment re no vacant possession as tenant carrying on.

Staff	Date	Time	Narrative
Flett, D	18-Dec-17	1.2	Review Arnsby emails re: unfinished unit clean out; review D. Capaldi emails re: 102, 1605; emails with J. McClelland and Arnsby re: 1605 tenants vacating; call with J. McClelland re: 1605 showings, receiver property management transition, 102 sale, holiday schedule; review 102 amendment, sign and return to J. McClelland; email to Miller Thomson re: 102 amendment, keys on closing; email to D.Capaldi re: 102 keys.
Flett, D	19-Dec-17	1.1	Review D. Capaldi emails re: 1605, 102, rooftop AC condensers; review rooftop condenser plan; email to D. Capaldi re: 1605 last month rent; call with J. McClelland re: 102 keys; review 102 amendment and email with J. McClelland; call with Arnsby re: building issues, unfinished unit clean out, property management; email with Miller Thomson re: 102 closing.
Cherniak, S	19-Dec-17	0.3	Review of schematic for A/C units on roof. Update on Arnsby dealing with D. Capaldi on weekend.
Cherniak, S	20-Dec-17	0.3	Review of D. Capaldi response on 1605 rent. Review response. Review of email re 102 keys.
Flett, D	20-Dec-17	0.6	Email with D. Capaldi re: 1605 tenant vacating, deposit, last month rent to be paid; review MLS listings; emails with J. McClelland and Miller Thomson re: 102 keys; updates to unsold unit schedule.
Flett, D	21-Dec-17	0.9	Review January condo fee payment; review GIC status, available funds; email from Miller Thomson re: 102 closing; call with J. McClelland re: 1605 showing scheduling, 1402 multiple party interest; irrevocable dates over holidays.
Finnegan, M	21-Dec-17	0.3	Pay condo fees.
Cherniak, S	21-Dec-17	0.2	Review of emails re 1605 and 102.
Cherniak, S	22-Dec-17	0.3	Update on 1402 potential multiple offer scenario and how to deal with over the holidays. Execute listing agreement.
Flett, D	22-Dec-17	1.7	Call with J. McClelland on 1402 offer dates, list price, hvac 1605 showing; update unsold unit schedule re; unfinished hvac costs; further call with J. McClelland re: 1402 offer, unfinished unit schedule C and forward Schedule C; email to D. Capaldi re: 1605 lease; email with J. McClelland re: 1402 listing agreement; review 1402 offer and call with J. McClelland on 1402 offers, unit clean-out; sign and return 1402 listing agreement;
Hooper, L	22-Dec-17	0.1	Banking
Flett, D	27-Dec-17	1.8	Review emails, voice mail from J. McClelland re: 1605 showing; call with Arnsby re: status of unfinished unit clean out, parking; review; review clean-out arrangements; email to D. Capaldi re: 1602 marble flooring in unit; review parking records, parking rent accounting, previous schedules and prepare detailed email to Arnsby with leased parking details, comments re: future arrangements; call with J. McClelland re: 1605 interested party, unfinished units.
Cherniak, S	27-Dec-17	0.3	Review of emails to/from D. Capaldi. Update on D. Capaldi moving furniture/materials out of unit.
Cherniak, S	28-Dec-17	0.3	Review of parking space correspondence to Arnsby. Discuss how to deal with payment. Review of D. Capaldi reply re marble for 1602.

Staff	Date	Time	Narrative
Flett, D	28-Dec-17	0.8	Further email to Arnsby re: parking rents prepaid; prepare summary of 102 closing, 1602 closing, 106 utilities, property management transition issues; email to Arnsby re 1601/1602 demising wall; brief review of parking rent accounting.
Flett, D	29-Dec-17	0.3	Review 1402 offer, recent unfinished Trieste sales; email to J. McClelland.
Flett, D	2-Jan-18	3.5	Emails with J. McClelland re: 1402 offers, 1602 buyer inspection; email to Arnsby re: install or new locks on unfinished units; review draft 102 closing statements and email with Miller Thomson; review 2nd 1402 offer and call with J. McClelland to discuss; call with Arnsby re: new locks, 106 status, parking garages, space rental; email to Arnsby re: 1201, 1505 locks, 106 utilities; review revised 1402 offer and two calls with J. McClelland re 1402 offer comparison, and new schedules B & C to be submitted; call with J. McClelland and email to Arnsby re: 1605 showings; summary of competing 1402 offer and review; prepare counter offer and forward to J. McClelland; review photos from J. McClelland and email to Arnsby re: 1402 clean out; email with D. Capaldi re: 1605 lease and review; further call with J. McClelland re:1402 counter offer.
Cherniak, S	2-Jan-18	1.5	Execute 102 sale docs. Review of emails and lease for 1605. Review of emails with Arnsby re changing locks and removing last of debris from empty units. Review of email to Arnsby re dealing with last tenant showings. Review of offers on 1402 and counter best one.
Cherniak, S	3-Jan-18	0.8	Numerous emails re 1601 closing, review of quotes for 1601 wall and discussion thereto, emails to D. Capaldi re door trim, review of ceiling repair invoice. Discussion re garage roof leaking and need for D. Capaldi's storage units. Email to D. Capaldi re same.
Flett, D	3-Jan-18	3.2	Email with D. Capaldi re 1605 repairs and review invoice; call with J. McClelland re: 1605 showing and repairs, 908 re-sale comparable, 1402 offer status, 1402 other interested parties; email with J. McClelland re: 908 re-sale; call with Arnsby on status of several issues, parking, 1602 wall quotation; review 1602 wall quotes and email, call with Arnsby on questions; email to D. Capaldi on December/January 2018 parking rents; email to D. Capaldi re: double door trim kits; review A1, A2, 1602 quotations; review revised 102 closing statements from Miller Thomson; call with Arnsby re: parking rent banking; review 1402 accepted offer and update sales and unsold unit schedules; return signed form 320 to J. McClelland; review January parking rents and summary to be prepared for Arnsby.
Finnegan, M	3-Jan-18	0.4	Prepare and send signed closing documents for sale of Unit 102.
Finnegan, M	4-Jan-18	0.3	Update and change contact info for Enwin and Union Gas on unit 106 to BDO.
Flett, D	4-Jan-18	1.5	Review emails from D. Capaldi; emails with D. Capaldi and Arnsby re: metal trim for double doors; review January parking rent summary; call with Arnsby re: A1, A2 access, building issues; review A1, A2 access; review 106 utilities; email to Arnsby re: updated parking rents received; email to Arnsby re: parking rent deposit arrangements; emails with J. McClelland re: 1402 acceptance; review improved 1402 offer from other party and call with J. McClelland re: approach.

Staff	Date	Time	Narrative
Cherniak, S	4-Jan-18	0.7	Review of D. Capaldi responses parking, clean out of storage unit and door trim. Review of emails to Arnsby re same. Discussion re Arnsby requiring access to storage units because of potential leaks etc. Email D. Capaldi re giving access. Review of revised offer on 1402. No counter as we already have better deal.
Cherniak, S	5-Jan-18	0.6	Review of D. Capaldi response re giving keys to Arnsby. Review and discussion on increased offer on 1402. Review and counter offer on 1605.
Flett, D	5-Jan-18	0.5	Review 1605 offer and further revised 1402 offer; call with J. McClelland re: 1605 offer, 1402 interested party; prepare 1605 counter offer and forward to J. McClelland.
Flett, D	8-Jan-18	2.1	Review revised 1402 offer and email to J. McClelland; review ECC 122 Tarion documents, performance audit tracking summary and memo; email to Arnsby with Tarion related documents, comments; review 1605 buyer counter offer; email with Miller Thomson re: 102 closing; lengthy call with J. McClelland re: 1602 buyer requests and hvac inspection, 1601 interested party questions re: HST, 1605 revised offer, 102 closing; update sale and unsold unit schedules for 102 closing.
Cherniak, S	8-Jan-18	0.4	Update on second 1402 offer. Review and discuss info going to Arnsby re Tarion. Update on 102 closing.
Cherniak, S	9-Jan-18	0.3	Discussions re offer on 1605. Email from S. D'Amore. Respond.
Flett, D	9-Jan-18	0.2	Email memo re: 1605 selling plan.
Finnegan, M	9-Jan-18	0.4	Deposit sale funds unit 102.
		105.8	Total Time

Staff	Position	Office	Rate	Time
Cherniak, S	Sr. Vice President	London	\$495	24.1
Finnegan, M	Administrative	London	\$175	5.3
Flett, D	Vice President	London	\$375	75.4
Hooper, L	Estate Administrator	London	\$125	1.0
				105.8



Invoice # 89322358
 Portofino Corporation
 HST Reg # 101518124RT0001

Ontario Superior Court of Justice
 245 Windsor Ave
 Windsor, ON N9A 1J2

April 4, 2018

Re: Portofino Corporation

For professional services rendered for the period January 10, 2018 through March 29, 2018 as per the attached detail:

Our Fee	\$38,000.00
Disbursements (courier)	<u>17.94</u>
Sub total	38,017.94
HST	4,942.33
	<hr/>
Total	<u>\$42,960.27</u>

REMITTANCE ADVICE

Cheque Payments to:
 100-633 Colborne Street
 London, ON N6B 2V3

Invoice #	89322358
Amount	\$42,960.27

April 4, 2018

For professional services rendered

Staff	Date	Time	Narrative
Flett, D	10-Jan-18	0.6	Lengthy call with J. McClelland re: 1602 conditions, ESA inspection, 1605 offeror status, 102 closing, property management; 1402 conditions, 1402 2nd interested party; email to J. McClelland re: ESA
Flett, D	11-Jan-18	1.2	Email to D. Capaldi re: 1605 rent; email to N. Bear re: 1605 tenant status, vacate date; call with J. McClelland on 1602 conditions and wall construction status, 1601 building materials, 1402 deposit; further call with J. McClelland re: 1602 hvac inspection request, other 1602 buyer enquiries, 101 buyer enquiry; review 1302 emails re: hvac, service connections.
Finnegan, M	11-Jan-18	0.5	File Administration.
Cherniak, S	11-Jan-18	0.2	Review of email to D. Capaldi and Arnsby.
Flett, D	12-Jan-18	0.1	Emails with D. Capaldi re: 1605 rent
Hooper, L	12-Jan-18	0.1	Banking
Cherniak, S	12-Jan-18	0.2	Emails to/from D. Capaldi re 1602.
Flett, D	15-Jan-18	0.5	Voice mail from J. McClelland; call with J. McClelland re: 1402 conditions, 1602 buyer inspections; 1302 AC condenser
Finnegan, M	15-Jan-18	0.4	Pay bills.
Finnegan, M	16-Jan-18	0.2	File HST returns.
Flett, D	16-Jan-18	0.4	Call with J. McClelland re: 1402 conditions expiry, competing offer; review 1402 status with S. Cherniak; further call with J. McClelland on 1402 expiry, new offers expected, irrevocable date timing.
Cherniak, S	16-Jan-18	0.3	Update on 1402. Decide to go with other offer. Email from Cooke re court report.
Flett, D	17-Jan-18	0.9	Brief review of 1402 offer status; email to S. Cherniak re: summary of two 1402 offers; review 1402 offers and call with J. McClelland re: offers and counter; prepare 1402 counter offer and forward to J. McClelland; voice mail from J. McClelland re: 1402 offeror, additional enquiry.
Cherniak, S	17-Jan-18	0.5	Discussion and emails re two offers on 1402.

Staff	Date	Time	Narrative
Flett, D	18-Jan-18	1.1	Review 1402 buyer counter offer; call with J. McClelland re: 1402 counter offer; email to S. Cherniak re: 1402 counter offer, and suggested approach; prepare 1402 counter offer with corrections; email with N. Bear of Arnsby re: drain caps, 1602 demising wall; email with J. McClelland re: 1605 listing extension and review; forward 1402 counter offer to J. McClelland.
Cherniak, S	18-Jan-18	0.3	Discuss and approve 1402 counter.
Flett, D	19-Jan-18	0.2	Email with N. Bear re 1602 demising wall; voice mail from J. McClelland re: 1402 offer status and email; review 106 union gas bill.
Hooper, L	19-Jan-18	0.1	Banking.
Cherniak, S	19-Jan-18	0.7	Review of materials from D. Capaldi re VTB. Send to Miller Thomson. Respond to counsel. Update on wall construction on 1602.
Flett, D	22-Jan-18	0.8	Email with D. Capaldi re: 1605 rent, vacate date, 106 utilities; emails with J. McClelland re: 1605 vacate date and forward 1605 listing extension; brief review of correspondence re Portofino / Westview Park VTB; review draft 1602 closing statements and email with Miller Thomson on revisions; call with J. McClelland re: 1402 offer status and new inspection condition, 1602 buyer requests; emails with J. McClelland re: 1402 offeror and other interested parties.
Cherniak, S	22-Jan-18	0.8	Execute documents re 1602 sale. Emails from D. Capaldi re tenant in 1605.
Flett, D	23-Jan-18	0.4	Review unsold unit status with S. Cherniak; call with J. McClelland re: 1402 interested parties, 1402 mutual release, 1605 showings; sign 1402 mutual release and forward.
Cherniak, S	23-Jan-18	0.7	Update on 1402 deal. Execute amendment to closing documents on 1502. Call to Miller Thomson re D. Capaldi affidavit. Review in detail with chart.
Flett, D	24-Jan-18	1.6	Email to N. Bear, A. Allen re: ECC #122 use of A1, A2 storage; brief review of Westview vtb mortgage issue; email to S. Cherniak re: 106 union gas; review MLS listings and email to J. McClelland; calls with J. McClelland re: 1201 mls listing, 1201 hvac, 1201 exclusive listing expiry, 1402 offers; review 1605 rent, Feb condo fees.
Finnegan, M	24-Jan-18	0.2	Bill payments.
Hooper, L	24-Jan-18	0.1	Banking.
Cherniak, S	24-Jan-18	1.0	Work on D. Capaldi affidavit chart. Discussion re storage units. Review email to Arnsby and response. Review email to J. McClelland re a new listing.
Finnegan, M	25-Jan-18	0.6	Work on flowchart for Capaldi vtbs. Rent receipt, deposit and update rent roll. Pay Feb/18 condo fees.

Staff	Date	Time	Narrative
Flett, D	25-Jan-18	0.9	Email to F. Bisson re: 1503/unfinished unit furnace; review S. Cherniak email and summary re: Portofino / Westview Park vtb; call with J. McClelland re: 1201 listing, hvac, contents and 1602 inspection; review 1201 listing agreement and edits.
Cherniak, S	25-Jan-18	1.2	Finish D. Capaldi affidavit analysis. Send to Miller Thomson.
Flett, D	26-Jan-18	0.6	Forward 1201 listing agreement to J. McClelland; call with J. McClelland re: 1201 listing, 1402 enquiry; revise and forward 1201 listing to J. McClelland; preliminary review of 2018 interim tax bills.
Flett, D	29-Jan-18	2.0	Review D. Capaldi email and A1, A2 clean out with S. Cherniak; re 1402, 1602 status with S. Cherniak; call with J. McClelland re: 1602 inspection, 1602 ESA inspection, 1201 showings; emails and call with N. Bear re: A1, A2 use by ECC 122, 1602 access fobs, engineer drawings for building; email to N. Bear re: fobs, 1602 buyer particulars; review ECC 122 engineering drawings issues with S. Cherniak; email to D. Capaldi re: terrace door latches; review 2018 interim tax bills; detailed email to City of Windsor re: 2018 interim tax bills, parking space account; email to J. McClelland re: parking space #13.
Cherniak, S	29-Jan-18	1.0	Email from D. Capaldi re storage unit extension. Discuss with respect to Arnsby and respond. Review and discussion of email from Bisson re furnaces. Update on 1602 closing. Review of email to Arnsby re items in 1201. Review of email to D. Capaldi re door handles.
Flett, D	30-Jan-18	0.7	Review D. Capaldi emails re: drawings, terrace handles; review drawing issues with S. Cherniak and email to J. McClelland; call with J. McClelland re: 1602 closing arrangements, 1605 showings and strategy, 1201 hvac; email with Miller Thomson re: 1602 buyers' lawyer questions.
Cherniak, S	30-Jan-18	0.3	Review of email from D. Capaldi re drawings. Discuss and forward to Arnsby.
Flett, D	31-Jan-18	0.8	Review Parker invoice and quote for 1602 wall; call with J. McClelland re: 1602 closing arrangements; emails with Miller Thomson re: 1602 closing; email to J. McClelland re: 1602 taxes and condo fees; update unsold unit and sale summary schedules for 1602.
Cherniak, S	31-Jan-18	0.3	Email from counsel re D. Capaldi affidavit. Review response from Miller Thomson. Respond. Update on 1602 closing.
Flett, D	1-Feb-18	0.8	Calls with N. Bear re: A1, A2, mailbox keys, 1602 closing; call with J. McClelland re: 1602 closing, 1605 showings; emails to D. Capaldi re: mailbox keys, Tarion certificate for 1602; email to City of Windsor re: parking #13 owner and address; email to Miller Thomson re: property management change, future closing arrangements.
Cherniak, S	1-Feb-18	0.6	Review of email to D. Capaldi re keys for units. Discussion of D. Capaldi storage locker and readiness to vacate. Email to D. Capaldi. Review of updated sale schedule. Discussion and review of email to D. Capaldi re Tarion.

Staff	Date	Time	Narrative
Flett, D	2-Feb-18	0.2	Review D. Capaldi emails re: mailbox keys, 1602 Tarion; call with N. Bear re: mailbox keys, entry door locks, A1, A2.
Cherniak, S	2-Feb-18	0.2	Review of D. Capaldi responses.
Finnegan, M	5-Feb-18	0.4	Deposit sale proceeds.
Cherniak, S	5-Feb-18	0.3	Draft email to D' Amore re numbered company opening balance.
Finnegan, M	6-Feb-18	0.5	HST return and draft Feb HST return re HST collected on sale of unit 1602. Pay bill.
Flett, D	6-Feb-18	4.0	Review S. Cherniak email to 2502461 Ontario; review 2502461 Ontario loan balance and future distributions with S. Cherniak; review 1602 closing accounting, review 1201 mls listing; call with J. McClelland re: recent showings, 1201 listing remarks re: HST; Commence 11th report to Court - background and receiver activities, and prepare unit summary schedule for report.
Hooper, L	6-Feb-18	0.1	Banking.
Cherniak, S	6-Feb-18	0.7	Send email to D' Amore re documentation for opening balance. Review response by email. Lengthy call re same.
Flett, D	7-Feb-18	3.5	Review R&D to be prepared with M. Finnegan; reconcile unit summary schedule to receiver accounting; continue with 9th report - professional fees, R&D narrative, distribution; review receiver GL and review Miller Thomson security opinion update letters; review GIC redemption, receiver fee status for 9th report with S. Cherniak.
Cherniak, S	7-Feb-18	1.2	Discuss report. Review of 1602 reporting from Miller Thomson. Call with Miller Thomson re D. Capaldi affidavit and D' Amore conversation. Review of emails to/from D. Capaldi lawyer.
Flett, D	8-Feb-18	2.5	Review R&D and revisions; continue with 9th report - R&D section, litigation, distribution.
Finnegan, M	8-Feb-18	1.0	R & D for report.
Flett, D	9-Feb-18	1.8	Continue with 9th report - background, Dalfidan, distribution; view Miller Thomson prior security opinion letters; email to J. McClelland re: locks; revisions to R&D; email to Miller Thomson re: opinion update for 9th report.
Flett, D	12-Feb-18	1.6	Review D. Capaldi email re: Tarion; emails with J. McClelland re: keys, entry door locks changed; update 2502561 Ontario interest and current balance, email memo to S. Cherniak re proposed distribution; call with J. McClelland re: 1505 enquiry, list price, parking and HST rebate, 1402 enquiries, 1605 showing.
Cherniak, S	12-Feb-18	0.1	Update on D' Amore position.

Staff	Date	Time	Narrative
Flett, D	13-Feb-18	1.8	Review 9th report status, Miller Thomson opinion letter, outstanding items with S. Cherniak; email with M Cleary of Hub re: policy renewal, unsold unit update; several emails with D. Capaldi re: Tarion certificates of completion and possession; review 1602 certificates of completion and possession and forward to S. Cherniak for signature; prepare/update schedule for 1505 HST rebate illustration; call with J. McClelland re: 1505 HST and forward low/high completion cost schedules.
Cherniak, S	13-Feb-18	0.4	Email from D. Capaldi re Tarion. Review response and execute form. Review of insurance email.
Flett, D	14-Feb-18	0.6	Review emails from D. Capaldi re: Tarion certificates of completion and possession; email with Arnsby re: delivery of 1602 Tarion certificates of completion and possession; email with J. McClelland re: 1505.
Cherniak, S	14-Feb-18	0.3	Review of emails from D. Capaldi re Tarion and email to Arnsby re delivery.
Flett, D	15-Feb-18	1.3	Review City of Windsor email re: parking space registrations; email to Miller Thomson re: abstracts for parking 8, 22; review 2017 T5's and forward to M. Greenaway; call with J. McClelland re: 1505 interested party and showing, 1605 tenants vacate and showings; review email from Miller Thomson and vesting orders for parking 8,22 and forward to City of Windsor.
Finnegan, M	15-Feb-18	0.3	Pay bill
Cherniak, S	15-Feb-18	0.1	T5 from Sutts.
Flett, D	16-Feb-18	1.3	Review 1605 status with S. Cherniak; call with J. McClelland re: 1605 showings, 1202 HAT rebate application; email with City of Windsor; review re-sale listing, sale history; call with N. Bear re: 1604 water issue; email to N. Bear re: east roof history, Mind Quest lawsuit.
Cherniak, S	16-Feb-18	0.7	Review of emails re roof issues at Portofino. Review of email from MPAC. Review of emails re responding to D. Capaldi affidavit. Call with Miller Thomson re same. Review response to lawyer.
Flett, D	20-Feb-18	1.4	Review 1605 offer; call with J. McClelland re: 1605 offer, 1605 tenant status, 1201 showings and realtor enquiry; review 1605 offer with S. Cherniak, prepare counter offer and return to J. McClelland; review vtb, Miller Thomson opinion status with S. Cherniak.
Cherniak, S	20-Feb-18	0.3	Discuss offer on 1605. Execute counter.
Flett, D	21-Feb-18	0.9	Review 1605 accepted offer and update sales/inventory schedules; email to N. Bear re: status certificate; call with J. McClelland re: 1605 acceptance and inspection, 1201 showing, 1201 HST, 1202 HST rebate application.
Cherniak, S	21-Feb-18	0.2	Update on completed sale of 1605.

Staff	Date	Time	Narrative
Flett, D	22-Feb-18	1.8	Call with N. Bear re: 1605 tenants, 1602, building repairs, 101 water issue status, A1/A2 storage; review 1201 offer; further call with N. Bear re: 101 water issues; call with J. McClelland re: 1201 offer, 101 revised closing date, 1605 tenants; review 1201 offer with S. Cherniak, prepare counter offer and forward to J. McClelland.
Cherniak, S	22-Feb-18	0.5	Review and counter offer on 1202. Review of emails on 1605 sale. Update on water situation.
Flett, D	23-Feb-18	0.7	Confirm February parking rents with M. Finnegan and email to N. Bear; call with J. McClelland re: 1605 inspection, 1201 counter offer, weekend showings.
Finnegan, M	23-Feb-18	0.3	Deposit.
Hooper, L	23-Feb-18	0.1	Banking.
Finnegan, M	26-Feb-18	0.3	Pay bill.
Flett, D	26-Feb-18	0.8	Call with N. Bear re: 101 water issues and repairs, 106 furnace; email to N. Bear re: 106 heat exchanger replacement; call and email with J. McClelland re: 101 status and closing date extension, 1201 offer status; builder showing.
Flett, D	27-Feb-18	0.6	Review estimated realizations and 250 Ontario/BMO loan balance and email to S. Cherniak; call with J. McClelland re: 1605 blinds, unfinished unit showings to Dior; review unfinished unit AC condenser history and issues with S. Cherniak, 106 heat exchanger.
Finnegan, M	27-Feb-18	0.3	Bill payment.
Cherniak, S	27-Feb-18	0.3	Email and discussion re heat exchanger and possible issue re a/c unit new vs refurbished. Update on D' Amore schedule.
Flett, D	28-Feb-18	0.9	Call with J. McClelland re: 1605 fulfillment of conditions, pre-closing arrangements; update sale and inventory schedules including schedule for 9th court report; email to Miller Thomson with documents re: 1605; email to N. Bear re: sale of 1605, pre-closing cleaning and repairs; revisions and updates to 9th report.
Cherniak, S	28-Feb-18	0.2	Review of email to Amsby re 1605 closing. Email from Miller Thomson re call about D. Capaldi matter and security opinion.
Flett, D	1-Mar-18	0.6	Emails with Miller Thomson, N. Bear and J. McClelland re 1605 closing date change; review 101 listing extension.
Finnegan, M	1-Mar-18	0.3	Deposit.
Cherniak, S	1-Mar-18	0.1	Update on closing being changed for 1605.
Flett, D	2-Mar-18	1.4	Call with J. McClelland re: 105, 101 closing dates, 1402 showings; email to Miller Thomson with particulars of sales since August 17/17; review 9th report timing and future distributions with S. Cherniak; revisions and updates to 9th report; email with Miller Thomson and J. McClelland re: 1605 closing date.

Staff	Date	Time	Narrative
Cherniak, S	2-Mar-18	0.7	Call with Miller Thomson re D. Capaldi matter and ILO for report. Review of emails from Edmonds re D. Capaldi issue. Discussion on timing of report.
Flett, D	5-Mar-18	1.1	Review 1605 closing date amendment, sign and return to J. McClelland; emails to Miller Thomson and Arnsby re: 1605 closing date; review 1402 activity, Tarion bond with S. Cherniak; call with J. McClelland re: 101 closing date amendment; email with Tarion re: status of bond, updated unfinished units.
Cherniak, S	5-Mar-18	0.5	Change closing date on 1605. Extend listing on 106. Discussion and review of Tarion status. Review response from Tarion.
Flett, D	6-Mar-18	0.9	Review, sign 101 amendment re: closing date; forward 101 amendment and listing extension to J. McClelland; email reply to Tarion with detail of unfinished units sold to date and copies of Tarion CCP forms.
Cherniak, S	6-Mar-18	0.4	Review of emails from Tarion re update on bond reduction. Discuss and review response. Review of email to Arnsby re same. Review response.
Flett, D	7-Mar-18	0.2	Call with Miller Thomson re: 9th report timing, updated legal opinion.
Hooper, L	7-Mar-18	0.1	Banking.
Cherniak, S	7-Mar-18	0.2	Email update from Tarion. Update on call with Miller Thomson.
Flett, D	8-Mar-18	0.6	Review financial statements on file and emails to M. Greenaway re: availability of pre 2010 statements; brief review of Miller Thomson letter to D. Capaldi counsel re: Lasalle property vtb.
Finnegan, M	8-Mar-18	0.3	Pay bills.
Cherniak, S	8-Mar-18	1.3	Call from Edmonds. Send v/m to Miller Thomson and call with Miller Thomson re same. Review of letter to Goldberg. Review of email and letter to Edmonds. Execute discharge on Westview and send to Miller Thomson.
Flett, D	9-Mar-18	0.2	Email with Tarion re: CCP's on unfinished units; voice mail from J. McClelland re: activity, showings.
Cherniak, S	9-Mar-18	0.4	Email from Miller Thomson re discharge. Review of correspondence to Goldberg. Review of email from Tarion.
Flett, D	12-Mar-18	0.3	Review March property tax payment; email with Arnsby re: 1605; call with J. McClelland re: showings.
Cherniak, S	12-Mar-18	0.1	Review of email to Capaldi lawyer.

Staff	Date	Time	Narrative
Flett, D	13-Mar-18	2.6	Call with Arnsby on parking spaces and deposit, terrace door handles, space 39, 1605 tenants; prepare parking plan and owner summary and email to Arnsby; call with J. McClelland re: 1201 offer; review 1201 offer; review email from Tarion re: security reduction and review issue, Northridge bond with S. Cherniak; further call with J. McClelland re: 1201 offer; prepare 1201 counter offer and forward to J. McClelland.
Finnegan, M	13-Mar-18	0.3	Pay property tax installment.
Hooper, L	13-Mar-18	0.1	Banking.
Cherniak, S	13-Mar-18	0.9	Discussion re D. Capaldi parking space. Review of email to Arnsby. Review of email from Tarion. Email to Calderwood. Review and counter offer on 1201. Review of email to Arnsby re parking space update.
Flett, D	14-Mar-18	2.2	Review 1201 buyer counter offer with S. Cherniak, prepare counter offer and forward to J. McClelland; call with J. McClelland re: 1201 counter offer, 1402 offer; review 1201, 1402 offer, comparable sales, hvac adjustment with S. Cherniak; prepare 1402 counter offer and forward to J. McClelland; call with J. McClelland re: 1201, 1402; review 1201 offer with S. Cherniak; call with J. McClelland re: 1201.
Cherniak, S	14-Mar-18	0.7	Counter on 1201. Discuss strategy on further counter. Come to an agreement on price. Discuss and counter offer on 1402.
Hooper, L	15-Mar-18	0.1	Banking.
Cherniak, S	15-Mar-18	0.3	Execute 1201 offer. Extend 1402 listing.
Cherniak, S	16-Mar-18	0.3	Email from J. McClelland re deal on 1402. Review of completed offer.
Hooper, L	19-Mar-18	0.1	Banking.
Flett, D	19-Mar-18	1.7	Review accepted offers for 1201, 1402; update sales and unsold unit inventory schedules for 1201, 1402; email to Miller Thomson with documents re: 1201 sale, 1402 conditional; email to Arnsby re: 1201 sale, parking deposit; call with J. McClelland re: 1601 enquiry, 1601 mls listing, 106 enquiry; email with Miller Thomson re 1605 closing.
Finnegan, M	19-Mar-18	0.2	Bill payment.
Cherniak, S	19-Mar-18	0.3	Review of emails to/from Miller Thomson re closings. Review of updated schedule.
Finnegan, M	20-Mar-18	0.1	Update GL with Arnsby deposit.
Flett, D	20-Mar-18	1.4	Email from Arnsby re: parking receipts; review and edit MLS listing agreement for 1601 and forward to J. McClelland; review 1601 offer; call with J. McClelland re: west roof repair, 1601 offer, 1601 HST, 1605 closing; emails with Arnsby re; 1605 cleaning, repairs, closing; email with Miller Thomson re: 1605 closing.
Cherniak, S	20-Mar-18	0.3	Update on closings. Email re Quan Shi unit.

Staff	Date	Time	Narrative
Flett, D	21-Mar-18	3.0	Memo S. Cherniak re: 1601 list price, offer received; call with J. McClelland re: 1402 financing conditions, request for price reduction; review 1402 buyer amendment document; review 1302 email with Miller Thomson, documents re: HST self-assessment; review and redact sample HST indemnity for unfinished unit purchase; emails with Miller Thomson re: unsold units and parking, amounts owed to Sutts Strosberg; call with Arnsby re: 1605 closing, building repairs, owner meeting; review revised 1402 amendment and further call with J. McClelland; email memo to S. Cherniak re: 1402 buyer proposed price amendments; prepare 1601 counter offer and forward to J. McClelland.
Flett, D	22-Mar-18	2.4	Review Miller Thomson letter to J. Goldberg and email to Miller Thomson re: request for amount owing to WFCU; voice mail from J. McClelland re: 1402 condition expiry and advise Miller Thomson; update 250 Ontario mortgage balance schedule and email to Miller Thomson re: 250 Ontario balance, Receiver funds on hand; email with Arnsby re locksmith and review bill; sign 1402 mutual release and forward to J. McClelland; review 1601 buyer counter offer and new 1402 offers; call with J. McClelland on 1402 offers, 1601 offer, 1601 HST.
Flett, D	23-Mar-18	2.2	Call with J. McClelland re: 1402 interested parties, 1601 buyer counter offer; email to S. Cherniak re: 1601 offer, receiver comparable sales; call with S. Cherniak and review 1402, 1601 status; prepare 1601 seller counter offer and forward to J. McClelland; two further calls with J. McClelland on 1601 offer; call with J. McClelland re: 1601 offer, 1402 agent enquiry; prepare further 1601 counter offer and forward to J. McClelland; review 1601 accepted offer.
Flett, D	26-Mar-18	1.7	Review 1601 accepted offer and update sale and unsold unit inventory summary schedules; review 1605 closing statements, documents and email with Miller Thomson re: closing arrangements; email to Miller Thomson with documents, particulars re: sale of 1601; email with Arnsby re: 1605 cleaning; call with J. McClelland re: 1402 enquiries, 1402 listing.
Flett, D	27-Mar-18	1.5	Attend at Portofino and inspect several units, review 1605 closing arrangements with J. McClelland; review ECC 122, Cohen Highley, Capaldi Corporation correspondence.
Flett, D	28-Mar-18	2.8	Update S. Cherniak on 1402 status, 1601 sale; emails with Arnsby on 1605 cleaning, keys/fob, 1402 clean out; emails with J. McClelland re: 1605 closing; review 1605 utilities, calls with J. McClelland re: 1605 closing arrangements, fob, utilities, 1402 offer timing and weekend irrevocable dates; call with J. McClelland on 1402 multiple offers; 1605 closing key arrangements; prepare acknowledgement for 1605 buyer agent to deliver key to lawyer; review 1402 offers with S. Cherniak; prepare counter offer and forward to J. McClelland; email to Miller Thomson re: 1605 keys.

Portofino Corporation

Staff	Date	Time	Narrative
Finnegan, M	28-Mar-18	0.6	Calls to Union Gas and Enwin re utilities at unit 1605 and disconnect notice. Pay April, 2018 condo fees.
Cherniak, S	28-Mar-18	1.7	Review of emails to/from Goldberg and Miller Thomson re questions on unit holdings etc. Review of documentation re 1605 sale. Review of emails BDO/Miller Thomson re Goldberg questions. Review of correspondence from Highley re condo corp/Capaldi Discussion re offers on 1402. Execute counter. Emails and call re offer on 1402 while on vacation. Discuss and review response. Review and discussion of 1601 deal.
Flett, D	29-Mar-18	2.5	Email with Miller Thomson re: 1605 closing; call with J. McClelland re: 1605 closing, 1402 offers; email to Arnsby re: 1605; email to J. McClelland re: 1605 tax bill; call with J. McClelland re: 1402 offers status, 1605 minor repair; review 1402 offer; update sales and unsold inventory summaries for 1605 closing; email to S Kettle of Miller Thomson re: 9th report, legal opinion update to March 29; call with J. McClelland re: 1402 offers; review 1402 accepted offer with S. Cherniak; email to Arnsby re; 1402 status certificate request; call with Arnsby to update on several items.
Cherniak, S	29-Mar-18	0.6	Update on 1402 sale. Call with MCCU re unit financing. Review of 101 pictures. Review of email to Miller Thomson re opinion for report. Review of email to Arnsby re 1605 closing. Review of email to Arnsby re 1402 status certificate.
		98.7	Total Time

Staff	Position	Office	Rate	Time
Cherniak, S	Sr. Vice President	London	\$495	22.4
Finnegan, M	Administrative	London	\$175	6.8
Flett, D	Vice President	London	\$375	68.6
Hooper, L	Estate Administrator	London	\$125	0.9
				98.7

APPENDIX“H”

Court File No. CV-13-19866

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N :

2502461 ONTARIO LTD.

Applicant

- and -

PORTOFINO CORPORATION

Respondent


APPLICATION UNDER Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c.C-43, as amended

AFFIDAVIT OF TONY VAN KLINK

I, TONY VAN KLINK, of the Municipality of Thames Centre, in the Province of Ontario, MAKE OATH AND SAY:

1. I am partner with the law firm of Miller Thomson LLP ("**MT**"), lawyers for BDO Canada Limited, in its capacity as Court-appointed Receiver (the "**Receiver**") of the property, assets and undertakings of Portofino Corporation and, as such, have knowledge of the matters to which I hereinafter depose.
2. I make this Affidavit in support of the Receiver's motion for, among other things, having the fees and disbursements of MT, as legal counsel to the Receiver, approved.
3. Attached hereto to this my Affidavit and marked as **Exhibit "A"** are copies of the invoices rendered by MT to the Receiver for fees and disbursements of MT for the period August 1, 2017 through to March 29, 2018 (the "**Period**"). I affirm that the invoices accurately reflect the services provided by MT during the Period and the fees and disbursements claimed by it. During the Period, the total fees and disbursements billed were \$18,434 and \$953.18 respectively. The HST billed was \$2,491.31. Attached hereto to this my Affidavit and marked as **Exhibit "B"** is a statement summarizing MT's fees for the Period. Lawyers and staff at MT have collectively expended a total of 61.5 billable hours in connection with this matter during the Period as outlined in the summary of fees attached as Exhibit "B".

Attached are Exhibits "A" and "B" to the
Affidavit of Tony Van Klink sworn the
23rd day of April, 2018


A Commissioner, Etc.

2502461 ONTARIO LTD.

Applicant

PORTOFINO CORPORATION

and

Respondent

Court File No. CV-13-19866

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at WINDSOR

AFFIDAVIT OF TONY VAN KLINK

MILLER THOMSON LLP

One London Place
255 Queens Avenue, Suite 2010
London, ON Canada N6A 5R8

Tony Van Klink LSUC#: 29008M

Tel: 519.931.3509

Fax: 519.858.8511

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Sherry A. Kettle, LSUC #53561B

Tel: 519.931.3534

Fax: 519.858.8511

Email: skettle@millerthomson.com

Lawyers for BDO Canada Limited,
Court-Appointed Receiver of
Portofino Corporation



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MILLERTHOMSON.COM

September 25, 2017

Invoice Number 3087924

BDO Canada Limited
633 Colborne Street
Suite 100
London, ON N6B 2V3
Canada

Attention: Stephen N. Cherniak

To Professional Services Rendered in connection with the following matter(s) including:

Re: Portofino Corporation
Our File No. 0082873.0012

Date	Initials	Description	Hours
08/01/2017	AVK	Review Westview Park VTB and related documents; e-mails to Mr. Trottier, Mr. Cherniak and Mr. Roth	0.60
08/02/2017	ASR	Review matters relating to transfer of charge and instructions to clerk regarding drafting of s.71 notice;	0.30
08/02/2017	JC	Discussions with A. Roth regarding Transfer of Charge vs. Notice; review of e-mail correspondence; draft Notice and schedule for registration;	0.70
08/03/2017	JC	Draft Acknowledgment and Direction; Revise Schedule to notice; compose e-mail to T. Van Klink enclosing same; compose email to client enclosing document for signature;	0.30
08/03/2017	ASR	E-mail correspondence;	0.20
08/03/2017	SK	Voice message from Mr. Flett;	0.10
08/08/2017	JC	Review of executed documents; finalize schedule and upload into Notice for registration; attend to registration of Notice;	0.30
08/08/2017	ASR	Register notice on title;	0.30



Date	Initials	Description	Hours
08/10/2017	SK	Draft notice of motion; Review and revise draft Receiver's Report (8th);	1.50
08/11/2017	SK	Draft materials for Receiver's Eighth Report; E-mail correspondence to Mr. Van Klink re same; E-mail correspondence to Ms. Cook;	0.50
08/14/2017	JC	Obtain updated parcel registers;	0.30
08/14/2017	SK	Draft opinion;	0.30
08/15/2017	SK	E-mail correspondence from Mr. Cherniak;	0.10
08/16/2017	SK	Work on motion materials re Eighth Report;	1.60
08/16/2017	AVK	Prepare update on status of Valente litigation for eighth report	0.20
08/17/2017	SK	Work on 8th Report;	0.80
08/18/2017	AVK	Review and revise affidavit	0.10
08/21/2017	SK	Work on materials for motion re Eighth Report;	2.50
08/22/2017	SK	E-mail correspondence from and to Mr. Cherniak re Eighth Report; Revise Eighth Report; Finalize motion materials re Eighth Report;	1.10
08/24/2017	SK	E-mail correspondence from and to Mr. Calderwood; E-mail correspondence to and from Ms. Cherniak;	0.20
08/25/2017	SK	E-mail correspondence from Mr. Calderwood; E-mail correspondence to Mr. Cherniak;	0.10
08/28/2017	SK	Voice message from Mr. Dalfidan; Provide instructions re same;	0.10
08/29/2017	AVK	Consider e-mail from Mr. Fernandes and respond to same	0.20
08/29/2017	AVK	Telephone call with Portofino	0.10
	Total Hours		12.50

Our Fee: 4,082.00



TK ID	Initials	Name	Title	Rate	Hours	Amount
05212	ASR	A. Roth	Partner	\$395.00	0.80	\$316.00
05403	AVK	A. Van Klink	Partner	\$565.00	1.20	\$678.00
05767	JC	J. Cook	Paraprofession al	\$150.00	1.60	\$240.00
05715	SK	S. Kettle	Partner	\$320.00	8.90	\$2,848.00

Taxable Disbursements

Delivery	34.74	
Agent's Fees	25.00	
Teraview Service Fee	10.55	
Online Searches - Teranet	181.35	
Total Taxable Disbursements	251.64	\$251.64

Non-Taxable Disbursements

Registration Fee	63.35	
Issue Notice of Motion	160.00	
Total Non-Taxable Disbursements	223.35	\$223.35

Total Fees and Disbursements **\$4,556.99**

Ontario HST 13% (R119440766)

On Fees	\$530.66
On Disbursements	\$32.72

Total Amount Due **\$5,120.37**

E.&O.E.



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MILLERTHOMSON.COM

October 23, 2017

Invoice Number 3099501

BDO Canada Limited
633 Colborne Street
Suite 100
London, ON N6B 2V3
Canada

Attention: Stephen N. Cherniak

To Professional Services Rendered in connection with the following matter(s) including:

Re: Portofino Corporation
Our File No. 0082873.0012

Date	Initials	Description	Hours
09/12/2017	JC	Telephone conference with purchaser's solicitor regarding status of closing and confirm closing date of September 18;	0.20
09/13/2017	JC	Review of requisition letter; draft and revise response to requisitions and ancillary documents; draft Teraview documents and message to other solicitor; various e-mail correspondence;	2.00
09/13/2017	ASR	Attend to input tax credit issue;	0.20
09/15/2017	JC	E-mail correspondence with client and purchaser's solicitor regarding hydro inspections;	0.20
09/15/2017	AVK	Telephone call with Rod Godard	0.20
09/18/2017	JC	E-mail correspondence with client and purchaser's solicitor regarding extension of closing date;	0.40
09/18/2017	SK	Telephone conference with Mr. Cherniak; Discussion with Mr. Van Klink; Telephone call to Mr. Godard (left message); E-mail correspondence to and from Mr. Godard;	0.70

Please return the Account Summary and Remittance Form with your payment.

Terms: Accounts due when rendered. Interest at the rate of 12.0% per annum will be charged on accounts overdue 30 days or more. Any disbursements not posted to your account on the date of this account will be billed later.



Date	Initials	Description	Hours
09/19/2017	JC	E-mail correspondence with client and purchaser's solicitor regarding change in closing date;	0.10
09/19/2017	SK	Prepare for motion re Eighth Report; Travel to and from Windsor; Attend motions court; Attend court office to obtain issued and entered order; Telephone call to Mr. Alexiou (left voice message);	9.30
09/20/2017	SK	E-mail correspondence to and from Mr. Alexiou;	0.10
09/22/2017	SK	E-mail correspondence from Mr. Alexiou; Telephone call to Mr. Alexiou (left voice message); Telephone conference with Mr. Alexiou;	0.30
09/22/2017	JC	Revise Statement of Adjustments and Statement of Trust; email correspondence with client and purchaser's solicitor regarding status of closing;	0.30
09/25/2017	JC	Prepare closing package to purchaser's solicitor; update Closing Agenda; various e-mail correspondence; attend to various matters to facilitate closing; finalize report to client; prepare payout letters; attend to HST registry search;	1.00
09/25/2017	AVK	Telephone call with and e-mail to Mr. Fernandes	0.20
09/26/2017	SK	Prepare letter re filing receiver's certificate for Unit 1302;	0.10
09/27/2017	JC	Review of requisition letter; draft response to requisitions and ancillary documents; prepare and send request for discharge statement; draft Teraview documents and message to other solicitor; various e-mail correspondence; review of executed documents;	1.70
09/27/2017	AVK	Receive correspondence from Mr. Fernandes; e-mail to Receiver	0.10
09/27/2017	SK	Review and revise reporting letter re Unit 1302;	0.20
09/29/2017	JC	Review of faxed correspondence; telephone conference with purchaser's solicitor; compose email to purchaser's solicitor with closing documents;	0.30
Total Hours			17.60



Our Fee: 4,715.50

TK ID	Initials	Name	Title	Rate	Hours	Amount
05212	ASR	A. Roth	Partner	\$395.00	0.20	\$79.00
05403	AVK	A. Van Klink	Partner	\$565.00	0.50	\$282.50
05767	JC	J. Cook	Paraprofession al	\$150.00	6.20	\$930.00
05715	SK	S. Kettle	Partner	\$320.00	10.70	\$3,424.00

Taxable Disbursements

Delivery	50.79	
Agent's Fees	25.00	
Mileage/Parking Expenses	173.67	
Total Taxable Disbursements	249.46	\$249.46

Total Fees and Disbursements \$4,964.96

Ontario HST 13% (R119440766)

On Fees	\$613.02
On Disbursements	\$32.43

Total Amount Due \$5,610.41

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November 22, 2017

Invoice Number 3112021

BDO Canada Limited
633 Colborne Street
Suite 100
London, ON N6B 2V3
Canada

Attention: Stephen N. Cherniak

To Professional Services Rendered in connection with the following matter(s) including:

Re: Portofino Corporation
Our File No. 0082873.0012

Date	Initials	Description	Hours
10/02/2017	JC	Email correspondence with client regarding vacant possession issue and property tax payment amount; discussions with A. Roth; revise documents;	0.80
10/02/2017	ASR	E-mail correspondence regarding tenancy matter;	0.20
10/03/2017	JC	Prepare closing package to purchaser's solicitor; update Closing Agenda; various e-mail correspondence; attend to various matters to facilitate closing; finalize report to client; prepare payout letters;	0.80
10/03/2017	ASR	Attend to transfer of unit;	0.20
10/03/2017	SK	E-mail correspondence from Mr. Alexioiu;	0.10
10/05/2017	SK	Finalize letter re filing receiver's certificate for unit 1502; Review and revise reporting letter for unit 1502; E-mail correspondence from Ms. Figliomeni re Unit 1302; Telephone conference with Ms. Cook re same;	0.50
10/05/2017	JC	Review of parcel register; e-mail correspondence with solicitor for purchaser of Unit 1302 regarding LRO corrections; telephone conference with Land Registry	0.60



Date	Initials	Description	Hours
		Office and S. Kettle;	
10/05/2017	ASR	E-mail correspondence;	0.20
10/06/2017	SK	E-mail correspondence to and from Mr. Alexiou;	0.30
10/16/2017	SK	Review draft order re Dalfidan;	0.10
10/17/2017	SK	E-mail correspondence from and to Mr. Alexiou; Telephone conference with Mr. Calderwood; Telephone call to Sutts Strosberg (left voice message); E-mail correspondence from and to Ms. Peterson; E-mail correspondence to and from Mr. Cherniak; Telephone call to Mr. Alexiou (left voice message);	1.50
10/18/2017	SK	Telephone conference with Mr. Alexiou; Prepare letter to Mr. Alexiou enclosing settlement funds and executed release in escrow;	1.00
10/19/2017	RA	Discussion with S. Kettle concerning Court Order to Discharge Construction Lien registered as Instrument CE246699; investigating title and obtaining a copy of Court Order registered as Instrument CE252504 which Discharged said Construction Lien;	0.20
10/19/2017	SK	E-mail correspondence re draft Dalfidan order; Review same; E-mail correspondence from and to Mr. Cherniak re same;	0.50
10/24/2017	ASR	E-mail correspondence regarding possible sale of unit;	0.20
10/27/2017	SK	E-mail correspondence from Mr. Godard; E-mail correspondence to Mr. Cherniak;	0.10
10/30/2017	SK	Telephone conference with Mr. Cherniak re remaining units and mortgage balance;	0.10
		Total Hours	7.40

Our Fee: 2,015.00



TK ID	Initials	Name	Title	Rate	Hours	Amount
05212	ASR	A. Roth	Partner	\$395.00	0.80	\$316.00
05767	JC	J. Cook	Paraprofession al	\$150.00	2.20	\$330.00
05721	RA	R. Armstrong	Paraprofession al	\$125.00	0.20	\$25.00
05715	SK	S. Kettle	Partner	\$320.00	4.20	\$1,344.00

Taxable Disbursements

Delivery	36.48
Agent's Fees	25.00
Online Searches - Teranet	9.00

Total Taxable Disbursements	70.48	\$70.48
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Total Fees and Disbursements	\$2,085.48
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Ontario HST 13% (R119440766)

On Fees	\$261.95
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On Disbursements	\$9.16
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Total Amount Due	\$2,356.59
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E.&O.E.



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December 13, 2017

Invoice Number 3121806

BDO Canada Limited
633 Colborne Street
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London, ON N6B 2V3
Canada

Attention: Stephen N. Cherniak

To Professional Services Rendered in connection with the following matter(s) including:

Re: Portofino Corporation
Our File No. 0082873.0012

Date	Initials	Description	Hours
11/01/2017	SK	E-mail correspondence to Mr. Godard;	0.10
11/02/2017	SK	Voice message from Mr. Alexiou; E-mail correspondence to and from Mr. Alexiou; E-mail correspondence to and from Ms. Pei re delivery up of Dalfidan lien bond; Telephone conference with Mr. Alexiou;	0.80
11/02/2017	JP	Correspond with Ms. Kettle regarding lien bond matter; review correspondence and attachments regarding the same; coordinate with students for assistance in the matter;	0.50
11/03/2017	JP	Correspond with regard to organizing and getting the required documents scanned into the DMS; arrange for student to attend at the Accountant's Office to retrieve the lien bond; update Ms. Kettle re the same;	0.50
11/03/2017	AA	Delivering lien bond documents;	0.90
11/03/2017	SK	E-mail correspondence from and to Ms. Pei re Dalfidan; E-mail correspondence to Mr. Alexiou;	0.10



Date	Initials	Description	Hours
11/07/2017	JP	Coordinate with regard to picking-up the lien bond and delivering the bond to Ms. Kettle;	0.50
11/07/2017	AA	Picking up lien bond;	0.80
11/08/2017	JC	Email correspondence with client regarding sale of parking spaces to condominium corporation;	0.20
11/08/2017	JP	Correspond with Mr. Alexiou's office regarding the lien bond;	0.10
11/08/2017	SK	E-mail correspondence from and to Mr. Alexioiu re Dalfidan settlement;	0.30
11/13/2017	JC	Discussions with A. Roth; e-mail correspondence with client;	0.10
11/13/2017	ASR	Instructions regarding sale of parking units;	0.30
11/22/2017	SK	E-mail correspondence to and from Ms. Trombley;	0.10
11/28/2017	SK	E-mail correspondence to Mr. Cherniak re Dalfidan; E-mail correspondence to Mr. Calderwood re original lien bond; Prepare letter to and from Mr. Calderwood re same;	0.50
Total Hours			5.80

Our Fee: 1,559.00

TK ID	Initials	Name	Title	Rate	Hours	Amount
02602	AA	A. Ahmed	Articling Student	\$195.00	1.70	\$331.50
05212	ASR	A. Roth	Partner	\$395.00	0.30	\$118.50
05767	JC	J. Cook	Paraprofessional	\$150.00	0.30	\$45.00
02540	JP	J. Pei	Associate	\$285.00	1.60	\$456.00
05715	SK	S. Kettle	Partner	\$320.00	1.90	\$608.00

Taxable Disbursements

Delivery 10.25



Total Taxable Disbursements	<u>10.25</u>	\$10.25
Total Fees and Disbursements		\$1,569.25
Ontario HST 13% (R119440766)		
On Fees		\$202.67
On Disbursements		\$1.33
Total Amount Due		<u><u>\$1,773.25</u></u>

E.&O.E.



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March 19, 2018

Invoice Number 3160969

BDO Canada Limited
633 Colborne Street
Suite 100
London, ON N6B 2V3
Canada

Attention: Stephen N. Cherniak

To Professional Services Rendered in connection with the following matter(s) including:

Re: Portofino Corporation
Our File No. 0082873.0012

Date	Initials	Description	Hours
12/08/2017	SK	Provide instructions re request from Mr. Godard's office re order to continue;	0.10
12/14/2017	JC	Obtain parcel register; various email correspondence with client;	0.30
12/15/2017	JC	E-mail correspondence with client regarding upcoming closing;	0.10
12/19/2017	JC	Review of Amendment to Agreement of Purchase and Sale; e-mail correspondence with client;	0.10
01/02/2018	JC	Review of requisition letter; draft response to requisitions and ancillary documents; prepare and send request for discharge statement; draft Teraview documents and message to other solicitor; various e-mail correspondence;	1.20
01/02/2018	ASR	Attend to response to requisitions;	0.20
01/03/2018	JC	Telephone conference with purchaser's solicitor regarding legal description of property; draft and revise documents; e-mail correspondence;	0.30

Please return the Account Summary and Remittance Form with your payment.

Terms: Accounts due when rendered. Interest at the rate of 12.0% per annum will be charged on accounts overdue 30 days or more. Any disbursements not posted to your account on the date of this account will be billed later.



Date	Initials	Description	Hours
01/08/2018	JC	Prepare closing package to purchaser's solicitor; various e-mail correspondence; attend to various matters to facilitate closing; finalize report to client; prepare payout letters;	0.80
01/08/2018	ASR	Attend to transfer of unit;	0.20
01/10/2018	SK	Finalize letter to file receiver's certificate with the Court re Unit 102; Review and revise reporting letter re Unit 102;	0.20
01/16/2018	JC	Telephone conference with purchaser's lawyer regarding status of closing; compose email to other lawyer enclosing copy of Approval and Vesting Order;	0.30
01/22/2018	JC	Review of requisition letter; draft response to requisitions and ancillary documents; draft Teraview documents and message to other solicitor; various e-mail correspondence;	1.40
01/22/2018	ASR	Attend to response to requisitions;	0.20
01/29/2018	JC	Telephone conference with purchaser's solicitors office; e-mail correspondence regarding closing documents;	0.20
01/30/2018	JC	E-mail correspondence with client and purchaser's solicitor; review of documents;	0.30
01/31/2018	JC	Prepare closing package to purchaser's solicitor; various e-mail correspondence; attend to various matters to facilitate closing; finalize report to client;	0.80
02/06/2018	SK	Finalize letter to process server re filing receiver's certificate for unit 1602;	0.10
02/06/2018	SK	Review, revise and finalize reporting letter for sale of unit 1602;	0.20
02/07/2018	AVK	Reviewing materials with respect to LaSalle VTB; telephone call with Mr. Cherniak; e-mails to Ms. Edmonds	1.30
02/15/2018	SK	Review e-mail from Ms. Edmonds; E-mail correspondence to Ms. Edmonds;	0.30
02/16/2018	SK	Various e-mail correspondence to and from Ms. Edmonds and Ms. McCool re Capaldi Affidavit; E-mail correspondence to Mr. Cherniak; Telephone	1.10



Date	Initials	Description	Hours
		discussion with Mr. Cherniak;	
		Total Hours	9.70

Our Fee: **2,533.00**

TK ID	Initials	Name	Title	Rate	Hours	Amount
05212	ASR	A. Roth	Partner	\$395.00	0.60	\$237.00
05403	AVK	A. Van Klink	Partner	\$585.00	1.30	\$760.50
05767	JC	J. Cook	Paraprofession al	\$150.00	5.80	\$870.00
05715	SK	S. Kettle	Partner	\$332.75	2.00	\$665.50

Taxable Disbursements

Delivery	56.09	
Agent's Fees	25.00	
Process Server Fees	25.00	
Online Searches - Teranet	30.75	
Total Taxable Disbursements	136.84	\$136.84

Total Fees and Disbursements **\$2,669.84**

Ontario HST 13% (R119440766)

On Fees	\$329.29
On Disbursements	\$17.79

Total Amount Due **\$3,016.92**

E.&O.E.



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F 519.858.8511

MILLERTHOMSON.COM

April 19, 2018

Invoice Number 3172802

BDO Canada Limited
633 Colborne Street
Suite 100
London, ON N6B 2V3
Canada

Attention: Stephen N. Cherniak

To Professional Services Rendered in connection with the following matter(s) including:

Re: Portofino Corporation
Our File No. 0082873.0012

Date	Initials	Description	Hours
03/02/2018	AVK	Telephone call with Mr. Cherniak	0.10
03/02/2018	AVK	E-mails with counsel for Mr. Capaldi	0.10
03/02/2018	AVK	Reviewing Capaldi affidavit and further consideration of issues raised therein	0.50
03/07/2018	SK	Telephone conference with Mr. Flett;	0.10
03/07/2018	AVK	Telephone call with Mr. Trottier re BMO loan balance	0.10
03/08/2018	AVK	Telephone calls with Mr. Goldberg's office and Mr. Cherniak regarding LaSalle lands mortgage; correspondence to Mr. Goldberg; correspondence to Mr. Capaldi	2.20
03/08/2018	AVK	Revising correspondence to Ms. Edmonds	0.10
03/08/2018	AVK	Telephone call with lawyer for Capaldi	0.10
03/08/2018	AVK	E-mail to Mr. Cherniak	0.10
03/08/2018	AVK	Letter to Mr. Goldberg	0.10
03/09/2018	AVK	Finalize correspondence to Mr. Goldberg	0.10



Date	Initials	Description	Hours
03/19/2018	SK	Review letter from Mr. Quigley re Unit 1108 condo arrears; Telephone discussion with Ms. Cook re same; E-mail correspondence from and to Ms. Cook re same;	0.30
03/20/2018	JC	Compose email to Peter Quigley's office regarding letter received in error for Unit 1108; follow up with purchaser's lawyer regarding Unit 1605;	0.20
03/20/2018	SK	E-mail correspondence from Ms. Cook re unit 1108; E-mail correspondence to client re same;	0.10
03/21/2018	AVK	Correspondence from Mr. Goldberg, e-mails with Mr. Cherniak and Mr. Flett; letter to Mr. Goldberg	0.30
03/22/2018	JC	Telephone conference with purchaser's lawyer regarding Land Registry questions prior to certification of application; email correspondence with client;	0.20
03/22/2018	AVK	E-mail from Mr. Goldbeg; e-mails with Mr. Flett; letter to Mr. Goldberg	0.30
03/26/2018	JC	Review of requisition letter; draft response to requisitions and ancillary documents; draft Teraview documents and message to other solicitor; various e-mail correspondence;	1.40
03/26/2018	ASR	Attend to response to requisitions;	0.20
03/26/2018	AVK	Telephone call with and letter to Mr. Highley	0.20
03/27/2018	AVK	Receive correspondence from lawyers for ESCC 122; e-mail to Mr. Cherniak	0.20
03/28/2018	JC	Telephone conference with Purchaser's lawyer regarding revisions to Application for Vesting Order; revise Application; various email correspondence;	0.30
03/29/2018	JC	Prepare closing package to purchaser's solicitor; update Closing Agenda; various e-mail correspondence; attend to various matters to facilitate closing; finalize report to client; prepare payout letters;	0.80
03/29/2018	ASR	Attend to closing;	0.30
03/29/2018	SK	E-mail correspondence from Mr. Flett;	0.10
Total Hours			8.50

Please return the Account Summary and Remittance Form with your payment.

Terms: Accounts due when rendered. Interest at the rate of 12.0% per annum will be charged on accounts overdue 30 days or more. Any disbursements not posted to your account on the date of this account will be billed later.



Our Fee: **3,529.50**

TK ID	Initials	Name	Title	Rate	Hours	Amount
05212	ASR	A. Roth	Partner	\$435.00	0.50	\$217.50
05403	AVK	A. Van Klink	Partner	\$585.00	4.50	\$2,632.50
05767	JC	J. Cook	Paraprofession al	\$165.00	2.90	\$478.50
05715	SK	S. Kettle	Partner	\$335.00	0.60	\$201.00

Taxable Disbursements

Delivery	11.16	
Total Taxable Disbursements	11.16	\$11.16

Total Fees and Disbursements **\$3,540.66**

Ontario HST 13% (R119440766)

On Fees	\$458.84
On Disbursements	\$1.45

Total Amount Due **\$4,000.95**

E.&O.E.

EXHIBIT "B"
Miller Thomson's Fees

Hours	Year of Call	Rate 2017	Rate 2018	Inv #3087924 September 25, 2017	Inv #3099501 October 23, 2017	Inv #3112021 November 22, 2017	Inv #3121806 December 13, 2017	Invoice #3160969 March 19, 2018	Invoice #3172802 April 19, 2018	Total Invoices
S. Keittie (2017/2018)	2007	\$320.00	\$332.75	8.90	10.70	4.20	1.90	2.00		27.70
S. Keittie (2018)			\$335.00						0.60	0.60
T. Van Klink	1988	\$565.00	\$585.00	1.20	0.50	0.00	0.00	1.30	4.50	7.50
A. Roth	2004	\$395.00	\$395.00	0.80	0.20	0.80	0.30	0.60	0.50	3.20
J. Cook - clerk	N/A	\$150.00	\$150.00	1.60	6.20	2.20	0.30	5.80	2.90	19.00
R. Armstrong - clerk	N/A	\$125.00	N/A	0.00	0.00	0.20	0.00	0.00	0.00	0.20
A. Ahmed - student	N/A	\$195.00	N/A	0.00	0.00	0.00	1.70	0.00	0.00	1.70
J. Pei - Associate	2017	\$285.00	N/A	0.00	0.00	0.00	1.60	0.00	0.00	1.60
				12.50	17.60	7.40	5.80	9.70	8.50	61.50
Total \$				\$2,848.00	\$3,424.00	\$1,344.00	\$608.00	\$665.50		\$8,889.50
S. Keittie (2017/2018)	2007	\$320.00	\$332.75						\$201.00	\$201.00
S. Keittie (2018)			\$335.00						\$2,632.50	\$4,353.50
T. Van Klink	1988	\$565.00	\$585.00	\$678.00	\$282.50	\$0.00	\$0.00	\$760.50	\$217.50	\$1,284.00
A. Roth	2004	\$395.00	\$395.00	\$316.00	\$79.00	\$316.00	\$118.50	\$237.00	\$478.50	\$2,893.50
J. Cook - clerk	N/A	\$150.00	\$150.00	\$240.00	\$930.00	\$330.00	\$45.00	\$870.00	\$0.00	\$25.00
R. Armstrong - clerk	N/A	\$125.00	N/A	\$0.00	\$0.00	\$25.00	\$0.00	\$0.00	\$0.00	\$31.50
A. Ahmed - student	N/A	\$195.00	N/A	\$0.00	\$0.00	\$0.00	\$331.50	\$0.00	\$0.00	\$456.00
J. Pei - Associate	2017	\$285.00	N/A	\$0.00	\$0.00	\$0.00	\$456.00	\$0.00	\$0.00	\$18,434.00
				\$4,082.00	\$4,715.50	\$2,015.00	\$1,559.00	\$2,533.00	\$3,529.50	\$18,434.00

Summary	Fees	Disbursements	HST	Total
	\$4,082.00	\$4,715.50	\$2,015.00	\$11,559.00
	\$474.99	\$249.46	\$70.48	\$1,116.00
	\$563.38	\$645.45	\$204.00	\$1,412.83
	\$5,120.37	\$5,610.41	\$2,356.59	\$13,087.37
				\$3,529.50
				\$11.16
				\$460.29
				\$4,000.95
				\$21,878.49

*Rate blend 2017 and 2018

APPENDIX "I"



MILLER THOMSON LLP
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LONDON, ON + N6A 5R8 + CANADA

T 519.931.3500
F 519.858.8511

July 11, 2016

Tony Van Klink
Direct Line: 519.931.3509
tvanklink@millerthomson.com

Delivered Via E-mail (Original by Mail)

File: 082873.0012

BDO Canada Limited
252 Pall Mall Street, Suite 103
London, ON N6A 5P6

Attention: Stephen N. Cherniak, CPA, CA,
CIRP

Dear Sir:

Re: Portofino Corporation (the "Debtor")

By Order of Mr. Justice Thomas dated October 29, 2013, BDO Canada Limited (the "Receiver") was appointed as receiver of the assets, undertakings and properties of the Debtor.

Prior to the receivership the Debtor constructed a 123 unit high-rise condominium building at 1225 Riverside Drive West, Windsor (the "Project"). At the date of the Receiver's appointment, the Debtor owned 52 apartment units, 38 parking units and 2 storage units (collectively, the "Units") in the Project. Since its appointment the Receiver has undertaken efforts to sell the Units and has been collecting the rents (the "Rents") for those Units which have been rented to tenants.

The following is our report to you and our opinion on the validity and enforceability of the security granted by the Debtor to Bank of Montreal ("BMO") against the Project, including the net receipts realized by the Receiver from the sale of the Units and the collection of Rents (collectively, the "Net Receipts").

ASSUMPTIONS AND QUALIFICATIONS

The opinions expressed in this letter are subject to the qualifications and assumptions set forth on Schedule "A" to this letter.

SEARCHES

We have conducted the following searches:

1. Corporation Profile Report – we obtained a corporation profile report from the Ministry of Government Services for the Province of Ontario with respect to the Debtor dated

July 5, 2016 which confirms that the Debtor was incorporated under the name "Westview Park Gardens (2004) Inc." on May 27, 2004. The Debtor changed its name to its present name "Portofino Corporation" on July 20, 2005;

2. Certificate of Status – we obtained a certificate of status from the Ministry of Government Services for the Province of Ontario with respect to the Debtor which confirms that the Debtor had not been dissolved as of July 6, 2016;
3. Land Titles – we performed subsearches of the Units sold by the Receiver to date. Those subsearches disclosed the following registrations against some or all of the Units immediately prior to the sale thereof:
 - (a) six registered charges, the particulars of which are as follows:
 - (i) charge in the principal amount of \$30,000,000 in favour of BMO registered on November 28, 2005 as instrument number CE185236 (the "BMO Charge");
 - (ii) charge in the principal amount of \$4,200,000 in favour of Lombard General Insurance Company of Canada ("Lombard") registered on November 29, 2005 as instrument number CE185421 ("Lombard Charge");
 - (iii) charge in the principal amount of \$1,000,000 in favour of Remo Valente Real Estate (1990) Limited registered on October 12, 2007 as instrument number CE297353 (the "Valente Charge");
 - (iv) charge in the principal amount of \$400,000 in favour of Sutts Strosberg LLP registered on August 9, 2011 as instrument number CE482047 ("Sutts Strosberg Charge No. 1");
 - (v) charge in the principal amount of \$1,540,000 in favour of Royal Bank of Canada registered on December 20, 2011 as instrument number CE500568 ("Royal Bank Charge"); and
 - (vi) charge in the principal amount of \$524,312 in favour of Sutts Strosberg LLP registered on January 10, 2013 as instrument number CE551002 (Sutts Strosberg Charge No. 2").

The BMO Charge, Lombard Charge and Royal Bank Charge were registered against all Units. The Valente Charge, Sutts Strosberg Charge No. 1 and Sutts Strosberg Charge No. 2 were not registered against the four parking units included among the Units sold by the Receiver.

- (b) Four construction liens and two certificates of action (together, the "Construction Liens and Certificates of Action"), the particulars of which are as follows:



- (i) construction lien in the amount of \$875,000 in favour of Dante J. Capaldi and 1287678 Ontario Inc. registered on September 30, 2013 as instrument number CE584310;
 - (ii) construction lien in the amount of \$3,000,000 in favour of Andreolli Investments Inc. registered on September 30, 2013 as instrument number CE584311;
 - (iii) construction lien in the amount of \$3,000,000 in favour of Dante J. Capaldi and 1287678 Ontario Inc. registered on October 25, 2013 as instrument number CE587801;
 - (iv) construction lien in the amount of \$875,000 in favour of Andreolli Investments Inc. and Wilma Capaldi registered on October 25, 2013 as instrument number CE587802;
 - (v) certificate of action registered on November 1, 2013 as instrument number CE588864 with respect to the construction lien registered as instrument number CE587801; and
 - (vi) certificate of action registered on November 1, 2013 as instrument number CE588865 with respect to the construction lien registered as instrument number CE587802.
- (c) a lien by Essex Standard Condominium Corporation No. 122 ("ESCC 122") on October 29, 2013 as instrument number CE588099 (the "Condo Lien"); and
 - (d) a Notice of Assignment of Rents in favour of Royal Bank of Canada registered on December 20, 2011 as instrument number CE500569.
4. *Personal Property Security Act (Ontario)* (the "PPSA") – we obtained a search of registrations against the Debtor under the PPSA which search was current as of July 4, 2016. The registrations disclosed by that search are summarized on Schedule "B" to this letter.

The BMO Charge

The BMO Charge is the first registered charge against each of the Units. The BMO Charge was registered electronically. The registered BMO Charge indicates that it was signed by Dante J. Capaldi, as president of the Debtor. We have been provided with a copy of an acknowledgment and direction dated October 27, 2005 signed by Mr. Capaldi on behalf of the Debtor authorizing the electronic registration of the BMO Charge.

The BMO Charge is a collateral charge securing all present and future indebtedness and liability of the Debtor to BMO. Standard charge terms 200821 which form part of the BMO Charge includes an assignment of leases and rents by which the Debtor has assigned, transferred and set over to BMO all of its rights and interest in all existing and future leases and tenancy agreements as security for the payment of all present and future indebtedness and liability of the Debtor to BMO.



PPSA registrations

The *PPSA* registrations outstanding against the Debtor as of July 4, 2016 are summarized on Schedule "B".

By virtue of section 4(1)(e) of the *PPSA*, the *PPSA* applies to the assignment of rents contained in the BMO Charge. BMO registered a financing statement under the *PPSA* on December 9, 2005. That registration is in proper form and perfects the security interest created by the assignment of rents contained in the BMO Charge.

As set forth on Schedule "B", Lombard's registration under the *PPSA* is prior in time to the BMO registration. The general collateral description portion of the Lombard registration has been completed to include the words "deposit trust agreement for purchasers' deposits". As such, by virtue of section 46(2.1) of the *PPSA*, the scope of the collateral in which Lombard may claim a perfected security interest is restricted to the collateral described in the general collateral classification and does not include the rents for the Units.

Assignments of the BMO Charge

By a General Assignment dated May 5, 2015, BMO assigned to RREF II BHB IV Portofino, LLC ("RREF") its loans with the Debtor and the security held for those loans (together, the "BMO Loans and Security"), including the BMO Charge. A Transfer of Charge from BMO to RREF for the BMO Charge was registered on June 29, 2015 as instrument no. CE664524.

By a General Assignment dated May 27, 2016, RREF further assigned the BMO Loans and Security, including the BMO Charge, to 2502461 Ontario Ltd. ("250 Ontario"). A Transfer of Charge from RREF to 250 Ontario for the BMO Charge was registered on May 30, 2016 as instrument no. CE715152.

As security for amounts owing by it to Windsor Family Credit Union ("WFCU"), 250 Ontario has granted security to WFCU in the BMO Loans and Security. As part of that security, 250 Ontario has executed a Direction dated May 27, 2016 directing the Receiver to make payment to WFCU of all amounts payable to 250 Ontario under the BMO Charge. A Transfer of Charge from 250 Ontario to WFCU for the BMO Charge was registered on May 30, 2016 as instrument no. CE715282.

Approval and Vesting Orders

By an Approval and Vesting Order dated May 2, 2014 and an Omnibus Approval and Vesting Order dated May 2, 2014, (together, the "Approval and Vesting Orders"), the Court approved the sale of the Units by the Receiver and vested title to the Units in the purchasers. The Approval and Vesting Orders provide that the proceeds from the sale of the Units are to stand in the place of the Units and that all encumbrances shall attach to the net proceeds from the sale of the Units with the same priority as they had with respect to the Units immediately prior to the sale thereof.

Construction Liens and Certificates of Action

In the actions commenced with respect to the construction liens which have been registered on title to the Units, a claim for priority is made over the BMO Charge. Pursuant to an



Agreement made between the construction lien claimants and the estate trustee of the estate of Patrick D'Amore and postponements registered as instrument numbers CE715154, CE715155, CE715156, CE715158, CE715159 and CE715562 on May 30, 2016, the Construction Liens and Certificates of Action were postponed to the BMO Charge.

The Condo Lien

You have advised that the Receiver has completed a settlement with ESCC 122 for the Condo Lien and that the Condo Lien has been satisfied. A discharge of the Condo Lien was registered on May 26, 2016 as instrument number CE714479. The discharge states that ESCC122 received payment of the Condo Lien.

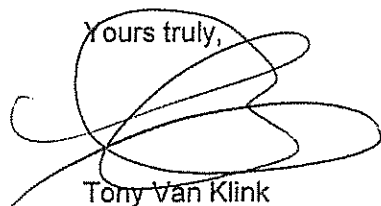
OPINIONS

Subject to the qualifications and assumptions set forth on Schedule "A" to this letter, we are of the opinion that:

1. The BMO Charge is valid and enforceable security against the Units;
2. The assignment of rents contained within the BMO Charge is valid and perfected security in the Rents;
3. The BMO Charge has priority over all other registered charges and encumbrances against the Units;
4. The assignment of rents contained within the BMO Charge has priority over all other security interests which are perfected by registration under the *PPSA* as summarized on Schedule "B"; and
5. The BMO Charge has priority over all other registered charges, encumbrances and security interests in the Net Receipts.

Although we express no opinion on the validity or effectiveness of the various assignments of the BMO Loans and Security, there is no obvious defect in those assignments. Notice of any intended distribution of the Net Receipts should be given to BMO, RREF, 250 Ontario and WFCU so that if there is any issue relating to the assignments of the BMO Charge, the affected parties may appear on the motion.

Yours truly,



Tony Van Klink
TVK/jl

Enclosure
19059868.1



SCHEDULE "A"

Genuineness and Authenticity

We assume the genuineness of all signatures and the authenticity of all documents or copies thereof.

Equity and other Statutory Limitations

The opinions herein expressed are subject to any equities between the parties of which we have no notice or knowledge.

Proper Corporate Authorization

We assume that the security documents described in the attached letter have been executed by proper signing officers of the Debtor duly authorized.

Accuracy of PPSA Register and Public Records

We have assumed the accuracy of all public records, indexes and filing systems which we have searched or have caused inquiries to be made. We also assume that the registrations disclosed by the PPSA search which we have conducted accurately reflects the contents of and all registrations affecting the Debtor made by all secured parties.

Laws of Ontario

The opinions expressed herein, insofar as same relate to personal property, are limited to personal property located in the Province of Ontario. The opinions expressed herein are, as well, limited to the laws of the Province of Ontario and all federal laws applicable therein.

Consideration and Outstanding Indebtedness

We assume that consideration was given by the secured parties to whom the security documents described in the attached letter were granted to support the granting of those security documents.



SCHEDULE "B"

ONTARIO PERSONAL PROPERTY SECURITY ACT SEARCH
IN THE NAME OF PORTOFINO CORPORATION

FILE CURRENCY: JULY 4, 2016

REGISTRATION NO.	SECURED PARTY	COLLATERAL CLASSIFICATION	PPSA (P)/ RSLA (R)
20051129 0933 1862 0485	Lombard General Insurance Company of Canada	Accounts, Other	P
20051209 1402 1462 8473	Bank of Montreal	Inventory, Equipment, Accounts, Other, Motor Vehicle Included	P
Renewal 20101005 1038 9011 1236			
Assignment 20150626 1609 1590 8709	RREF		
Renewal 20151021 1445 1530 1223			
Assignment 20160530 1641 1590 9955	250 Ontario		
Assignment 20160530 1641 1590 9956	WFCU		
20110919 1459 1862 9095	Sutts, Strosberg LLP	Consumer Goods, Inventory, Equipment, Accounts, Other	P



APPENDIX“J”



MILLER THOMSON
AVOCATS | LAWYERS

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ONE LONDON PLACE
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LONDON, ON N6A 5R8
CANADA

T 519.931.3500
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MILLERTHOMSON.COM

November 7, 2016

Delivered via E-mail (original by mail)

BDO Canada Limited
633 Colborne Street
Suite 100
London, ON N6B 2V3

Tony Van Klink
Direct Line: 519.931.3509
tvanklink@millerthomson.com

File: 082873.0012

Attention: Stephen N. Cherniak, CPA, CA,
CIRP

Dear Sir:

Re: Portofino Corporation

We refer to our opinion dated July 11, 2016 (the "July 11th Opinion"). Unless otherwise indicated, defined terms herein have the same meaning as in the July 11th Opinion.

We confirm that the opinions expressed in the July 11th Opinion apply to the Net Receipts from sales of Units sold by the Receiver from July 11, 2016 to November 2, 2016.

Yours truly,


Tony Van Klink
TVK/sj

21024820.1

APPENDIX "K"



MILLER THOMSON
AVOCATS | LAWYERS

MILLER THOMSON LLP
ONE LONDON PLACE
255 QUEENS AVENUE, SUITE 2010
LONDON, ON N6A 5R8
CANADA

T 519.931.3500
F 519.858.8511

MILLERTHOMSON.COM

August 17, 2017

Delivered via E-mail (original by mail)

BDO Canada Limited
633 Colborne Street
Suite 100
London, ON N6B 2V3

Sherry A. Kettle
Direct Line: 519.931.3534
skettle@millerthomson.com

File: 082873.0012

Attention: Stephen N. Cherniak, CPA, CA,
CIRP

Dear Sir:

Re: Portofino Corporation

We refer to our opinions dated July 11, 2016 (the "July 11th Opinion") and November 7, 2016. Unless otherwise indicated, defined terms herein have the same meaning as in the July 11th Opinion.

We confirm that the opinions expressed in the July 11th Opinion apply to the Net Receipts from sales of Units sold by the Receiver from November 3, 2016 to August 14, 2017.

Yours truly,

MILLER THOMSON LLP

Per

Sherry A. Kettle
SAK/sj

26085420.1

APPENDIX“L”



MILLER THOMSON
AVOCATS | LAWYERS

MILLER THOMSON LLP
ONE LONDON PLACE
255 QUEENS AVENUE, SUITE 2010
LONDON, ON N6A 5R8
CANADA

T 519.931.3500
F 519.858.8511

MILLERTHOMSON.COM

April 4, 2018

Delivered via E-mail (original by mail)

BDO Canada Limited
633 Colborne Street
Suite 100
London, ON N6B 2V3

Attention: Stephen N. Cherniak, CPA, CA,
CIRP

Sherry A. Kettle
Direct Line: 519.931.3534
skettle@millerthomson.com

File: 082873.0012

Dear Sir:

Re: Portofino Corporation

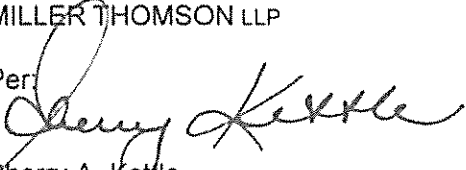
We refer to our opinions dated July 11, 2016 (the "July 11th Opinion"), November 7, 2016 and August 17, 2017. Unless otherwise indicated, defined terms herein have the same meaning as in the July 11th Opinion.

We confirm that the opinions expressed in the July 11th Opinion apply to the Net Receipts from sales of Units sold by the Receiver from August 15, 2017 to March 29, 2018.

Yours truly,

MILLER THOMSON LLP

Per:


Sherry A. Kettle
SAK/sj

30469448.1

APPENDIX“M”

2502461 Ontario Ltd.
 BMO Loan to Portofino Corporation assigned to 2502461 Ontario Ltd.
 Statement at: April 6, 2018
 Prepared by Receiver

Date	Interest Rate (P+2)	Interest for period	Principal	Balance	Description	Note
08-Aug-17	4.95%			\$ 5,111,307.32	Mortgage Statement	(1)
07-Sep-17	5.20%	20,795.32		5,132,102.64	Interest to 07-Sep-17	(2)
20-Sep-17	5.20%	9,504.94	(1,700,000.00)	3,441,607.57	Interest to 20-Sep-17	(3)
18-Jan-18	5.45%	58,837.35		3,500,444.92	Interest to 18-Jan-18	(4)
06-Apr-18	5.45%	40,768.20		3,541,213.12	Interest to 06-Apr-18	

Notes

- (1) 2502461 Ontario Ltd. ("250 Ontario") loan balance at Aug. 8, 2017, per Mortgage Statement provided to Receiver by 250 Ontario. Mortgage statement commences from "4/1/15 Opening Balance" of \$9,982,007.22, for which 250 Ontario has provided support in the form of BMO Loan account statement at March 31, 2015. Receiver has reviewed subsequent transaction dates and particulars, interest rates and interest calculations.
- (2) Increase in BMO prime rate to 3.20%, effective Sept. 7, 2017.
- (3) Distribution of \$1,700,000 as approved by Order of Justice Patterson dated Sept. 19, 2017.
- (4) Increase in BMO prime rate to 3.45%, effective Jan. 18, 2018.

TAB 3

Court File No.: CV-13-19866

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE)	TUESDAY, THE 8 TH
)	
JUSTICE)	DAY OF MAY, 2018

BETWEEN:

2502461 ONTARIO LTD.

Applicant

- and -

PORTOFINO CORPORATION

Respondent

APPLICATION UNDER Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c.C-43, as amended

ORDER

THIS MOTION, made by BDO Canada Limited ("**BDO**"), in its capacity as court-appointed receiver (the "**Receiver**") of the assets, undertakings and properties of Portofino Corporation ("**Portofino**") pursuant to the Order of the Honourable Mr. Justice Thomas dated October 29, 2013 for an order:

- (a) if necessary, abridging the time for service and filing and validating the method of service of all motion confirmation forms, the Motion Record, including the Notice of Motion and the Ninth Report of the Receiver dated April 23, 2018 and all appendices thereto (the "**Ninth Report**"), and directing that any further service of same be dispensed with such that this motion is properly returnable on May 8, 2018;
- (b) approving the Ninth Report and the activities and conduct of the Receiver described therein;

- (c) approving the Receiver's interim Statement of Receipts and Disbursements for the period October 29, 2013 to April 4, 2018 (the "**Statement of Receipts and Disbursements**");
- (d) approving the professional fees and disbursements of the Receiver and its legal counsel (the "**Professional Fees**");
- (e) approving and authorizing the distribution of \$1,700,000 to Windsor Family Credit Union ("**WFCU**") from the funds on hand; and
- (f) such further and other relief as counsel may advise and this Honourable Court deems just.

was heard this day at 245 Windsor Avenue, Windsor, Ontario.

ON READING the Ninth Report and on hearing the submissions of counsel for the Receiver, no one else appearing from the service list, although duly served as appears from the affidavit of Susan Jarrell sworn April ____, 2018, filed:

1. **THIS COURT ORDERS** that the time for and method of service of all motion confirmation forms, the motion record, including the notice of motion and the Ninth Report, are hereby abridged and validated, as necessary, such that this motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that the Ninth Report and the activities and conduct of the Receiver described in the Ninth Report are hereby approved.
3. **THIS COURT ORDERS** that the Statement of Receipts and Disbursements be and the same is hereby approved.
4. **THIS COURT ORDERS** that the professional fees of the Receiver and its legal counsel, Miller Thomson LLP, as described in the fee affidavits of Stephen N. Cherniak sworn April 10, 2018 and Tony Van Klink sworn April 23, 2018, be and the same are hereby approved.

5. **THIS COURT ORDERS** the distribution of \$1,700,000 to WFCU from the funds on hand.

Justice, Ontario Superior Court of Justice

2502461 ONTARIO LTD.

Applicant

and

PORTOFINO CORPORATION

Respondent

Court File No: CV-13-19866

**ONTARIO
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT WINDSOR

ORDER

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Lawyers for BDO Canada Limited, Court-
Appointed Receiver of Portofino Corporation

2502461 ONTARIO LTD.
Applicant

and
PORTOFINO CORPORATION
Respondent

Court File No.: CV-13-19866

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at WINDSOR

**MOTION RECORD
(RETURNABLE MAY 8, 2018)**

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