

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

**FIRST SOURCE FINANCIAL MANAGEMENT INC.
and KINGSETT MORTGAGE CORPORATION**

Applicants

- and -

**IDEAL (BC) DEVELOPMENTS INC., IDEAL (BC2) DEVELOPMENTS INC., IDEAL
DEVELOPMENTS INC., 2490564 ONTARIO INC., 2490568 ONTARIO INC. and
SHAJIRAJ NADARAJALINGAM**

Respondents

APPLICATION UNDER SUBSECTION 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 WILLIAM FRIEDMAN
(Sworn August 16, 2019)**

August 16, 2019

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PROFESSIONAL CORPORATION**
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AND TO: LAX O'SULLIVAN LISUS GOTTLIEB LLP

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Lawyers for feature Corp.

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Court File No.: CV-19-00622054-00CL

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JUSTICE ACT*, R.S.O. 1990, C. c.43, AS AMENDED

AFFIDAVIT OF WILLIAM FRIEDMAN

I William Friedman, of the City of Toronto, in the province of Ontario, MAKE OATH AND
SAY AS FOLLOWS:

1. I am counsel of record for the Respondents in this matter.
2. Counsel with carriage of the matter is Judy Hamilton, who is the senior litigation counsel with my firm. Ms. Hamilton is currently on vacation in British Columbia and is scheduled to return to professional duties on Monday August 19, 2019. Ms. Hamilton had appeared at all court appearances in this matter, and prepared the responding motion record.
3. On Monday, August 12, 2019 the receiver and manager's counsel served a motion record for an order approving the sale process. The facts provided in the record indicate the receiver's proposed sale process.

4. On Monday, August 12, 2019, Mr. Robinson, a lawyer with my firm, sent an email to counsel for the receiver and manager, and others advising that Ms. Hamilton was away on vacation and would not be returning to professional duties until Monday, August 19, 2019 (the same day as the listed return date of the motion). Mr. Robinson requested counsel to consent to a short adjournment so that counsel with carriage of the matter might have an opportunity to return to professional duties, review the motion record, prepare any responding materials and appear and make submissions. Attached hereto and marked as **Exhibit "A"** is a copy of Mr. Robinson's email.

5. Mr. Larry, counsel for the receiver and manager replied to Mr. Robinson's email stating

We don't anticipate there will be any opposition to the sale process or that submissions will be necessary. Rather we expect that the motion will be dealt with in chambers. If Ms. Hamilton or anyone else has any concerns, I expect we can address them briefly upon her return (I am happy to speak to her prior to the weekend or any other time) or even on the morning of. Since it is in everyone's interest to move this process forward, we are not inclined to adjourn the attendance.

A copy of Mr. Larry's email dated August 12, 2019 is attached as **Exhibit "B"**.

6. I am advised by Mr. Robinson that the 3rd mortgagee, Amercan delivered a Notice of Appearance after service of the receiver's motion record on Monday, August 12, 2019. A copy of the Notice of Appearance served is attached as **Exhibit "C"**. I am advised by Mr. Robinson that he left a voice mail message for counsel for Amercan, Mr. Karabus, and that counsel for Amercan telephoned Mr. Robinson on August 12, 2019 and advised that he was on a family vacation in Algonquin Park and not due to return to duties until August 19, 2019. His vacation had already been disturbed once when a judge required his attendance at Court and his holiday had been interrupted and distress already caused to his spouse and family. Notwithstanding he advised Mr. Robinson that he would seek instructions on Amercan's position.

7. On August 14, 2019 Mr. Robinson sent an email to counsel advising that he was aware that Mr. Karabus was away from Toronto on vacation because Mr. Karabus had telephoned him and advised him of same. Mr. Robinson stated in his email that the sale process for which the receiver moved for approval of, omitted to inform the court whether or not the receiver and manager will be undertaking several appraisals that take into account the stage of the development, yet paragraph 6 of the draft order sought relief limiting the liability of the receiver and manager. Attached hereto and marked as **Exhibit "D"** is a copy of Mr. Robinson's email dated August 14, 2019.

8. On August 14, 2019 Mr. Larry, counsel for the receiver and manager replied to Mr. Robinson's email stating:

The Receiver does not intend to obtain an appraisal. Rather, the Receiver is of the view a properly conducted sales process (such as the one for which approval is being sought on Monday) will generate offers for the property that will be more indicative of the property's value than an appraisal. Accordingly, the receiver believes that an appraisal will only result in further unnecessary, cost and delay, without facilitating the sale process.

A copy of Mr. Larry's email dated August 14 2019 is attached hereto as **Exhibit "E"**.

9. On August 14, 2019 Mr. Robinson wrote to Mr. Larry advising of the progress made on refinancing efforts underway to repay the amount outstanding under the mortgage, advising the identities of the solicitors acting for each of the second mortgagee and third mortgagee and the incoming financier, Romspen. The transaction involves an advance of thirteen million dollars from Romspen and an advance of one million dollars by Amercan. Amercan is to have priority for its advance of one million ranking in priority to Feature Corp. Therefore a subordination agreement is being negotiated prior to Amercan advancing the one million dollars. Mr. Robinson asked in the circumstances for the receiver and manager to consider adjourning the motion for one week to permit the transactions to close. Mr. Robinson requested that the receiver cease all

unnecessary work to minimise the cost of the receivership given how close the borrowers are to refinancing and paying the outstanding debt to the secured creditors. Mr. Robinson suggested that consideration be given to drafting an order approving the repayment of the debt. A copy of Mr. Robinson's email is attached hereto as **Exhibit "F"**.

10. On August 14, 2019 Mr. Winton, counsel for the applicants wrote an email to Mr. Robinson stating:

Let's simplify things and tone down the rhetoric: either the first secured creditors are paid out before August 19 or they are not. If they are, then the appraisal issue is moot. If payment is not made before August 19, then the Receiver's motion should proceed as scheduled so there is no further delay in selling the property. In that case, counsel for the debtor can attend and make submissions to the Court about the appraisal issue. There is no need to argue via email.

Attached hereto and marked as **Exhibit "G"**

11. On August 14, 2019 Mr. Robinson replied to Mr. Winton providing all of the email chains evidencing the unfolding financing transactions in process, so that the receiver and the applicants would be aware of same. Mr. Robinson requested that litigation counsel and the receiver afford the requested time to permit the transactional solicitors to complete the necessary documentation to secure the incoming financiers. A copy of Mr. Robinson's email is attached as

Exhibit "H"

12. On August 15, 2019 Mr. Winton, counsel for the applicants emailed Mr. Robinson stating:

On Monday, August 12, Sapna and Shida exchanged emails concerning a discharge statement and whether our client would go to the expense of preparing yet another discharge statement when it appeared your client did not have sufficient funds to close, Sapna made it clear we would not prepare a payout statement unless your client would pay off the entire debt to our clients today. Shida assured us the transactions would close today. Now you are asking for an additional 11 days to discharge the mortgage. Our clients will not agree to that request. Our position is that unless your client deposits in our trust account sufficient funds to discharge the first secured debt, as

shown in the discharge statement, by end of day today, the Receiver's motion should proceed as scheduled on August 19, 2019.

Unfortunately, the history of this debt is riddled with occasions where your client promised to pay out by a certain date and then failed to do so. It has been one month since a Receiver was appointed and it appears your client is still not in a position to discharge the debt, despite assuring us as recently as 3 days ago that it would be able to do so today. We are not prepared to wait any longer. A copy of Mr. Winton's email is attached as Exhibit "I".

13. On August 15, 2019 I sent an email replying to Mr. Winton's email. In my email I advised Mr. Winton that we were in the process of finalizing security documents and that the process should be completed by Monday (August 19, 2019). I advised that given the various encumbrances on title it had taken a little longer to work through all the issues than initially anticipated. I advised that funding to repay Mr. Winton's client will occur concurrently with an order discharging the receivership order now registered on title. I advised that as previously communicated, Judy Hamilton was out of town until Monday and we would not be in a position to attend court on August 19th. I advised Mr. Winton that he did not consult with counsel before scheduling the motion for August 19th. I advised that adjourning to August 26th should not be an issue unless there were some nefarious reason driving the applicant creditors. I requested that the applicant creditors consent to adjourn until August 26th, 2019 so that we could complete the documentation and obtain the advance of funds to discharge the first secured debt. A copy of my email is attached as **Exhibit "J"**.

14. On August 15, 2019 Mr Robinson sent an email to Mr. Larry asking Mr. Larry to advise the receiver's instructions, independently from the first secured creditors' position. Mr. Robinson again requested that litigation counsel work with and co-operate with the transactional lawyers and consent to an adjournment of the motion to August 26, 2019 to permit the transaction to close. Mr. Robinson stated that unless he heard from the receiver's lawyers prior to noon that he

would proceed to prepare materials to put before the court as grounds for an adjournment.

Attached as **Exhibit “K”** is a copy of the email.

15. Three minutes after Mr. Robinson sent his email the receiver replied directly to Mr. Robinson advising that he was aware of his responsibilities and did not need to be reminded of them. A copy of the receiver’s email is attached hereto as **Exhibit “L”**

16. Sometime later before noon, at 11.19 a.m., Mr. Larry emailed Mr. Robinson advising that the receiver was proceeding on Monday. A copy of Mr. Larry’s email is attached as **Exhibit “M”**

17. Two minutes later, at 11.21 a.m. Mr. Winton replied to my email comprising Exhibit K.

Mr Winton stated:

With respect, this is the same story we have heard time and time again. We warned you on Monday that we would not delay and payment was required today. There is no reason to suggest that officers of the court have “nefarious reasons” for proceeding with a Receivership application as scheduled, and I would ask that you not use such inflammatory language in this fashion.

A copy of Mr. Winton’s email is attached hereto as **Exhibit “N”**.

18. I replied to Mr. Winton’s email advising Mr. Winton that I had not previously communicated that we were working on security documents with Romspen. I advised Mr. Winton that he could verify this and that we were well on the way to completing the documents and finalizing all their requisitions including subordination and postponement agreements with Barry Polisuk of Garfinkle Bidermnan, legal counsel for Romspen. I also stated that Mr. Winton’s “warning” did not justify a refusal to adjourn for one week until August 26, 2019 for the reasons outlined in previous emails. I apologised that Mr. Winton took offence to the language I employed in my earlier email and explained that I was not referring to the receiver but rather to a possibility motivating the first secured

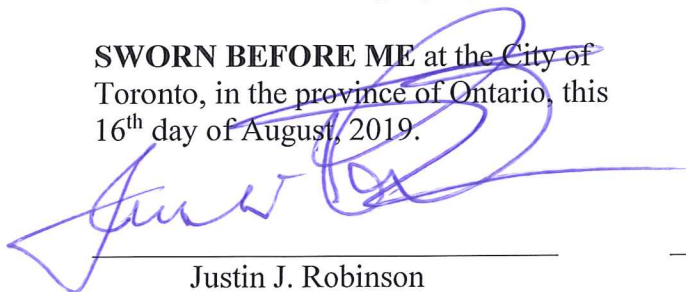
creditors. I confirmed that I did not allege it was a motivating factor; just that a refusal to adjourn for one week given that the secured creditor would be repaid by August 26, was disturbing. Attached and marked as **Exhibit "O"** is a copy of the email.

19. There are several documents that need to be finalised regarding the Romspen and Amercan financings before funds will be advanced to discharge the First Source mortgage and the receivership order registered on title. I anticipate these documents will be resolved prior to August 26, 2019 at which time funds will be available to be advanced concurrently with the discharge of the first source mortgage and the discharge of the receiver.

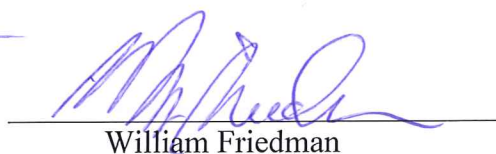
20. I will only be able to deliver funds owing to the first secured creditor upon receiving a discharge of its mortgage and discharge of the receivership order from title. There are certain amounts claimed as owing pursuant to the discharge statement provided to me by counsel for the applicants on August 14, 2019 that the Respondents believe to be unfair and not appropriate or justifiable. I am instructed to pay such funds into court, to permit the court to be able to confirm that funds are in fact available and for the court to determine the amount properly required to be paid.

21. I swear this affidavit to ground an application to adjourn the proceeding to permit the receiver an opportunity to consider recommending the approval of the transaction, and for no other or improper purpose.

SWORN BEFORE ME at the City of Toronto, in the province of Ontario, this 16th day of August, 2019.

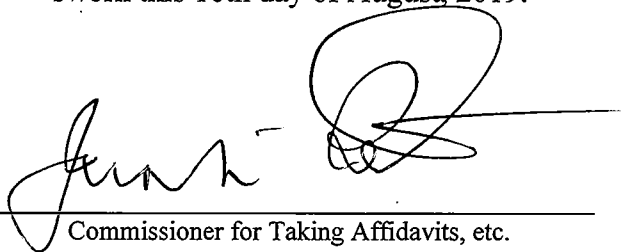


Justin J. Robinson



William Friedman

This is Exhibit "A" referred to in
the Affidavit of William Friedman,
sworn this 16th day of August, 2019.



James R. [unclear]

Commissioner for Taking Affidavits, etc.

Justin Robinson

From: Justin Robinson
Sent: Monday, August 12, 2019 4:37 PM
To: 'jeff.larry@poliareoland.com'; 'awinton@lolg.ca'; 'sthakker@lolg.ca';
'matthew.karabus@gowlingswlg.com'
Cc: Judy Hamilton; Bill Friedman; Seta Boyadjian
Subject: Ideal (BC) Developments et al and anor ats First Source Financial Management Inc. and Kingsett Mortgage Corporation

Dear Mr. Larry,

Receipt is acknowledged by email of the motion record of the receiver and manager, returnable August 19, 2019.

Judy Hamilton of our office appeared and made submissions in this matter, on behalf of the respondents, on each occasion the matter has been listed before the court. I am presuming that it is the case that you are unaware that Ms. Hamilton is currently taking vacation in B.C. and is not due back in Toronto for resumption of professional duties until August 19, 2019.

I anticipate that Ms. Hamilton will wish to appear at the return of the motion for approval of the sale process to make submissions on behalf of the respondents.

Unfortunately, service of the motion with a return date of August 19, 2019, without prior consultation with counsel of record and without prior consultation with Ms. Hamilton, or Ms. Hamilton's law clerk effectively denies the respondents an appearance by counsel with carriage of the matter.

Would you kindly advise whether your client agrees to a short adjournment, to permit Ms. Hamilton an opportunity to return to Toronto from vacation, review the motion materials, file responding materials, and appear and make submissions.

I have consulted with Ms. Hamilton's clerk and can advise that Ms. Hamilton is available on August 23, 27 and 30, 2019.

Yours truly,

Justin Robinson

Associate

FRIEDMANS
LAW FIRM

Friedman Law Professional Corporation

150 Ferrand Drive, Suite 800

Toronto, ON M3C 3E5

jr@friedmans.ca

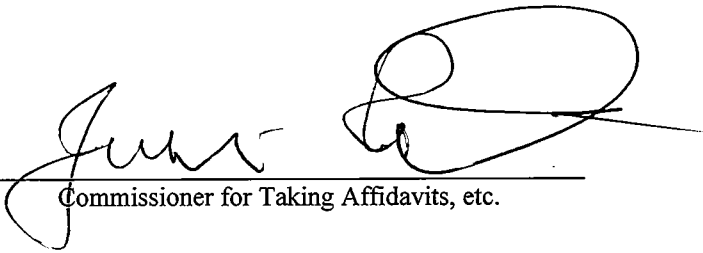
Tel: (416) 496-3340 ext. 133

Fax: (416) 497-3809

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This is Exhibit "B" referred to in
the Affidavit of William Friedman,
sworn this 16th day of August, 2019.



James A. [unclear]
Commissioner for Taking Affidavits, etc.

Justin Robinson

From: Jeff.Larry@paliareroland.com
Sent: Monday, August 12, 2019 8:08 PM
To: Justin Robinson
Cc: Elizabeth.Rathbone@paliareroland.com; awinton@lolg.ca; sthacker@lolg.ca; matthew.karabus@gowlingswlg.com; Judy Hamilton; Bill Friedman; Seta Boyadjian; Susan Guo; bkofman@ksvadvisory.com; ngoldstein@ksvadvisory.com
Subject: Re: Ideal (BC) Developments et al and anor ats First Source Financial Management Inc. and Kingsett Mortgage Corporation
Attachments: image003.jpg

Justin

We don't anticipate that there will be any opposition to the sales process or that submissions will be necessary. Rather, we expect the motion will be dealt with in Chambers.

If Ms Hamilton or anyone else has any concerns, I expect we can address them briefly upon her return (I am happy to speak to her the prior weekend or any other time) or even on the morning of.

Since it is in everyone's interest to move this process forward, we are not inclined to adjourn the attendance.

Sent from my iPhone

On Aug 12, 2019, at 4:42 PM, Justin Robinson <JR@friedmans.ca<<mailto:JR@friedmans.ca>>> wrote:

Dear Mr. Larry,

Receipt is acknowledged by email of the motion record of the receiver and manager, returnable August 19, 2019.

Judy Hamilton of our office appeared and made submissions in this matter, on behalf of the respondents, on each occasion the matter has been listed before the court. I am presuming that it is the case that you are unaware that Ms. Hamilton is currently taking vacation in B.C. and is not due back in Toronto for resumption of professional duties until August 19, 2019.

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I have consulted with Ms. Hamilton's clerk and can advise that Ms. Hamilton is available on August 23, 27 and 30, 2019. 13

Yours truly,

Justin Robinson

Associate

<image003.jpg>

Friedman Law Professional Corporation

150 Ferrand Drive, Suite 800

Toronto, ON M3C 3E5

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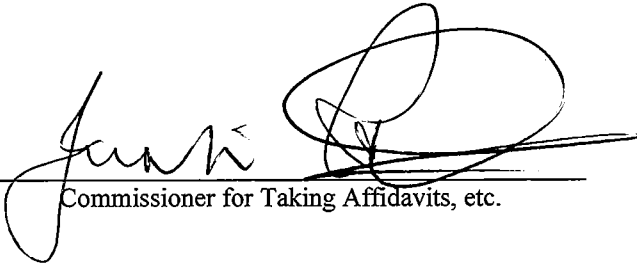
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jr@friedmans.ca<<mailto:jr@friedmans.ca>>.

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Tout autre distribution, expédition ou divulgation est strictement interdite. Si vous avez reçu ce message par erreur, svp informez-nous immédiatement par téléphone à 416-496-3340 ou par e-mail jr@friedmans.ca<<mailto:jr@friedmans.ca>> et supprimez ce message de votre boîte de réception sans lecture ou la copier.

This is Exhibit "C" referred to in
the Affidavit of William Friedman,
sworn this 16th day of August, 2019.



Frank
Commissioner for Taking Affidavits, etc.

Court File No. CV-19-00622054-00CL

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NOTICE OF APPEARANCE

American Corporation intends to respond to this application.

August 12, 2019

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Matthew Karabus (#61892D)
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matthew.karabus@gowlingwlg.com

Lawyers for American Corporation

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TO: **PALIARE ROLAND ROSENBERG ROTHSTEIN LLP**
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Elizabeth Rathbone (LSO#70331U)
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Lawyers for the Receiver KSV Kofman Inc.

AND TO: **LAX O'SULLIVAN LISUS GOTTLIEB LLP**
Counsel
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Sapna Thakker (LSO#68601U)
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sthakker@lolg.ca

Lawyers for the Applicants

AND TO: **FRIEDMAN LAW PROFESSIONAL CORPORATION**
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Lawyers for the Respondents

AND TO: **FEATURE CORP.**
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Toronto, ON M3C 2G3

AND TO: **HOME TRUST COMPANY**
1 Valleybrook Drive, Suite 100
Toronto, ON M3B 2S7

FIRST SOURCE FINANCIAL MANAGEMENT INC. et al.
Applicants

-and- IDEAL (BC) DEVELOPMENTS INC. et al.
Respondents

Court File No. CV-19-00622054-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
PROCEEDING COMMENCED AT
TORONTO

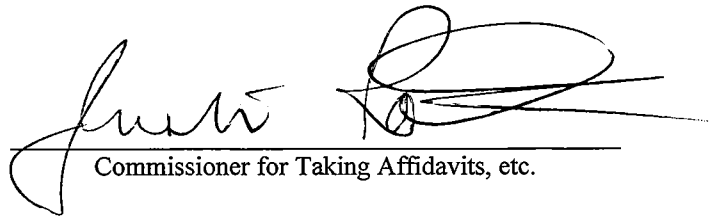
NOTICE OF APPEARANCE

GOWLING WLG (CANADA) LLP
Barristers & Solicitors
1 First Canadian Place
100 King Street West, Suite 1600
Toronto ON M5X 1G5

Matthew Karabus (#61892D)
Tel: 416-369-6181
Fax: 416-862-7661
matthew.karabus@gowlingwlg.com

Lawyers for American Corporation

This is Exhibit "D" referred to in
the Affidavit of William Friedman,
sworn this 16th day of August, 2019.



Commissioner for Taking Affidavits, etc.

Justin Robinson

From: Justin Robinson
Sent: Wednesday, August 14, 2019 9:49 AM
To: 'Jeff.Larry@paliareroland.com'
Cc: Elizabeth.Rathbone@paliareroland.com; awinton@lolg.ca; sthacker@lolg.ca; matthew.karabus@gowlingswlg.com; Judy Hamilton; Bill Friedman; Seta Boyadjian; Susan Guo; bkofman@ksvadvisory.com; ngoldstein@ksvadvisory.com
Subject: RE: Ideal (BC) Developments et al and anor ats First Source Financial Management Inc. and Kingsett Mortgage Corporation

Dear Mr. Larry,

I understand that counsel for American, the third mortgagee, is also currently on vacation, as I spoke to Mr. Karabus yesterday when he returned my telephone call.

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Yours truly,

Justin Robinson
 Associate

Friedman Law Professional Corporation
 150 Ferrand Drive, Suite 800
 Toronto, ON M3C 3E5
 jr@friedmans.ca
 Tel: (416) 496-3340 ext. 133
 Fax: (416) 497-3809

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 To: Justin Robinson

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Subject: Re: Ideal (BC) Developments et al and anor ats First Source Financial Management Inc. and Kingsett Mortgage Corporation

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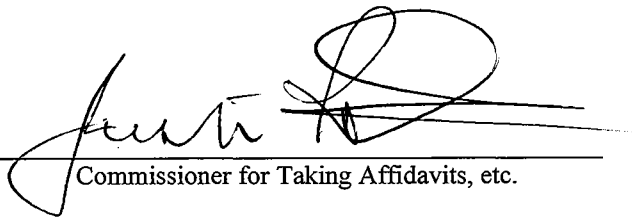
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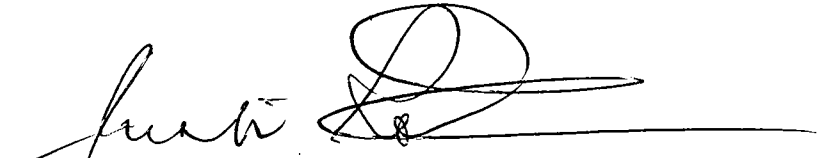
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Sent: Monday, August 12, 2019 8:08 PM

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Cc: Elizabeth.Rathbone@paliarerland.com; awinton@lolg.ca; sthacker@lolg.ca; matthew.karabus@gowlingswlg.com; Judy Hamilton; Bill Friedman; Seta Boyadjian; Susan Guo; bkofman@ksvadvisory.com; ngoldstein@ksvadvisory.com

Subject: Re: Ideal (BC) Developments et al and anor ats First Source Financial Management Inc. and Kingsett Mortgage Corporation

Justin

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Since it is in everyone's interest to move this process forward, we are not inclined to adjourn the attendance.

Sent from my iPhone

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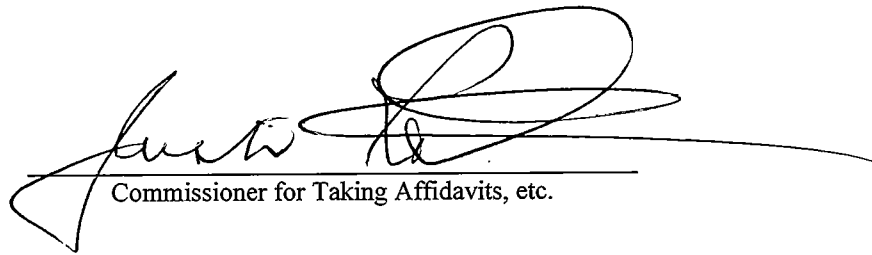
Yours truly,

Justin Robinson
Associate
<image003.jpg>
Friedman Law Professional Corporation
150 Ferrand Drive, Suite 800
Toronto, ON M3C 3E5
jr@friedmans.ca<mailto:jr@friedmans.ca>
Tel: (416) 496-3340 ext. 133

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Commissioner for Taking Affidavits, etc.

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Feature Corp is represented by David Merivocci.

Refinancing is a definite and imminent reality. Ms. Azari of our office is working with Mr. Friedman and the other transactional lawyers to close the deal.

The receiver and manager is an officer of the court, and is very definitely in a fiduciary capacity to all parties involved in⁴⁰ the contest. The receiver and manager's sale process, which by your own admission involves no appraisals (that have regard to the stage of the development, or otherwise), is an inappropriate sale process.

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Kindly advise the Receiver and Manager's position.

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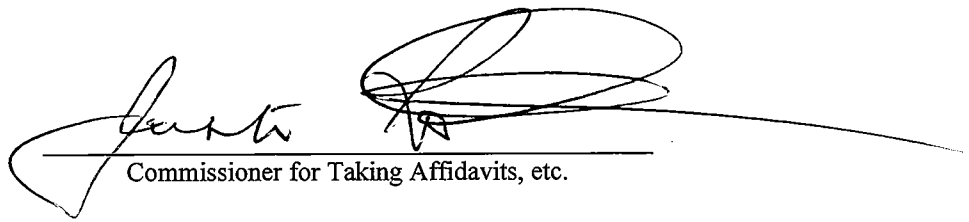
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Subject: RE: Ideal (BC) Developments et al and anor ats First Source Financial Management Inc. and Kingsett Mortgage Corporation
Attachments: RE: Bostwick Cres, and Ideal (BC) Developments Inc. et al -Urgent; RE: Amercan/Ideal - Bond & Bostwick properties; RE: Draft PPSAs to SOL - Romspen loan to Ideal (BC) Developments Inc. et al - 8-18 Bostwick and 2, 6 & 8 Bond, Richmond Hill; 1233.16.12 - Bostwick Cr. - Discharge Statement (005).pdf

Dear Mr. Winton,

Thank you for your email.

I attach the following documents:

1. Email exchanges (chain) between Ms. Azari and Mr. Meirovivi (Feature Corp) regarding the Subordination and Standstill Agreement and other documents;
2. Email exchanges (chain) between Ms. Azari, Ms. Rosen at Gowlings (American);
3. Email exchanges (chain) between Ms. Azari and Ms. Mysmk (Romspen), at Garfinkel Biderman;
4. Discharge Statement issued by First Source as at August 14, 2019.

Mr. Friedman requests an opportunity to permit the transactional lawyers acting for the borrowers, Romspen, American, Feature Corp. and First Source to finalize outstanding transactional arrangements to permit completion of the transaction and advises me that an adjournment to August 26, 2019, should probably be sufficient.

I request that litigation counsel work with and cooperate with our transactional colleagues and consent to an adjournment of the return of the motion to August 26, 2019.

Kindly advise your instructions.

Yours truly,

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 Associate

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From: David Meirovici <dmeirovici@fijlaw.com>
Sent: Wednesday, August 14, 2019 5:19 PM
To: Shida Azari
Cc: Bill Friedman; Alex Ranieri; Talia Khanania; Kristy Lee
Subject: RE: Bostwick Cres, and Ideal (BC) Developments Inc. et al -Urgent

Shida and Bill,

By way of update, I've discussed the amended changes to the Subordination and Standstill Agreement (which you had made) with my client. Provided that Romspen agrees to these changes, plus an amendment which will allow for (as "Permitted payments") payment by your client of any and all charges, costs and other expenses as provided by the Credit Agreement for the Subordinated Loan or in the Subordinate Charge, then our client will execute the Subordination Agreement.

Once again, each of the changes as you have identified needs to be approved by Romspen, plus the addition I have mentioned above.

Please advise at your earliest. This does not yet suggest that our client has agreed to the American Postponement, as I have not yet seen the proposed document.

Thank you,



David Meirovici
FIJ Law LLP
Barristers & Solicitors

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 Richmond Hill, ON L4B1C5

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From: David Meirovici
Sent: Wednesday, August 14, 2019 3:39 PM
To: Shida Azari <SA@friedmans.ca>
Cc: Bill Friedman <wf@friedmans.ca>; Alex Ranieri <alex.ranieri1@gmail.com>; Talia Khanania <tdkhanania@gmail.com>; Kristy Lee <klee@fijlaw.com>
Subject: RE: Bostwick Cres, and Ideal (BC) Developments Inc. et al -Urgent

Apologies.

Slightly revised.

52

From: David Meirovici
Sent: Wednesday, August 14, 2019 3:35 PM
To: 'Shida Azari' <SA@friedmans.ca>
Cc: Bill Friedman <wf@friedmans.ca>; Alex Ranieri <alex.ranieri1@gmail.com>; Talia Khanania <tdkhanania@gmail.com>
Subject: RE: Bostwick Cres, and Ideal (BC) Developments Inc. et al -Urgent

Shida,

Attached is the Mortgage Statement, up to tomorrow's date.

From: Shida Azari <SA@friedmans.ca>
Sent: Wednesday, August 14, 2019 12:52 PM
To: David Meirovici <dmeirovici@fijlaw.com>
Cc: Bill Friedman <wf@friedmans.ca>; Alex Ranieri <alex.ranieri1@gmail.com>; Talia Khanania <tdkhanania@gmail.com>
Subject: RE: Bostwick Cres, and Ideal (BC) Developments Inc. et al -Urgent

David,

Further to my email below, please also provide us with a copy of mortgage statements for information purposes in relation to your client's mortgages.

Yours truly,

Shida Azari

Associate

FRIEDMANS
LAW FIRM

Friedman Law Professional Corporation

150 Ferrand Drive, Suite 800

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Tel: (416) 496-3340 x112

Fax: (416) 497-3809

Email: sa@friedmans.ca

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From: Shida Azari
Sent: Wednesday, August 14, 2019 12:51 PM
To: 'David Meirovici' <dmeirovici@fijlaw.com>
Cc: Bill Friedman <wf@friedmans.ca>; Alex Ranieri <alex.ranieri1@gmail.com>; Talia Khanania <tdkhanania@gmail.com>
Subject: RE: Bostwick Cres, and Ideal (BC) Developments Inc. et al -Urgent

David,

I am advised by Amercan Corporation's lawyer that we should expect to receive same this afternoon. I will forward same to you upon receipt.

Yours truly,

Shida Azari

Associate

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From: David Meirovici [<mailto:dmeirovici@fijlaw.com>]

Sent: Wednesday, August 14, 2019 12:36 PM

To: Shida Azari <SA@friedmans.ca>

Cc: Bill Friedman <wf@friedmans.ca>; Alex Ranieri <alex.ranieri1@gmail.com>; Talia Khanania <tdkhanania@gmail.com>

Subject: RE: Bostwick Cres, and Ideal (BC) Developments Inc. et al -Urgent

Hi Shida,

Do you also have a document from Amercan (re: 1\$M) for my review



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From: David Meirovici

Sent: Wednesday, August 14, 2019 12:13 PM

To: Shida Azari <SA@friedmans.ca>
Cc: SHAJI <shaji@idealdevelopments.com>; Prasana Balachandran <prasana@idealdevelopments.com>; Bill Friedman <wf@friedmans.ca>; Alex Ranieri <alex.ranieri1@gmail.com>; Talia Khanania <tdkhanania@gmail.com>
Subject: RE: Bostwick Cres, and Ideal (BC) Developments Inc. et al -Urgent

Hi Shida,

I have yet to discuss the document with my client, and note that you sent these changes to Romspen. I will review with my client, but note that their will definitely be a requirement for you to add to the list of "Permitted Payments" any and all, charges, costs and penalties as owed to the Subordinate Lender and as provided by the Credit Agreement for the Subordinated Loan or in the Subordinate Charge

From: Shida Azari <SA@friedmans.ca>
Sent: Wednesday, August 14, 2019 12:07 PM
To: David Meirovici <dmeirovici@fijlaw.com>
Cc: SHAJI <shaji@idealdevelopments.com>; Prasana Balachandran <prasana@idealdevelopments.com>; Bill Friedman <wf@friedmans.ca>; Alex Ranieri <alex.ranieri1@gmail.com>; Talia Khanania <tdkhanania@gmail.com>
Subject: RE: Bostwick Cres, and Ideal (BC) Developments Inc. et al -Urgent

Hi David,

Please see attached a copy of the subordination agreement with our revisions for your review. We have made the amendments in the attached pursuant to what your client agreed to previously. I have attached both the redline version (in PDF) and clean version (in word) for your reference. The attached has been forwarded to Romspen's lawyer for their review and comments.

Please note that Romspen requires two different subordination agreements, one for the \$3,000,000 mortgage and another for the \$2,000,000 mortgage to your client.

Once the attached amendments are finalized, we will ask Romspen to make the same changes on the subordination agreement in connection to the \$2,000,000 mortgage in favour of Feature Corp.

Please note Romspen requires the signed subordination agreements by end of the business day Thursday, August 15, 2019; therefore, I would appreciate your earliest attention on this matter.

Should you have any questions, please do not hesitate to contact me.

Yours truly,

Shida Azari

Associate

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attachments is strictly prohibited. If you have received this confidential communication in error, permanently delete the original message and please notify the sender immediately by reply email message or by contacting (416) 496-3340. 55

From: David Meirovici [<mailto:dmeirovici@fijlaw.com>]

Sent: Wednesday, August 14, 2019 10:43 AM

To: Shida Azari <SA@friedmans.ca>

Cc: SHAJI <shaji@idealdevelopments.com>; Prasana Balachandran <prasana@idealdevelopments.com>; Bill Friedman <wf@friedmans.ca>; Alex Ranieri <alex.ranieri1@gmail.com>; Talia Khanania <tdkhanania@gmail.com>

Subject: RE: Bostwick Cres, and Ideal (BC) Developments Inc. et al -Urgent

Shida,

Once again, and just on first glance, we run into a Standstill clause, and stipulations on payments received. This is not a simple postponement of interest. Also, there is no mention of my clients \$2M loan.



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From: Shida Azari <SA@friedmans.ca>

Sent: Wednesday, August 14, 2019 10:37 AM

To: David Meirovici <dmeirovici@fijlaw.com>

Cc: SHAJI <shaji@idealdevelopments.com>; Prasana Balachandran <prasana@idealdevelopments.com>; Bill Friedman <wf@friedmans.ca>

Subject: RE: Bostwick Cres, and Ideal (BC) Developments Inc. et al -Urgent

David,

Please see attached for your review and comments.

Yours truly,

Shida Azari

Associate

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From: David Meirovici [<mailto:dmeirovici@fijlaw.com>]

Sent: Wednesday, August 14, 2019 10:20 AM

To: Bill Friedman <wf@friedmans.ca>

Cc: SHAJI <shaji@idealdevelopments.com>; Prasana Balachandran <prasana@idealdevelopments.com>; Shida Azari <SA@friedmans.ca>; Alex Ranieri <alex.ranieri1@gmail.com>; Talia Khanania <tdkhanania@gmail.com>

Subject: RE: Bostwick Cres, and Ideal (BC) Developments Inc. et al -Urgent

Bill

Please send me the postponement document that is being proposed ASAP.



David Meirovici
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From: David Meirovici

Sent: Wednesday, August 14, 2019 10:05 AM

To: Bill Friedman <wf@friedmans.ca>

Cc: SHAJI <shaji@idealdevelopments.com>; Prasana Balachandran <prasana@idealdevelopments.com>; Shida Azari <SA@friedmans.ca>; Alex Ranieri <alex.ranieri1@gmail.com>; Talia Khanania <tdkhanania@gmail.com>

Subject: RE: Bostwick Cres, and Ideal (BC) Developments Inc. et al -Urgent

Bill,

I will call you at my earliest opportunity.

My client is very aware of the situation (and the numbers) and has discussed with your client their opinions. As you can appreciate, these requests come on the precipice of your deadlines with nothing more than an assumption that my client will agree.

I am waiting on further instruction.

From: Bill Friedman <wf@friedmans.ca>
Sent: Wednesday, August 14, 2019 9:55 AM
To: David Meirovici <dmeirovici@fijlaw.com>
Cc: SHAJI <shaji@idealdevelopments.com>; Prasana Balachandran <prasana@idealdevelopments.com>; Shida Azari <SA@friedmans.ca>
Subject: RE: Bostwick Cres, and Ideal (BC) Developments Inc. et al -Urgent

Hi David

I left you a voice mail message regarding the subject matter and believe it would be important for us to have a conversation regarding the postponement of Feature Corp's charge to Romspen charge in the principal sum of \$13,000,000 and a second charge in the principal sum of \$1,000,000 for a total ahead of your client's charge of \$14,000,000.

At present First Source whose charge will be repaid out from the advance of the 2 mortgages is owed inclusive of interest to date and additional costs inclusive of the receivership fees, an amount exceeding \$13, 700,000. If the receivership proceeds and First Source is not paid out the amount in front of your client's charge will significantly exceed \$14,000,000.

The matter is urgent so please call me to discuss as soon as you are available.

Yours truly,

William Friedman

Barrister & Solicitor

Martindale-Hubbell



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From: David Meirovici [<mailto:dmeirovici@fijlaw.com>]

Sent: Monday, August 12, 2019 7:18 PM

To: Shirley Bai <SB@friedmans.ca>

Cc: Maria Morvai <MM@friedmans.ca>; Matt Dankevych <MD@friedmans.ca>; Bill Friedman <wf@friedmans.ca>

58

Subject: RE: Project: Pavilia Park - Phase 1/File #: /Purchasers: Yan Yee Lee/Suite: 33

All,

Please find enclosed further correspondence to the above matter



David Meirovici
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From: David Meirovici

Sent: Friday, August 9, 2019 12:31 PM

To: Shirley Bai <SB@friedmans.ca>

Cc: Maria Morvai <MM@friedmans.ca>; Matt Dankevych <MD@friedmans.ca>; Bill Friedman <wf@friedmans.ca>

Subject: RE: Project: Pavilia Park - Phase 1/File #: /Purchasers: Yan Yee Lee/Suite: 33

All,

A reminder of today's date. Not only have we have not heard from you regarding those identified major deficiencies, but no date/time has been provided for workers to attend and complete such items which were clearly unfinished.

Please respond

From: Shirley Bai <SB@friedmans.ca>

Sent: Wednesday, August 7, 2019 12:31 PM

To: David Meirovici <dmeirovici@fijlaw.com>

Cc: Maria Morvai <MM@friedmans.ca>; Matt Dankevych <MD@friedmans.ca>; Bill Friedman <wf@friedmans.ca>

Subject: RE: Project: Pavilia Park - Phase 1/File #: /Purchasers: Yan Yee Lee/Suite: 33

Hi David – we have forwarded your correspondence to our client and will advise once we receive instructions.

Regards,

Shirley Bai

Associate

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----- Forwarded message -----

From: David Meirovici <dmeirovici@fijlaw.com>
 Date: Aug 7, 2019 12:18 PM
 Subject: Project: Pavilia Park - Phase 1/File #: /Purchasers: Yan Yee Lee/Suite: 33
 To: Bill Friedman <wf@friedmans.ca>
 Cc: Projects <p@friedmans.ca>

Bill,

Further to the occupancy closing of the above matter, I enclose herein correspondence from our office which has also been delivered to your office by fax today.

Your immediate attention would be greatly appreciated

Thank you,



David Meirovici
 FIJ Law LLP
 Barristers & Solicitors

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Justin Robinson

From: Rosen, Susan <Susan.Rosen@gowlingwlg.com>
Sent: Wednesday, August 14, 2019 1:33 PM
To: Shida Azari
Cc: Bill Friedman; Galluzzo, Nancy; Starkman, Samuel; Fenseay Wang (fanseaywang@dragoninv.com)
Subject: RE: Amercan/Ideal - Bond & Bostwick properties
Attachments: Amercan, Ideal, Corproate Profile Report for Ideal Properties Inc.-TOR_LAW-10023169-v1.PDF; AMERCAN, ideal, corporate organization chart-TOR_LAW-10023193-v1.DOCX

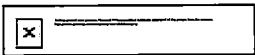
Thank you.

We were previously advised that Ideal Properties Inc. owns the Shares in Ideal Beach Property Holdings (PVT) Ltd. We pulled a copy of the articles for Ideal Properties Inc.. we understand that there was a recent amendment to the articles of this corporation. Please provide us a copy of that amendment.

In some places below you confirmed that Mr. Nadarajalingam is the sol officer and director and other you indicated he also the sole shareholder. Can you confirm that he is the sole shareholder for all of the corporations and that he hasn't pledged the shares in any of the corporations to any other party.

We had asked for a corporate organization chart, but I don't believe we have received one to date. I have taken a stab at creating the attached corporate organization chart. Please review with your client and confirm if it is correct.
 thanks

Susan Rosen
 Partner
 T +1 416 862 3519
 susan.rosen@gowlingwlg.com



From: Shida Azari <SA@friedmans.ca>
Sent: August-14-19 1:13 PM
To: Rosen, Susan <Susan.Rosen@gowlingwlg.com>
Cc: Bill Friedman <wf@friedmans.ca>; Galluzzo, Nancy <Nancy.Galluzzo@gowlingwlg.com>; Starkman, Samuel <Samuel.Starkman@gowlingwlg.com>; Fenseay Wang (fanseaywang@dragoninv.com) <fanseaywang@dragoninv.com>
Subject: RE: Amercan/Ideal - Bond & Bostwick properties

Hi Susan,

Please see my response to your email below in red.

I look forward to receiving a draft copy of the postponement from Feature Corp. in favour of Amercan Corporation, together with the balance of the security documents from you this afternoon.

Yours truly,

Shida Azari
 Associate

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150 Ferrand Drive, Suite 800
Toronto, ON M3C 3E5
Tel: (416) 496-3340 x112
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Email: sa@friedmans.ca

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From: Rosen, Susan [<mailto:Susan.Rosen@gowlingwlg.com>]
Sent: Wednesday, August 14, 2019 12:35 PM
To: Shida Azari <SA@friedmans.ca>
Cc: Bill Friedman <wf@friedmans.ca>; Galluzzo, Nancy <Nancy.Galluzzo@gowlingwlg.com>; Starkman, Samuel <Samuel.Starkman@gowlingwlg.com>; Fenseay Wang (fanseaywang@dragoninv.com) <fanseaywang@dragoninv.com>
Subject: RE: Amercan/Ideal - Bond & Bostwick properties

Hello,

We have still not received several things that we have requested. The following are outstanding:

- Confirmation of the officers, directors and shareholders for all 6 corporations – Please see attached a copy of the Articles of Incorporation, by laws and share register, by laws for Ideal (BC) Developments Inc., Ideal (BC2) Developments Inc., 2490568 Ontario Inc. and 2490564 Ontario Inc. (collectively, the “**Borrowers**”).
I confirm Mr. Nadarajalingam is the sole officer and director of all of the Borrowers.

Mr. Nadarajalingam is also the sole officer, director and shareholder of Ideal Developments Inc. Attached is a copy of the Articles of Incorporation, by laws and share register of Ideal Developments Inc.

With respect to Ideal Beach Property Holdings (PVT) Ltd. (“**Ideal Beach**”) – we have provided you with a copy of the opinion from the Sri Lankan lawyer confirming that Mr. Nadarajalingam is the sole shareholder of Ideal Beach. We have also advised you previously that we will send you a copy of the Articles of Incorporation of Ideal Beach, upon receipt of same.

- Mortgage statements from Feature – Will provide same to you upon receipt of the statement from Feature Corp.
- Copy of 2 pieces of ID for Mr. Nadarajalingam – please see attached a copy of Mr. Nadarajalingam’s passport. We will provide you with a copy of his driver’s license to you as soon as possible.

We will send you over the security this afternoon.

Our investigations revealed that Mr. Nadarajalingam and his wife owned 18 Forestbrook Dr in Markham but it was transferred in 2018. Please confirm if they still leave in this house on lease basis. If not, has Mr. Nadarajalingam purchased another home that he lives in? Will provide you with a response as soon as possible.

We attach a PPSA summary chart for Mr. Nadarajalingam. We note that there there are 2 Mercedes and a Lamborghini 62 that are leased. Can you confirm if all 3 of these cars are still leased? Will provide you with a response as soon as possible.

What relationship does Ideal (JS) Developments Inc. have to the borrowers and guarantors? Will provide you with a response as soon as possible.

thanks

Susan Rosen
Partner
T +1 416 862 3519
susan.rosen@gowlingwlj.com



From: Shida Azari <SA@friedmans.ca>
Sent: August-14-19 10:33 AM
To: Starkman, Samuel <Samuel.Starkman@gowlingwlj.com>; Rosen, Susan <Susan.Rosen@gowlingwlj.com>
Cc: Bill Friedman <wf@friedmans.ca>; Galluzzo, Nancy <Nancy.Galluzzo@gowlingwlj.com>
Subject: RE: Amercan/Ideal - Bond & Bostwick properties

Susan,

Please forward a copy of the draft postponement agreement that is being proposed to be executed by Feature Corp. in favour of Amercan Corporation in connection to the \$750,000 USD loan. Feature Corp.'s lawyer will need some time to review same.

Thanks.

Yours truly,

Shida Azari

Associate

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From: Shida Azari
Sent: Wednesday, August 14, 2019 9:00 AM
To: 'Starkman, Samuel' <Samuel.Starkman@gowlingwlj.com>; 'Rosen, Susan' <Susan.Rosen@gowlingwlj.com>

Cc: Bill Friedman <wf@friedmans.ca>; 'Galluzzo, Nancy' <Nancy.Galluzzo@gowlingwlg.com>

63

Subject: RE: Amercan/Ideal - Bond & Bostwick properties

Susan and Sam,

Attached please find a copy of the executed title opinion and the opinion of Charmalie Weerasekera, the Sri Lankan lawyer in connection with Ideal Beach Property Holdings (PVT) Ltd.

Yours truly,

Shida Azari

Associate

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Fax: (416) 497-3809

Email: sa@friedmans.ca

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From: Shida Azari

Sent: Tuesday, August 13, 2019 2:13 PM

To: 'Starkman, Samuel' <Samuel.Starkman@gowlingwlg.com>

Cc: Bill Friedman <wf@friedmans.ca>; Galluzzo, Nancy <Nancy.Galluzzo@gowlingwlg.com>; Rosen, Susan <Susan.Rosen@gowlingwlg.com>

Subject: RE: Amercan/Ideal - Bond & Bostwick properties

Sam,

I am waiting to obtain same from the Sri Lankan lawyer and will forward them to you upon receipt.

Yours truly,

Shida Azari

Associate

FRIEDMANS
LAW FIRM

Friedman Law Professional Corporation

150 Ferrand Drive, Suite 800

Toronto, ON M3C 3E5

Tel: (416) 496-3340 x112

Fax: (416) 497-3809

Email: sa@friedmans.ca

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attachments is strictly prohibited. If you have received this confidential communication in error, permanently delete the original message and please notify the sender immediately by reply email message or by contacting (416) 496-3340.

From: Starkman, Samuel [<mailto:Samuel.Starkman@gowlingwl.com>]
Sent: Tuesday, August 13, 2019 2:12 PM
To: Shida Azari <SA@friedmans.ca>
Cc: Bill Friedman <wf@friedmans.ca>; Galluzzo, Nancy <Nancy.Galluzzo@gowlingwl.com>; Rosen, Susan <Susan.Rosen@gowlingwl.com>
Subject: RE: Amercan/Ideal - Bond & Bostwick properties

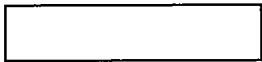
Hi Shida,

Could you please also provide us with the corporate documents for the Sri Lankan corporation (articles, bylaws, shareholders register, list of directors and officers)? I don't believe we have seen these yet.

Thanks,

Sam

Samuel Starkman
Associate
T +1 416 862 5415
samuel.starkman@gowlingwl.com



From: Shida Azari [<mailto:SA@friedmans.ca>]
Sent: August-13-19 1:37 PM
To: Rosen, Susan <Susan.Rosen@gowlingwl.com>
Cc: Bill Friedman <wf@friedmans.ca>; Galluzzo, Nancy <Nancy.Galluzzo@gowlingwl.com>; Starkman, Samuel <Samuel.Starkman@gowlingwl.com>
Subject: RE: Amercan/Ideal - Bond & Bostwick properties

Hi Susan,

We are obtaining the documents requested from our client's lawyer in Sri Lanka. I understand that the Sri Lankan lawyer was away and has returned to the office today.

Please note IDEAL BECH PROPERTY HOLDINGS (PVT) LTD. ("**Ideal Beach**") is not an Ontario Corporation. Ideal Beach is a Sri Lankan corporation.

We will forward the requisite documents to you upon receipt.

Yours truly,

Shida Azari
Associate
FRIEDMANS
LAW FIRM
Friedman Law Professional Corporation
150 Ferrand Drive, Suite 800
Toronto, ON M3C 3E5

Tel: (416) 496-3340 x112

Fax: (416) 497-3809

Email: sa@friedmans.ca

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From: Rosen, Susan [<mailto:Susan.Rosen@gowlingwlg.com>]

Sent: Tuesday, August 13, 2019 12:37 PM

To: Shida Azari <SA@friedmans.ca>

Cc: Bill Friedman <wf@friedmans.ca>; Galluzzo, Nancy <Nancy.Galluzzo@gowlingwlg.com>; Starkman, Samuel <Samuel.Starkman@gowlingwlg.com>

Subject: RE: Amercan/Ideal - Bond & Bostwick properties

Hello,

Can you advise if **IDEAL BECH PROPERTTY HOLDINGS (PVT) LTD** is an Ontario corporation, and if so, is it extra-jurisdictionally registered and permitted to own and develop land in Sri Lanka?

I have reviewed the REPORT ON TITLE that you sent to us, but it isn't addressed to our client and therefor our client's can't rely on it. We need an opinion and report on title to our client. In addition, we need information re officers, directors, shareholders, etc. and a corporate opinion, etc.

Please give me a call to discuss.

Regards,

Susan Rosen

Partner

T +1 416 862 3519

susan.rosen@gowlingwlg.com



From: Shida Azari <SA@friedmans.ca>

Sent: August-12-19 10:13 AM

To: Rosen, Susan <Susan.Rosen@gowlingwlg.com>

Cc: Bill Friedman <wf@friedmans.ca>; Galluzzo, Nancy <Nancy.Galluzzo@gowlingwlg.com>; Starkman, Samuel <Samuel.Starkman@gowlingwlg.com>

Subject: RE: Amercan/Ideal - Bond & Bostwick properties

Susan,

Attached please find a copy of report on title in relation to the Sri Lankan property for your review.

The balance of the documents requested will be forwarded to you as soon as possible.

I look forward to receiving the draft security documents from you.

Yours truly,

Shida Azari

Associate

FRIEDMANS
LAW FIRM

Friedman Law Professional Corporation

150 Ferrand Drive, Suite 800

Toronto, ON M3C 3E5

Tel: (416) 496-3340 x112

Fax: (416) 497-3809

Email: sa@friedmans.ca

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From: Shida Azari

Sent: Friday, August 09, 2019 6:24 PM

To: 'Rosen, Susan' <Susan.Rosen@gowlingwlg.com>

Cc: Bill Friedman <wf@friedmans.ca>; Galluzzo, Nancy <Nancy.Galluzzo@gowlingwlg.com>; Starkman, Samuel <Samuel.Starkman@gowlingwlg.com>

Subject: RE: Amercan/Ideal - Bond & Bostwick properties

Thank you Susan.

Yours truly,

Shida Azari

Associate

FRIEDMANS
LAW FIRM

Friedman Law Professional Corporation

150 Ferrand Drive, Suite 800

Toronto, ON M3C 3E5

Tel: (416) 496-3340 x112

Fax: (416) 497-3809

Email: sa@friedmans.ca

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From: Rosen, Susan [<mailto:Susan.Rosen@gowlingwlg.com>]

Sent: Friday, August 09, 2019 6:24 PM

To: Shida Azari <SA@friedmans.ca>

Cc: Bill Friedman <wf@friedmans.ca>; Galluzzo, Nancy <Nancy.Galluzzo@gowlingwlg.com>; Starkman, Samuel <Samuel.Starkman@gowlingwlg.com>

Subject: RE: Amercan/Ideal - Bond & Bostwick properties

We hope to get documents to you by mid day Tuesday. As you can appreciate, we have a lot to do.

Susan Rosen
Partner
 T +1 416 862 3519
susan.rosen@gowlingwlg.com



From: Shida Azari <SA@friedmans.ca>
Sent: August-09-19 6:18 PM
To: Rosen, Susan <Susan.Rosen@gowlingwlg.com>
Cc: Bill Friedman <wf@friedmans.ca>; Galluzzo, Nancy <Nancy.Galluzzo@gowlingwlg.com>; Starkman, Samuel <Samuel.Starkman@gowlingwlg.com>
Subject: RE: Amercan/Ideal - Bond & Bostwick properties

Hi Susan,

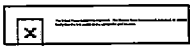
Please see attached a copy of the commitment between our client and Romspen.

Romspen's lawyer will be forwarding a draft copy of the postponement to us, which I will forward to you upon receipt.

Kindly advise when we can expect to receive the draft security documents. Please let me know if you require any other information/documents in the meantime.

Yours truly,

Shida Azari
 Associate



Friedman Law Professional Corporation
 150 Ferrand Drive, Suite 800
 Toronto, ON M3C 3E5
 Tel: (416) 496-3340 x112
 Fax: (416) 497-3809
 Email: sa@friedmans.ca

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From: Rosen, Susan [<mailto:Susan.Rosen@gowlingwlg.com>]
Sent: Friday, August 09, 2019 5:59 PM
To: Shida Azari <SA@friedmans.ca>
Cc: Bill Friedman <wf@friedmans.ca>; Galluzzo, Nancy <Nancy.Galluzzo@gowlingwlg.com>; Starkman, Samuel <Samuel.Starkman@gowlingwlg.com>
Subject: RE: Amercan/Ideal - Bond & Bostwick properties

Thanks for your prompt response.

We have requested a copy of Romspen's Credit Agreement because our client is entitled to see what it is standing behind. We don't even know if it is a demand facility or a term facility?

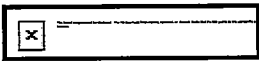
I think this is fair.

Susan Rosen

Partner

T +1 416 862 3519

susan.rosen@gowlingwlg.com



From: Shida Azari <SA@friedmans.ca>

Sent: August-09-19 4:29 PM

To: Rosen, Susan <Susan.Rosen@gowlingwlg.com>

Cc: Bill Friedman <wf@friedmans.ca>; Galluzzo, Nancy <Nancy.Galluzzo@gowlingwlg.com>; Starkman, Samuel <Samuel.Starkman@gowlingwlg.com>; SHAJI <shaji@idealdevelopments.com>; Prasana Balachandran <prasana@idealdevelopments.com>

Subject: RE: Amercan/Ideal - Bond & Bostwick properties

Hi Susan,

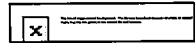
Thank you for your response.

Please find my responses to your email below in red.

Yours truly,

Shida Azari

Associate



Friedman Law Professional Corporation

150 Ferrand Drive, Suite 800

Toronto, ON M3C 3E5

Tel: (416) 496-3340 x112

Fax: (416) 497-3809

Email: sa@friedmans.ca

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From: Rosen, Susan [<mailto:Susan.Rosen@gowlingwlg.com>]

Sent: Friday, August 09, 2019 3:22 PM

To: Shida Azari <SA@friedmans.ca>

Cc: Bill Friedman <wf@friedmans.ca>; Galluzzo, Nancy <Nancy.Galluzzo@gowlingwlg.com>; Starkman, Samuel <Samuel.Starkman@gowlingwlg.com>; Fenseay Wang <fanseaywang@dragoninv.com> <fanseaywang@dragoninv.com>

Importance: High

Hello,

Thank you for your email. We had pulled the PINs previously.

Please review, consider, provide and respond to the following:

- We haven't received the Articles of Incorporation for the 4 owners of the real estate in Ontario – please see attached copies of the Articles of Incorporation for the borrowers.
- The water bill you attached to your email refers to IDEAL PROPERTIES INC. This corporation is not one of the 4 owners. It is critical that we receive a corporate organization chart ASAP. Related to that we need to know the names of the officers, directors and shareholders (including the number of shares they own. Our client advises that the properties were originally purchased by a corporation called Ideal Properties Inc. and subsequently transferred to the borrowers. The City of Richmond Hill has not updated their ownership contact information yet. Our client will arrange for same to be completed. Ideal Properties Inc. is not the registered or beneficial owner of any of the properties.
- What does IDEAL DEVELOPMENTS INC. own? I will provide you with a response as soon as possible.
- Please send the incorporation information regarding IDEAL BEACH PROPERTIES HOLDINGS (PVT) LTD. plus the names of the officers, directors, shareholders and number of shares owned by each shareholder- I will forward same to you as soon as possible.
- Instruct your Sri Lankan counsel to prepare the necessary and required documentation including accompanying corporate documentation and opinions to effect the pledge of shares to our client –Please note that the Pledge will be governed by Ontario law. We will provide you with evidence that the shares of Ideal Beach Properties Holdings (PVT) Ltd. can be pledged.
- Provide us with an opinion from a Sri Lankan solicitor/attorney that the Sri Lankan property is (i) owned by IDEAL BEACH PROPERTIES HOLDINGS (PVT) LTD. as both beneficial and title owner, and (ii) there are no registered or unregistered encumbrances against the property. We will provide you with evidence that the property in Sri Lanka is owned by Ideal Beach Properties Holdings (PVT) Ltd.
- We have yet to receive a copy of the Romspen commitment – which we require ASAP Please advise why this is required.
- We also require a copy of the discharge statement from the current first lender and the mortgage statements from Feature Corp. We have requested same and will provide you with copies as soon as possible.
- In addition to the registered title security, do you have copies of any other security or documentation that was delivered by your client to our client? We do not have any documents in our possession. We will inquire from our client and advise you accordingly.
- Are any of the houses currently rented and if so do you have a rent roll? Can you confirm that the leases are all mo to mo - All of the properties, with the exception of 16 Bostwick Crescent, Richmond Hill, are vacant land. 16 Bostwick Crescent is currently tenanted as a residential property. There is no formal lease available.
- Prepare a statement to show the following in connection with the Ontario Properties: Please provide us with a copy of the advance statement and we will provide you with a copy of our statement showing the disbursement of funds as soon as possible.
 - o o/s amount of principal, interest and any additional charges due and owing under each registered mortgage We have requested same and will provide you with copies as soon as possible.
 - o o/s realty taxes – confirmation that this will be paid on the advance date and from whose funds I confirm that the any outstanding taxes will be paid from the funds advanced by Amercan.
 - o o/s water bills - confirmation that any arrears will be paid on the advance date and from whose funds I confirm that the any arrears in connection from the water bill will be paid from the funds advanced by Amercan.
 - o allocation of funds on closing to pay any other o/s accounts relating to the ownership or development of the property I will provide you with details as soon as possible.

We will work very hard to meet your target of August 15th but it is as you know, aggressive. Thank you.

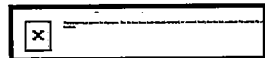
Regards,

Susan Rosen

Partner

T +1 416 862 3519

susan.rosen@gowlingwlg.com



From: Shida Azari <SA@friedmans.ca>

Sent: August-09-19 12:48 PM

To: Rosen, Susan <Susan.Rosen@gowlingwlg.com>

Cc: Bill Friedman <wf@friedmans.ca>; Galluzzo, Nancy <Nancy.Galluzzo@gowlingwlg.com>; Starkman, Samuel <Samuel.Starkman@gowlingwlg.com>

Subject: RE: Amercan/Ideal - Bond & Bostwick properties

Hi Susan,

Please see attached a copy of the parcel abstract of the properties. They were all retrieved yesterday.

We have ordered tax and water certificates for the properties and will forward same to you as soon as possible. In the meantime, please find attached a copy of the water bills. The 2019 final tax bills for the properties were forwarded to you previously.

Kindly advise when we can expect to receive the draft security documents with respect to the \$750,000 USD loan from Amercan Corporation.

In addition, as you are aware our client is arranging a new first mortgage to be registered against the title to the properties in favour of Romspen in the amount of \$13,000,000 (the "**New Mortgage**"). The New Mortgage will payout and replace the existing first mortgage in favour of First Source Financial Management Inc. and Kingsett Mortgage Corporation registered as Instrument No. YR2625834.

Romspen will require (1) a postponement of your client's existing mortgage registered as Instrument no. YR2411928; and (2) a postponement of your client's new second mortgage in the amount of \$750,000 USD. I will forward draft postponement and subordination agreements to you as soon as I am in receipt of same for your review.

In addition, please provide us with an up to date mortgage statement as of August 15, 2019 in connection with your client's existing mortgage registered as Instrument no. YR2411928.

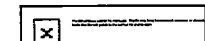
The loan transaction with Romspen is scheduled to close on August 15, 2019; therefore, I would appreciate receiving your earliest response.

Should you have any questions, please do not hesitate to contact me.

Yours truly,

Shida Azari

Associate



Friedman Law Professional Corporation
150 Ferrand Drive, Suite 800
Toronto, ON M3C 3E5
Tel: (416) 496-3340 x112
Fax: (416) 497-3809
Email: sa@friedmans.ca

71

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From: Shida Azari
Sent: Wednesday, August 07, 2019 6:29 PM
To: 'Rosen, Susan' <Susan.Rosen@gowlingwlg.com>
Cc: Bill Friedman <wf@friedmans.ca>; Galluzzo, Nancy <Nancy.Galluzzo@gowlingwlg.com>; Starkman, Samuel <Samuel.Starkman@gowlingwlg.com>
Subject: RE: Amercan/Ideal - Bond & Bostwick properties

Hi Susan,

I confirm that our client has agreed to provide the following securities with respect to the loan in the amount of \$750,000 USD:

1. A new mortgage to be registered against the above-noted properties in favour of Amercan Corp. in second position in the amount of \$750,000 USD (the "**New Charge**"). Feature Corp. will postpone its current security in favour of the New Charge.
2. Based on what your client has indicated below in his email to our client in paragraph 5, the Sri Lankan security will only consist of a pledge of 100% of shares of the corporation that owns the Sri Lankan property (the "**Pledge**").

The Sri Lankan property is owned by the following Sri Lankan corporation: IDEAL BEACH PROPERTY HOLDINGS (PVT) LTD. ("**Ideal Beach**"). The shares of Ideal Beach are owned by IDEAL PROPERTIES INC.

3. Pledge of 100% of the shares of Ideal Developments Inc.

We assume that you will be preparing the required documents and will forward them to us as soon as possible.

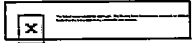
Attached, please find a copy of the following:

1. Planning memo dated May 8, 2019 with respect to the status of the project in connection with Bond/Bostwick properties.
2. Property tax bills for Bond/Bostwick properties.
3. A copy of the articles of incorporation and share registers for Ideal Developments Inc.

The balance of the documents will be provided to you as soon as possible.

Yours truly,

Shida Azari

Associate

Friedman Law Professional Corporation
 150 Ferrand Drive, Suite 800
 Toronto, ON M3C 3E5
 Tel: (416) 496-3340 x112
 Fax: (416) 497-3809
 Email: sa@friedmans.ca

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From: Rosen, Susan [<mailto:Susan.Rosen@gowlingwlg.com>]
Sent: Wednesday, August 07, 2019 5:16 PM
To: Shida Azari <SA@friedmans.ca>; Bill Friedman <wf@friedmans.ca>
Cc: Galluzzo, Nancy <Nancy.Galluzzo@gowlingwlg.com>; Starkman, Samuel <Samuel.Starkman@gowlingwlg.com>; Fenseay Wang (fanseaywang@dragoninv.com) <fanseaywang@dragoninv.com>
Subject: RE: Amercan/Ideal - Bond & Bostwick properties

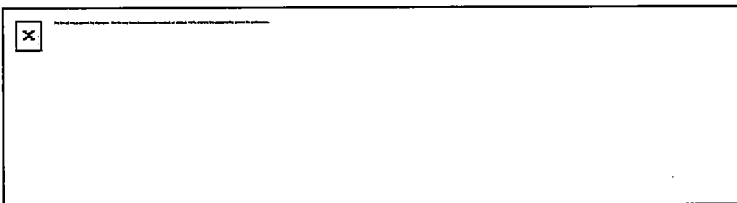
Hello Shida,

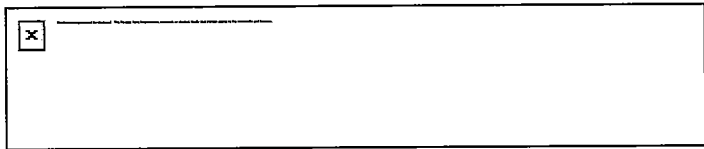
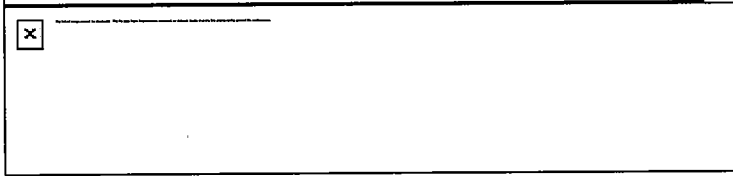
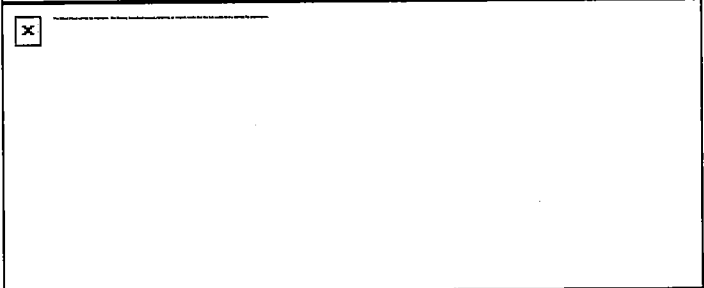
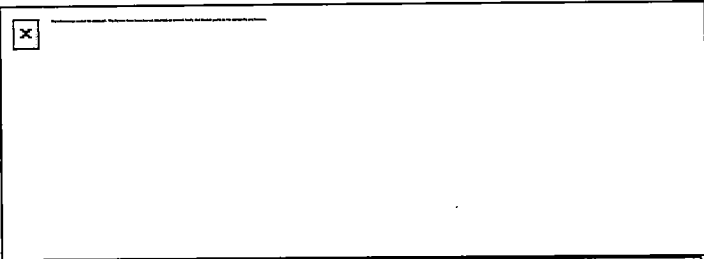
We have confirmed with our client that it is only prepared to advance \$750,000 US and not \$2 mil CND. Below is an email that our client sent to your client setting out the terms of the deal. Apparently your client agreed to these terms. Your client wants to put the loan in place ASAP.

Please note that the \$750,000 US loan is to be in second position behind Romspen. Please confirm that Feature Corp is agreeable to postpone its current security in favour of this new Charge. We will of course require a mortgage statement for information purposes from Feature Corp to confirm the current outstanding balance together with accrued interest that is due and owing under their 2 Charges.

Please be advised that we MUST have the Sri Lankan security in place in order to advance the \$750,000 US funds. We are relying on your firm to coordinate that security with local counsel.

Further to our telephone conversation and our email below, there are a lot of documents that are outstanding that we require in order to start to draft the credit agreement and the security. Please advise us where you are at in terms of delivering the due diligence and o/s documents.





thanks
Susan Rosen
Partner
T +1 416 862 3519
susan.rosen@gowlingwlg.com



From: Shida Azari <SA@friedmans.ca>
Sent: August-02-19 6:28 PM
To: Rosen, Susan <Susan.Rosen@gowlingwlg.com>
Cc: Galluzzo, Nancy <Nancy.Galluzzo@gowlingwlg.com>; Starkman, Samuel <Samuel.Starkman@gowlingwlg.com>; Bill Friedman <wf@friedmans.ca>
Subject: RE: Amercan/Ideal - Bond & Bostwick properties

Hi Susan,

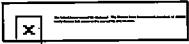
Further to our conversation yesterday, please advise if you have received confirmation from your client with respect to the amount of the mortgage to be registered in second position against the title of the Bond & Bostwick properties. As we understand the agreed amount is \$2,000,000. Please confirm.

In the meantime, I am working on getting you all the documents you have requested, including the status of the development. I will revert back as soon as possible.

Yours truly,

Shida Azari

Associate



Friedman Law Professional Corporation
 150 Ferrand Drive, Suite 800
 Toronto, ON M3C 3E5
 Tel: (416) 496-3340 x112
 Fax: (416) 497-3809
 Email: sa@friedmans.ca

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From: Shida Azari

Sent: Thursday, August 01, 2019 1:19 PM

To: 'Rosen, Susan' <Susan.Rosen@gowlingwlg.com>

Cc: Galluzzo, Nancy <Nancy.Galluzzo@gowlingwlg.com>; Starkman, Samuel <Samuel.Starkman@gowlingwlg.com>; Bill Friedman <wf@friedmans.ca>

Subject: RE: Amercan/Ideal - Bond & Bostwick properties

Hi Susan,

Our client proposes the following:

1. Feature Corp. currently has a mortgage in second position in the amount of \$5,000,000.
2. Feature Corp. will postpone its interest in favour of Amercan Corporation ("Amercan"), so that Amercan will have a mortgage in second position in the amount of \$2,000,000.00.
3. The term of the mortgage in favour of Amercan will be for one year in order to provide our client with sufficient time to service the land.
4. The first mortgage will be registered in favour of Romspen in the amount of \$13,000,000.
5. The percentage of the value of the property that will be mortgaged including Amercan and Rompsen's mortgage amount will be 70%.

Please review the foregoing and let me know if you have any questions.

Yours truly,

Shida Azari

Associate



Friedman Law Professional Corporation
 150 Ferrand Drive, Suite 800
 Toronto, ON M3C 3E5
 Tel: (416) 496-3340 x112
 Fax: (416) 497-3809
 Email: sa@friedmans.ca

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From: Rosen, Susan [<mailto:Susan.Rosen@gowlingwlg.com>]

Sent: Thursday, August 01, 2019 11:56 AM

To: Bill Friedman <wf@friedmans.ca>

Cc: Shida Azari <SA@friedmans.ca>; Fenseay Wang (fanseaywang@dragoninv.com) <fanseaywang@dragoninv.com>; Galluzzo, Nancy <Nancy.Galluzzo@gowlingwlg.com>; Starkman, Samuel <Samuel.Starkman@gowlingwlg.com>; SHAJI <shaji@idealdevelopments.com>; Prasana Balachandran <prasana@idealdevelopments.com>

Subject: RE: Amercan/Ideal

Hi Bill – I was tied up this morning. I am available after 12:15 to discuss. Let me know your availability.

Regards,

Susan Rosen

Partner

T +1 416 862 3519

susan.rosen@gowlingwlg.com



From: Bill Friedman <wf@friedmans.ca>

Sent: August-01-19 10:25 AM

To: Rosen, Susan <Susan.Rosen@gowlingwlg.com>

Cc: Shida Azari <SA@friedmans.ca>; Fenseay Wang (fanseaywang@dragoninv.com) <fanseaywang@dragoninv.com>; Galluzzo, Nancy <Nancy.Galluzzo@gowlingwlg.com>; Starkman, Samuel <Samuel.Starkman@gowlingwlg.com>; SHAJI <shaji@idealdevelopments.com>; Prasana Balachandran <prasana@idealdevelopments.com>

Subject: RE: Amercan/Ideal

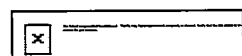
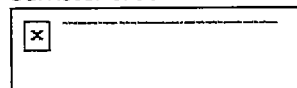
Susan

Do you have time at 11am this morning to discuss this matter and in particular the security. Let me know.

Yours truly,

William Friedman

Barrister & Solicitor



Friedman Law Professional Corporation

150 Ferrand Drive, Suite 802

Toronto, ON M3C 3E5

wf@friedmans.ca

Tel: (416) 496-3340 ext. 199

Fax: (416) 497-3809

Friedman Law Professional Corporation

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From: Rosen, Susan [<mailto:Susan.Rosen@gowlingwlg.com>]

Sent: Tuesday, July 30, 2019 9:15 AM

To: Bill Friedman <wf@friedmans.ca>

Cc: Shida Azari <SA@friedmans.ca>; Fenseay Wang (fanseaywang@dragoninv.com) <fanseaywang@dragoninv.com>; Galluzzo, Nancy <Nancy.Galluzzo@gowlingwlg.com>; Starkman, Samuel <Samuel.Starkman@gowlingwlg.com>

Subject: Re: Amercan/Ideal

Thanks very much

Sent from my iPhone

On Jul 30, 2019, at 8:57 AM, Bill Friedman <wf@friedmans.ca> wrote:

Susan

I am sorry for not sending you the registered documents but I thought you would be searching title and pick most of them up. We will provide you with the response to your inquiries shortly.

Yours truly,

William Friedman

Barrister & Solicitor

<image001.png>

<image005.jpg>

Friedman Law Professional Corporation

150 Ferrand Drive, Suite 802

Toronto, ON M3C 3E5

wf@friedmans.ca

Tel: (416) 496-3340 ext. 199

Fax: (416) 497-3809

Friedman Law Professional Corporation

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From: Rosen, Susan [<mailto:Susan.Rosen@gowlingwlg.com>]

Sent: Monday, July 29, 2019 8:54 PM

To: Shida Azari <SA@friedmans.ca>; Bill Friedman <wf@friedmans.ca>

Cc: Fenseay Wang (fanseaywang@dragoninv.com) <fanseaywang@dragoninv.com>; Galluzzo, Nancy <Nancy.Galluzzo@gowlingwlg.com>; Starkman, Samuel <Samuel.Starkman@gowlingwlg.com>

Subject: RE: Amercan/Ideal

Thank you for the documents.

Unfortunately, I don't believe that you have sent me all of the registered security. I have pulled copies from Teraview to review.

STATUS OF DEVELOPMENT:

Further to my discussion with Bill on Friday, I attach the pictures that I saw on Google that indicated various applications relating to the subject lands. I would appreciate if you would confirm if they all relate to the properties or just some of them. In addition, please advise me of the status of the development of each of the properties over which American Corp currently has security.

<image006.png>

<image007.png>

SECURITY AND PRIORITY OF SECURITY:

I have been advised that the charge in favour of American in the amount of \$5mil USD was increased pursuant to an extension agreement to \$6.8 mil USD. We will have to register a Charge Amending Agreement to reflect this increase and increase the Principal Amount of the Charge to cover the additional fees and interest. My client will advise me of the sum shortly. This charge is to remain in Second Position behind the new Romspen Charge in the amount of \$13,000.

We will be registering a Third Charge in the amount of approx. \$1 mil US. The loan is \$1 mil USD but is to be reflected as a US dollar charge and we need to include the Interest that will accrue because it isn't payable until the expiry of the term. We have been advised that the interest rate is 20% for the first 9 months and then 30% if your client wants to exercise a 3 month extension of this loan.

You will have to secure postponements of both \$2 mil Charges registered favour of Feature Corp. in favour of the Increased Second Charge and the new Third Charge in favour of American Corp.. There are two \$2 mil Charges registered on some properties but not all. The Feature Corp. Charges will have to go behind the American Corp Charges. Please ensure that your client arranges for the required postponements. I expect that a Multi Party DRA will be required to facilitate the closing.

We require a copy of the Romspen commitment letter and the name of their solicitors. We also require a copy of the payout statement from the existing First Chargee. In addition, please provide us with a full and complete payout statement to bring all debts current on the Romspen advance.

ADDITIONAL SECURITY:

We have also been advised that our clients requires the following from additional security:

- Pledge of 100% of the shares in each of the 4 borrower corporations that own the properties
- Pledge of 100% of the shares in the Borrower's Management company
- Personal Guarantee from Shajiraj Nadarajalingam for the indebtedness of all 4 borrower corporations
- \$5 mil US Charge over the property in Shri Lanka

Please confirm that you have the Minute Books 4 borrower corporations and for the management company. What is the name of the management company?

Please provide us with the legal description, ownership information and any other additional information regarding the property in Shri Lanka.

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REALTY TAXES:

Please provide us with current tax statements and evidence of payment of the realty taxes for each property.

The foregoing is not a comprehensive list but I wanted to get you something to make sure that we were all moving in the same direction with the same expectations. Finally, a Wednesday closing is clearly unrealistic, but we will work towards a speedy closing.

Regards,

Susan Rosen
Partner
T +1 416 862 3519
susan.rosen@gowlingwlg.com



From: Shida Azari <SA@friedmans.ca>
Sent: July-26-19 4:48 PM
To: Rosen, Susan <Susan.Rosen@gowlingwlg.com>
Cc: Bill Friedman <wf@friedmans.ca>
Subject: Amercan/Ideal

Hi Susan,

Bill asked me to forward documents in our possession pertaining to the Amercan loan to Ideal. Please see attached the following, which are the only documents in our possession:

1. Charge registered as YR2378949;
2. Charge registered as YR2411928; and
3. Postponement registered as YR2944801.

Yours truly,

Shida Azari

Associate

<image008.jpg>

Friedman Law Professional Corporation

150 Ferrand Drive, Suite 800

Toronto, ON M3C 3E5

Tel: (416) 496-3340 x112

Fax: (416) 497-3809

Email: sa@friedmans.ca

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Justin Robinson

From: Oxana Mysyk <omysyk@garfinkle.com>
Sent: Wednesday, August 14, 2019 4:42 PM
To: Shida Azari
Cc: Bill Friedman; Barry Polisuk; Justin Robinson; Matt Dankev
Subject: RE: Draft PPSAs to SOL - Romspen loan to Ideal (BC) Developments Inc. et al - 8-18 Bostwick and 2, 6 & 8 Bond, Richmond Hill

Thank you, Shida.

Regards,

My office hours are Tuesday to Friday from 8:30 am to 4:30 pm.

Oxana Mysyk
 Law Clerk
 Garfinkle Biderman LLP
 Dynamic Funds Tower, Suite 801
 1 Adelaide Street East
 Toronto, Ontario M5C 2V9
 Tel No: 416.869.1234
 DIRECT LINE: 416.869.7635
 Fax No: 416.869.0547
 E-mail: omysyk@garfinkle.com
www.garfinkle.com

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From: Shida Azari [mailto:SA@friedmans.ca]
Sent: August-14-19 4:17 PM
To: Oxana Mysyk
Cc: Bill Friedman; Barry Polisuk; Justin Robinson; Matt Dankev
Subject: RE: Draft PPSAs to SOL - Romspen loan to Ideal (BC) Developments Inc. et al - 8-18 Bostwick and 2, 6 & 8 Bond, Richmond Hill

Oxana,

Further to our recent telephone conversation, I understand that you have received the up to date payout statement regarding the existing first mortgage directly from First Source's lawyer. A copy of which is also attached here for your reference.

As discussed, our client will be attending our office tomorrow around 11:00 AM. We will forward scanned copies of the documents to you as soon as possible.

I understand that you are not in receipt of the mortgage funds in the amount of \$13,000,000 in connection with the above-noted loan transaction (the "Mortgage Funds") as of yet.

I understand from you that in order for your client to send you the Mortgage Funds on or before Friday, August 16, 2019, you will require the requisition of funds signed by our office and our client on or before 2:00 PM on August 15, 2019. We are arranging for our client to execute the requisition of funds and will deliver same to you as soon as possible.

I am in receipt of your email enclosing the PPSA searches and will review and respond to you as soon as possible.

Yours truly,

Shida Azari

Associate

FRIEDMANS
LAW FIRM

Friedman Law Professional Corporation

150 Ferrand Drive, Suite 800

Toronto, ON M3C 3E5

Tel: (416) 496-3340 x112

Fax: (416) 497-3809

Email: sa@friedmans.ca

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From: Oxana Mysyk [mailto:omysyk@garfinkle.com]

Sent: Wednesday, August 14, 2019 3:06 PM

To: Shida Azari <SA@friedmans.ca>

Cc: Bill Friedman <wf@friedmans.ca>; Barry Polisuk <bpolisuk@GARFINKLE.com>

Subject: Draft PPSAs to SOL - Romspen loan to Ideal (BC) Developments Inc. et al - 8-18 Bostwick and 2, 6 & 8 Bond, Richmond Hill

Hi Shida,

Attached hereto please find draft PPSAs. Kindly attach same to the Acknowledgement.

Regards,

My office hours are Tuesday to Friday from 8:30 am to 4:30 pm.

Oxana Mysyk

Law Clerk

Garfinkle Biderman LLP

Dynamic Funds Tower, Suite 801
1 Adelaide Street East
Toronto, Ontario M5C 2V9
Tel No: 416.869.1234
DIRECT LINE: 416.869.7635
Fax No: 416.869.0547
E-mail: omysyk@garfinkle.com
www.garfinkle.com

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ACCOUNT CLOSING STATEMENT

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FIRST SOURCE
FINANCIAL MANAGEMENT INC.

BORROWER
(Bostwick Cres, RH) Ideal (BC) Developments Inc., et al 1100 Rodick Road - Ground Floor Markham ON L3R 8C3

ACCOUNT NO.	1233.16.12
STATEMENT CLOSING DATE	8/14/2019

STATEMENT SUMMARY	
Payoff Amount	\$13,779,211.97
Payoff Due Date	8/15/2019
After 8/15/2019, please pay an additional \$4,420.18 per day. This notice expires on 8/18/2019, at which time you are instructed to contact this office for additional instructions.	
Interest Rate	12.000%
Daily Periodic Rate	0.033333%
Average Daily Balance	\$13,261,813.75
Property: 8 ,10, 12 ,14 ,16 & 18 Bostwick, 2, 6 & 8 Bond Crescent Richmond Hill ON	

PLEASE DETACH THE TOP PORTION OF THIS STATEMENT AND RETURN IT WITH YOUR PAYMENT

Funds may be tendered any time up to 1:00 pm August 15, 2019 based on the existing statement.
If funds are tendered after 1:00 pm, August 15, 2019 please add additional per diem to NEXT business day.
Subject to adjustments to legal fees, disbursements, charges, etc
E. & O.E.

ACCOUNT ACTIVITY

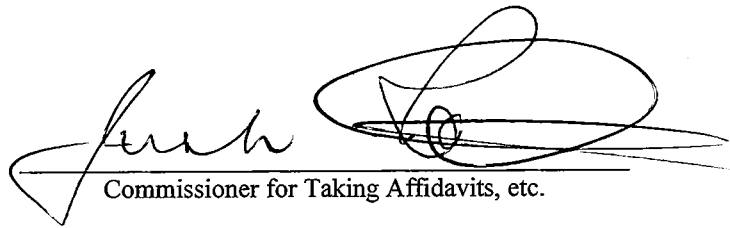
Date	Reference	Description	Reserve	Charges	Credits	Balance
5/1/2019		Balance Forward	\$300,000.00			\$13,096,302.75
5/1/2019		Extension Fee (May 1, 2019)		\$14,423.08		\$13,110,725.83
5/1/2019		Extension Fee (May 1, 2019)		\$602.88		\$13,111,328.71
5/1/2019		Extension Fee (May 1, 2019)		\$9,974.04		\$13,121,302.75
5/2/2019	MAY INT	Payment Received - Thank You	(\$132,600.00)			\$13,121,302.75
5/2/2019	WIRE	Payment - Other	\$157,600.00		\$157,600.00	\$12,963,702.75
5/2/2019	EXT FEE	Payment - Other	(\$25,000.00)			\$12,963,702.75
5/31/2019		Extension Fee due to Investor 1 (Jun 1, 2019)		\$14,423.08		\$12,978,125.83
5/31/2019		Extension Fee due to Investor 3 (Jun 1, 2019)		\$602.88		\$12,978,728.71
5/31/2019		Sched A 2n) Issue with the loan (3 per phone call/email)		\$3,850.00		\$12,982,578.71
5/31/2019		Extension Fee due to Investor 2 (Jun 1, 2019)		\$9,974.04		\$12,992,552.75
5/31/2019		Sched A 2k) Request for 3rd Discharge Statement		\$350.00		\$12,992,902.75
5/31/2019		Sched A 2m) Issue with the loan (In-person meeting)		\$350.00		\$12,993,252.75
5/31/2019		Sched A 2k) Request for Discharge Statement		\$350.00		\$12,993,602.75
5/31/2019		Sched A 2k) Request for 2nd Discharge Statement		\$350.00		\$12,993,952.75
6/4/2019		Legal Fee (Lax O'Sullivan Lisus Gottlieb LLP)-reimburse FS		\$13,620.93		\$13,007,573.68
6/7/2019		Sched. A 2d): Failure to provide proof of insurance renewal		\$350.00		\$13,007,923.68
7/3/2019		Sched A 2k) Request for 4th Discharge Statement		\$350.00		\$13,008,273.68
8/8/2019		AltusGroup - Inv#315098 (Reimburse Fund LP)		\$3,955.00		\$13,012,228.68
8/8/2019		Legal Fee - Lax O'Sullivan Lisus Gottlieb LLP (Reimburse)		\$25,546.79		\$13,037,775.47
8/12/2019		Legal Fee - Lax O'Sullivan Lisus Gottlieb LLP- Inv#32518		\$42,676.73		\$13,080,452.20
8/12/2019		HST on Admin Charge br FS (Dec 1/18 - Aug 14/19)		\$2,184.30		\$13,082,636.50
8/13/2019		Legal Fee - Lax O'Sullivan Lisus Gottlieb LLP (Aug)		\$8,438.85		\$13,091,075.35
8/13/2019		Sched A 15) Management Cost - 15K/mth (Jul-Aug 2019)		\$30,000.00		\$13,121,075.35
8/13/2019		Legal Fees - Schneider Ruggiero LLP		\$226.00		\$13,121,301.35
8/13/2019		Receivership Fee (Paliare and KSV)		\$68,167.74		\$13,189,469.09
8/14/2019	INT BONUS	Adjustment		\$130,000.00		\$13,319,469.09
8/14/2019		Interest Charge		\$459,742.88		\$13,779,211.97
			\$300,000.00	\$840,509.22	\$157,600.00	

INTEREST CHARGE SUMMARY

Balance Date	Daily Balance	Days	Daily Periodic Rate	Interest Rate	Interest Charges
5/1/2019	\$13,393,138.75	1	0.033333%	12.000%	\$4,464.38
5/2/2019	\$13,260,538.75	103	0.033333%	12.000%	\$455,278.50
		104			\$459,742.88

Note: Daily balances exclude reserve balances, impound balances, late charges.

This is Exhibit "I" referred to in
the Affidavit of William Friedman,
sworn this 16th day of August, 2019.



Commissioner for Taking Affidavits, etc.

Justin Robinson

From: Andrew Winton <awinton@lolg.ca>
Sent: Thursday, August 15, 2019 9:17 AM
To: Justin Robinson
Cc: Jeff.Larry@paliareroland.com; Elizabeth.Rathbone@paliareroland.com; Sapna Thakker; matthew.karabus@gowlingswlg.com; Judy Hamilton; Bill Friedman; Seta Boyadjian; Susan Guo; bkofman@ksvadvisory.com; ngoldstein@ksvadvisory.com; Shida Azari
Subject: Re: Ideal (BC) Developments et al and anor ats First Source Financial Management Inc. and Kingsett Mortgage Corporation

Justin,

On Monday, August 12, Sapna and Shida exchanged emails concerning a discharge statement and whether our client would go to the expense of preparing yet another discharge statement when it appeared your client did not have sufficient funds to close. Sapna made it clear we would not prepare a payout statement unless your client would pay off the entire debt to our clients today. Shida assured us the transactions would close today.

Now you are asking for an additional 11 days to discharge the mortgage. Our clients will not agree to that request.

Our position is that unless your client deposits in our trust account sufficient funds to discharge the first secured debt, as shown in the discharge statement, by end of day today, the Receiver's motion should proceed as scheduled on August 19.

Unfortunately, the history of this debt is riddled with occasions where your client promised to pay out by a certain date and then failed to do so. It has been one month since a Receiver was appointed and it appears your client is still not in a position to discharge the debt, despite assuring us as recently as 3 days ago that it would be able to do so today. We are not prepared to wait any longer.

Thank you,

Andrew

Andrew Winton
 Lax O'Sullivan Lissus Gottlieb
 416 644 5342
www.lolg.ca

On Aug 15, 2019, at 6:37 AM, Justin Robinson <JR@friedmans.ca> wrote:

Dear Mr. Winton,

Thank you for your email.

I attach the following documents:

1. Email exchanges (chain) between Ms. Azari and Mr. Meirovivi (Feature Corp) regarding the Subordination and Standstill Agreement and other documents;

2. Email exchanges (chain) between Ms. Azari, Ms. Rosen at Gowlings (American);
3. Email exchanges (chain) between Ms. Azari and Ms. Mysmk (Romspen), at Garfinkel Biderman;
4. Discharge Statement issued by First Source as at August 14, 2019.

Mr. Friedman requests an opportunity to permit the transactional lawyers acting for the borrowers, Romspen, American, Feature Corp. and First Source to finalize outstanding transactional arrangements to permit completion of the transaction and advises me that an adjournment to August 26, 2019, should probably be sufficient.

I request that litigation counsel work with and cooperate with our transactional colleagues and consent to an adjournment of the return of the motion to August 26, 2019.

Kindly advise your instructions.

Yours truly,

Justin Robinson
Associate

Friedman Law Professional Corporation
150 Ferrand Drive, Suite 800
Toronto, ON M3C 3E5
jr@friedmans.ca
Tel: (416) 496-3340 ext. 133
Fax: (416) 497-3809

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-----Original Message-----

From: Andrew Winton [<mailto:awinton@lolg.ca>]

Sent: Wednesday, August 14, 2019 6:17 PM

To: Justin Robinson

Cc: Jeff.Larry@paliarerland.com; Elizabeth.Rathbone@paliarerland.com; Sapna Thakker; matthew.karabus@gowlingswlg.com; Judy Hamilton; Bill Friedman; Seta Boyadjian; Susan Guo; bkofman@ksvadvisory.com; ngoldstein@ksvadvisory.com; Shida Azari

Subject: Re: Ideal (BC) Developments et al and anor ats First Source Financial Management Inc. and Kingsett Mortgage Corporation

Justin,

Let's simplify things and tone down the rhetoric: either the first secured creditors are paid out before August 19 or they are not. If they are, then the appraisal issue is moot.

If payment is not made before August 19, then the Receiver's motion should proceed as scheduled so there is no further delay in selling the property. In that case, counsel for the debtor can attend and make submissions to the Court about the appraisal issue. There is no need to argue via email.

Regards,

Andrew

Andrew Winton
Lax O'Sullivan Lissus Gottlieb
416 644 5342
www.lolg.ca

On Aug 14, 2019, at 6:05 PM, Justin Robinson <JR@friedmans.ca> wrote:

Dear Mr. Larry,

Thank you for your email.

Mr. Friedman has this afternoon briefed me on the transactions in play to refinance the debt outstanding to the applicant secured creditors (First Source and Kingsett).

First Source and Kingsett are represented by Lax Sullivan. Lax Sullivan has provided a discharge statement to us.

Romspen is advancing \$13,000,000.00. Romspen is represented by Garfinkle Biderman LLP.

American is advancing \$1,000,000.00 to take a second position. American is represented in the transaction by Susan Rosen of Gowlings.

Feature Corp is represented by David Merivocci.

Refinancing is a definite and imminent reality. Ms. Azari of our office is working with Mr. Friedman and the other transactional lawyers to close the deal.

The receiver and manager is an officer of the court, and is very definitely in a fiduciary capacity to all parties involved in the contest. The receiver and manager's sale process, which by your own admission involves no appraisals (that have regard to the stage of the development, or otherwise), is an inappropriate sale process.

I am assuming that the receiver and manager has not identified any unsecured creditors. If I am mistaken, kindly advise me.

It is therefore appropriate, in the circumstances for us to move for an adjournment of the motion on Monday to permit the transaction to close and to full repayment of the debt and to provide an opportunity to the receiver to reconsider its duties as an officer of the court.

I anticipate that to permit the refinancing transaction to close and full payment to be advanced, subject to some 89 balances being paid into court for the purposes of judicial determination and approval, or otherwise, that a court order shall be required approving such transaction.

As the secured creditors have been on notice of this transaction, through their solicitors at Lax Sullivan, any costs expended by the secured creditors and the receiver, may not necessarily be approved by the court. It is therefore my suggestion that the receiver and manager "down tools" immediately if that has not already occurred.

However, I do suggest that we avoid a war of words, and rather work together to formulate the appropriate draft order for the court's consideration on Monday, to approve the pending and imminent transaction.

Kindly advise the Receiver and Manager's position.

Yours truly,

Justin Robinson
Associate

Friedman Law Professional Corporation
150 Ferrand Drive, Suite 800
Toronto, ON M3C 3E5
jr@friedmans.ca
Tel: (416) 496-3340 ext. 133
Fax: (416) 497-3809

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Sent: Wednesday, August 14, 2019 1:38 PM

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Cc: Elizabeth.Rathbone@paliareroland.com; awinton@lolg.ca; sthakker@lolg.ca; matthew.karabus@gowlingswlg.com; Judy Hamilton; Bill Friedman; Seta Boyadjian; Susan Guo; bkofman@ksvadvisory.com; ngoldstein@ksvadvisory.com

Subject: RE: Ideal (BC) Developments et al and anor ats First Source Financial Management Inc. and Kingsett Mortgage Corporation

Justin:

The Receiver does not intend to obtain an appraisal. Rather, the Receiver is of the view a properly conducted sales process (such as the one for which approval is being sought on Monday) will generate offers for the property that will be more indicative of the property's value than an appraisal. Accordingly, the Receiver believes that an appraisal will only result in further, and unnecessary, cost and delay, without facilitating the sale process.

Best,

-----Original Message-----

From: Justin Robinson <JR@friedmans.ca>

Sent: August 14, 2019 9:49 AM

To: Jeff Larry <Jeff.Larry@paliareroland.com>

Cc: Elizabeth Rathbone <Elizabeth.Rathbone@paliareroland.com>; awinton@lolg.ca; sthakker@lolg.ca; matthew.karabus@gowlingswlg.com; Judy Hamilton <JH@friedmans.ca>; Bill Friedman <wf@friedmans.ca>; Seta Boyadjian <slb@friedmans.ca>; Susan Guo <SG@friedmans.ca>; bkofman@ksvadvisory.com; ngoldstein@ksvadvisory.com

Subject: RE: Ideal (BC) Developments et al and anor ats First Source Financial Management Inc. and Kingsett Mortgage Corporation

Dear Mr. Larry,

I understand that counsel for American, the third mortgagee, is also currently on vacation, as I spoke to Mr. Karabus yesterday when he returned my telephone call.

The sale process for which you seek approval omits to provide evidence that informs the court whether or not the receiver and manager will be undertaking several appraisals that will take into account the stage of the development, yet paragraph 6 of the draft order seeks an order relieving the receiver and manager from liability.

Would you kindly clarify the receiver's intentions in this regard.

Yours truly,

Justin Robinson
Associate

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From: Jeff.Larry@paliarerland.com [<mailto:Jeff.Larry@paliarerland.com>]

Sent: Monday, August 12, 2019 8:08 PM

To: Justin Robinson

Cc: Elizabeth.Rathbone@paliarerland.com; awinton@lolg.ca; sthakker@lolg.ca; matthew.karabus@gowlingswlg.com; Judy Hamilton; Bill Friedman; Seta Boyadjian; Susan Guo; bkofman@ksvadvisory.com; ngoldstein@ksvadvisory.com

Subject: Re: Ideal (BC) Developments et al and anor ats First Source Financial Management Inc. and Kingsett Mortgage Corporation

Justin

We don't anticipate that there will be any opposition to the sales process or that submissions will be necessary. Rather, we expect the motion will be dealt with in Chambers.

If Ms Hamilton or anyone else has any concerns, I expect we can address them briefly upon her return (I am happy to speak to her the prior weekend or any other time) or even on the morning of.

Since it is in everyone's interest to move this process forward, we are not inclined to adjourn the attendance.

Sent from my iPhone

On Aug 12, 2019, at 4:42 PM, Justin Robinson <JR@friedmans.ca<<mailto:JR@friedmans.ca>>> wrote:

Dear Mr. Larry,

Receipt is acknowledged by email of the motion record of the receiver and manager, returnable August 19, 2019.

Judy Hamilton of our office appeared and made submissions in this matter, on behalf of the respondents, on each occasion the matter has been listed before the court. I am presuming that it is the case that you are unaware that Ms. Hamilton is currently taking vacation in B.C. and is not due back in Toronto for resumption of professional duties until August 19, 2019.

I anticipate that Ms. Hamilton will wish to appear at the return of the motion for approval of the sale process to make submissions on behalf of the respondents.

Unfortunately, service of the motion with a return date of August 19, 2019, without prior consultation with counsel of record and without prior consultation with Ms. Hamilton, or Ms. Hamilton's law clerk effectively denies the respondents an appearance by counsel with carriage of the matter.

Would you kindly advise whether your client agrees to a short adjournment, to permit Ms. Hamilton an opportunity to return to Toronto from vacation, review the motion materials, file responding materials, and appear and make submissions.

I have consulted with Ms. Hamilton's clerk and can advise that Ms. Hamilton is available on August 23, 27 and 30, 2019.

Yours truly,

Justin Robinson
Associate
<image003.jpg>
Friedman Law Professional Corporation
150 Ferrand Drive, Suite 800
Toronto, ON M3C 3E5
jr@friedmans.ca<<mailto:jr@friedmans.ca>>
Tel: (416) 496-3340 ext. 133
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jr@friedmans.ca<<mailto:jr@friedmans.ca>> et supprimez ce message de votre boîte de réception sans lecture ou la copier.

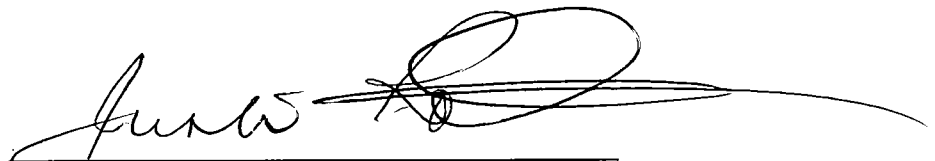
<mime-attachment>

<mime-attachment>

<mime-attachment>

<1233.16.12 - Bostwick Cr. - Discharge Statement (005).pdf>

This is Exhibit "J" referred to in
the Affidavit of William Friedman,
sworn this 16th day of August, 2019.



Commissioner for Taking Affidavits, etc.

Justin Robinson

From: Bill Friedman
Sent: Thursday, August 15, 2019 9:42 AM
To: Andrew Winton; Justin Robinson
Cc: Jeff.Larry@paliareroland.com; Elizabeth.Rathbone@paliareroland.com; Sapna Thakker; matthew.karabus@gowlingswlg.com; Judy Hamilton; Seta Boyadjian; Susan Guo; bkofman@ksvadvisory.com; ngoldstein@ksvadvisory.com; Shida Azari
Subject: RE: Ideal (BC) Developments et al and anor ats First Source Financial Management Inc. and Kingsett Mortgage Corporation

Andrew

We are in the process of finalizing security documents. This should be completed Monday. Given the various encumbrances on title it has taken a little longer to work through all the issues than initially anticipated. Funding to repay your client will occur concurrently with an order discharging the receivership order now registered on title.

As previously advised Judy Hamilton is out of town until Monday and we will not be in position to attend court on August 19th. You did not consult with us before scheduling the motion for August 19th.

Adjourning until August 26th should not be an issue unless there is some nefarious reason driving your client. Please confirm that your client will consent to adjourn until August 26, 2019 so that we can complete the documentation and obtain the advance of funds to discharge the first secured debt.

Yours truly,

William Friedman

Barrister & Solicitor

**FRIEDMANS**
LAW FIRM

Friedman Law Professional Corporation

150 Ferrand Drive, Suite 802

Toronto, ON M3C 3E5

wf@friedmans.ca

Tel: (416) 496-3340 ext. 199

Fax: (416) 497-3809

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From: Andrew Winton [<mailto:awinton@lolg.ca>]

Sent: Thursday, August 15, 2019 9:17 AM

To: Justin Robinson <JR@friedmans.ca>

Cc: Jeff.Larry@paliareroland.com; Elizabeth.Rathbone@paliareroland.com; Sapna Thakker <sthakker@lolg.ca>; matthew.karabus@gowlingswlg.com <matthew.karabus@hdredirect-lb5-1afb6e2973825a56.elb.us-east-1.amazonaws.com>; Judy Hamilton <JH@friedmans.ca>; Bill Friedman <wf@friedmans.ca>; Seta Boyadjian <slb@friedmans.ca>; Susan Guo <SG@friedmans.ca>; bkofman@ksvadvisory.com; ngoldstein@ksvadvisory.com; Shida Azari <SA@friedmans.ca>

Subject: Re: Ideal (BC) Developments et al and anor ats First Source Financial Management Inc. and Kingsett Mortgage Corporation

Justin,

On Monday, August 12, Sapna and Shida exchanged emails concerning a discharge statement and whether our client would go to the expense of preparing yet another discharge statement when it appeared your client did not have sufficient funds to close. Sapna made it clear we would not prepare a payout statement unless your client would pay off the entire debt to our clients today. Shida assured us the transactions would close today.

Now you are asking for an additional 11 days to discharge the mortgage. Our clients will not agree to that request.

Our position is that unless your client deposits in our trust account sufficient funds to discharge the first secured debt, as shown in the discharge statement, by end of day today, the Receiver's motion should proceed as scheduled on August 19.

Unfortunately, the history of this debt is riddled with occasions where your client promised to pay out by a certain date and then failed to do so. It has been one month since a Receiver was appointed and it appears your client is still not in a position to discharge the debt, despite assuring us as recently as 3 days ago that it would be able to do so today. We are not prepared to wait any longer.

Thank you,

Andrew

Andrew Winton
Lax O'Sullivan Lius Gottlieb
416 644 5342
www.lolg.ca

On Aug 15, 2019, at 6:37 AM, Justin Robinson <JR@friedmans.ca> wrote:

Dear Mr. Winton,

Thank you for your email.

I attach the following documents:

1. Email exchanges (chain) between Ms. Azari and Mr. Meirovivi (Feature Corp) regarding the Subordination and Standstill Agreement and other documents;
2. Email exchanges (chain) between Ms. Azari, Ms. Rosen at Gowlings (American);
3. Email exchanges (chain) between Ms. Azari and Ms. Mysmk (Romspen), at Garfinkel Biderman;
4. Discharge Statement issued by First Source as at August 14, 2019.

Mr. Friedman requests an opportunity to permit the transactional lawyers acting for the borrowers, Romspen, American, Feature Corp. and First Source to finalize outstanding transactional arrangements to permit completion of the transaction and advises me that an adjournment to August 26, 2019, should probably be sufficient.

I request that litigation counsel work with and cooperate with our transactional colleagues and consent to an adjournment of the return of the motion to August 26, 2019.

Kindly advise your instructions.

Yours truly,

Justin Robinson
Associate

Friedman Law Professional Corporation
150 Ferrand Drive, Suite 800
Toronto, ON M3C 3E5
jr@friedmans.ca
Tel: (416) 496-3340 ext. 133
Fax: (416) 497-3809

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Subject: Re: Ideal (BC) Developments et al and anor ats First Source Financial Management Inc. and Kingsett Mortgage Corporation

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I anticipate that to permit the refinancing transaction to close and full payment to be advanced, subject to some balances being paid into court for the purposes of judicial determination and approval, or otherwise, that a court order shall be required approving such transaction.

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However, I do suggest that we avoid a war of words, and rather work together to formulate the appropriate draft order for the court's consideration on Monday, to approve the pending and imminent transaction.

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Subject: RE: Ideal (BC) Developments et al and anor ats First Source Financial Management Inc. and Kingsett Mortgage Corporation

Justin:

The Receiver does not intend to obtain an appraisal. Rather, the Receiver is of the view a properly conducted

sales process (such as the one for which approval is being sought on Monday) will generate offers for the property that will be more indicative of the property's value than an appraisal. Accordingly, the Receiver believes that an appraisal will only result in further, and unnecessary, cost and delay, without facilitating the sale process.

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Subject: Re: Ideal (BC) Developments et al and anor ats First Source Financial Management Inc. and Kingsett Mortgage Corporation

Justin

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If Ms Hamilton or anyone else has any concerns, I expect we can address them briefly upon her return (I am happy to speak to her the prior weekend or any other time) or even on the morning of.

Since it is in everyone's interest to move this process forward, we are not inclined to adjourn the attendance.

Sent from my iPhone

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Dear Mr. Larry,

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I anticipate that Ms. Hamilton will wish to appear at the return of the motion for approval of the sale process to make submissions on behalf of the respondents.

Unfortunately, service of the motion with a return date of August 19, 2019, without prior consultation with counsel of record and without prior consultation with Ms. Hamilton, or Ms. Hamilton's law clerk effectively denies the respondents an appearance by counsel with carriage of the matter.

Would you kindly advise whether your client agrees to a short adjournment, to permit Ms. Hamilton an opportunity to return to Toronto from vacation, review the motion materials, file responding materials, and appear and make submissions.

I have consulted with Ms. Hamilton's clerk and can advise that Ms. Hamilton is available on August 23, 27 and 30, 2019.

Yours truly,

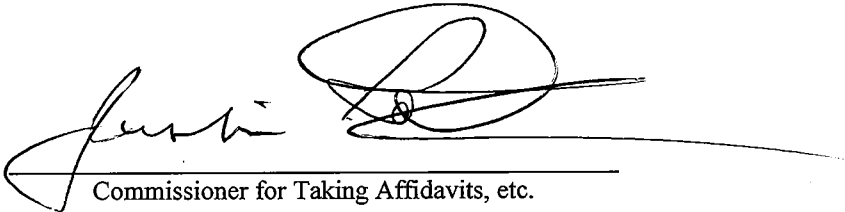
Justin Robinson
Associate
<image003.jpg>
Friedman Law Professional Corporation
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<mime-attachment>
<mime-attachment>
<mime-attachment>
<1233.16.12 - Bostwick Cr. - Discharge Statement (005).pdf>

This is Exhibit "K" referred to in
the Affidavit of William Friedman,
sworn this 16th day of August, 2019.



Justin D. [unclear]
Commissioner for Taking Affidavits, etc.

Justin Robinson

From: Justin Robinson
Sent: Thursday, August 15, 2019 9:55 AM
To: Jeff.Larry@paliareroland.com
Cc: 'Andrew Winton'; Elizabeth.Rathbone@paliareroland.com; Sapna Thakker; matthew.karabus@gowlingswlg.com; Judy Hamilton; Bill Friedman; Seta Boyadjian; Susan Guo; bkofman@ksvadvisory.com; ngoldstein@ksvadvisory.com; Shida Azari
Subject: RE: Ideal (BC) Developments et al and anor ats First Source Financial Management Inc. and Kingsett Mortgage Corporation

Dear Mr. Larry,

Kindly advise the receiver and manager's instructions to you, in the receiver's independent capacity as an officer of the court, and bearing in mind the receiver and manager's duties.

I again request that litigation counsel and the receiver and manager work with, and cooperate with, our transactional colleagues and consent to an adjournment of the return of the motion to August 26, 2019, as requested by Mr. Friedman, on behalf of the transactional solicitors working on the transaction.

If I do not hear from you by noon today, my duty to the respondents requires that I get more up to speed, prepare in the absence of counsel having carriage of the matter, an affidavit grounding the basis for the court's consideration of a contested adjournment application and possibly other materials as well to assist the judge.

Yours truly,

Justin Robinson

Associate

FRIEDMANS
LAW FIRM

Friedman Law Professional Corporation

150 Ferrand Drive, Suite 800

Toronto, ON M3C 3E5

jr@friedmans.ca

Tel: (416) 496-3340 ext. 133

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From: Andrew Winton [<mailto:awinton@lolg.ca>]

Sent: Thursday, August 15, 2019 9:17 AM

To: Justin Robinson

Cc: Jeff.Larry@paliareroland.com; Elizabeth.Rathbone@paliareroland.com; Sapna Thakker; matthew.karabus@gowlingswlg.com; Judy Hamilton; Bill Friedman; Seta Boyadjian; Susan Guo; bkofman@ksvadvisory.com; ngoldstein@ksvadvisory.com; Shida Azari

Subject: Re: Ideal (BC) Developments et al and anor ats First Source Financial Management Inc. and Kingsett Mortgage Corporation

Justin,

On Monday, August 12, Sapna and Shida exchanged emails concerning a discharge statement and whether our client would go to the expense of preparing yet another discharge statement when it appeared your client did not have sufficient funds to close. Sapna made it clear we would not prepare a payout statement unless your client would pay off the entire debt to our clients today. Shida assured us the transactions would close today.

Now you are asking for an additional 11 days to discharge the mortgage. Our clients will not agree to that request.

Our position is that unless your client deposits in our trust account sufficient funds to discharge the first secured debt, as shown in the discharge statement, by end of day today, the Receiver's motion should proceed as scheduled on August 19.

Unfortunately, the history of this debt is riddled with occasions where your client promised to pay out by a certain date and then failed to do so. It has been one month since a Receiver was appointed and it appears your client is still not in a position to discharge the debt, despite assuring us as recently as 3 days ago that it would be able to do so today. We are not prepared to wait any longer.

Thank you,

Andrew

Andrew Winton
Lax O'Sullivan Lissus Gottlieb
416 644 5342
www.lolg.ca

On Aug 15, 2019, at 6:37 AM, Justin Robinson <JR@friedmans.ca> wrote:

Dear Mr. Winton,

Thank you for your email.

I attach the following documents:

1. Email exchanges (chain) between Ms. Azari and Mr. Meirovivi (Feature Corp) regarding the Subordination and Standstill Agreement and other documents;
2. Email exchanges (chain) between Ms. Azari, Ms. Rosen at Gowlings (American);
3. Email exchanges (chain) between Ms. Azari and Ms. Mysmk (Romspen), at Garfinkel Biderman;
4. Discharge Statement issued by First Source as at August 14, 2019.

Mr. Friedman requests an opportunity to permit the transactional lawyers acting for the borrowers, Romspen, American, Feature Corp. and First Source to finalize outstanding transactional arrangements to permit completion of the transaction and advises me that an adjournment to August 26, 2019, should probably be sufficient.

I request that litigation counsel work with and cooperate with our transactional colleagues and consent to an adjournment of the return of the motion to August 26, 2019.

Kindly advise your instructions.

Yours truly,

Justin Robinson
Associate

Friedman Law Professional Corporation
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Fax: (416) 497-3809

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From: Andrew Winton [<mailto:awinton@lolg.ca>]

Sent: Wednesday, August 14, 2019 6:17 PM

To: Justin Robinson

Cc: Jeff.Larry@paliareroland.com; Elizabeth.Rathbone@paliareroland.com; Sapna Thakker; matthew.karabus@gowlingswlg.com; Judy Hamilton; Bill Friedman; Seta Boyadjian; Susan Guo; bkofman@ksvadvisory.com; ngoldstein@ksvadvisory.com; Shida Azari

Subject: Re: Ideal (BC) Developments et al and anor ats First Source Financial Management Inc. and Kingsett Mortgage Corporation

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If payment is not made before August 19, then the Receiver's motion should proceed as scheduled so there is no further delay in selling the property. In that case, counsel for the debtor can attend and make submissions to the Court about the appraisal issue. There is no need to argue via email.

Regards,

Andrew

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Lax O'Sullivan Lissus Gottlieb
416 644 5342
www.lolg.ca

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Dear Mr. Larry,

Thank you for your email.

Mr. Friedman has this afternoon briefed me on the transactions in play to refinance the debt outstanding to the applicant secured creditors (First Source and Kingsett).

First Source and Kingsett are represented by Lax Sullivan. Lax Sullivan has provided a discharge statement to us.

Romspen is advancing \$13,000,000.00. Romspen is represented by Garfinkle Biderman LLP.

American is advancing \$1,000,000.00 to take a second position. American is represented in the transaction by Susan Rosen of Gowlings.

Feature Corp is represented by David Merivocci.

Refinancing is a definite and imminent reality. Ms. Azari of our office is working with Mr. Friedman and the other transactional lawyers to close the deal.

The receiver and manager is an officer of the court, and is very definitely in a fiduciary capacity to all parties involved in the contest. The receiver and manager's sale process, which by your own admission involves no appraisals (that have regard to the stage of the development, or otherwise), is an inappropriate sale process.

I am assuming that the receiver and manager has not identified any unsecured creditors. If I am mistaken, kindly advise me.

It is therefore appropriate, in the circumstances for us to move for an adjournment of the motion on Monday to permit the transaction to close and to full repayment of the debt and to provide an opportunity to the receiver to reconsider its duties as an officer of the court.

I anticipate that to permit the refinancing transaction to close and full payment to be advanced, subject to some balances being paid into court for the purposes of judicial determination and approval, or otherwise, that a court order shall be required approving such transaction.

As the secured creditors have been on notice of this transaction, through their solicitors at Lax Sullivan, any costs expended by the secured creditors and the receiver, may not necessarily be approved by the court. It is therefore my suggestion that the receiver and manager "down tools" immediately if that has not already occurred.

However, I do suggest that we avoid a war of words, and rather work together to formulate the appropriate draft order for the court's consideration on Monday, to approve the pending and imminent transaction.

Kindly advise the Receiver and Manager's position.

Yours truly,

Justin Robinson
Associate

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Toronto, ON M3C 3E5
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Fax: (416) 497-3809

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-----Original Message-----

From: Jeff.Larry@paliareroland.com [<mailto:Jeff.Larry@paliareroland.com>]

Sent: Wednesday, August 14, 2019 1:38 PM

To: Justin Robinson

Cc: Elizabeth.Rathbone@paliareroland.com; awinton@lolg.ca; sthakker@lolg.ca; matthew.karabus@gowlingswlg.com; Judy Hamilton; Bill Friedman; Seta Boyadjian; Susan Guo; bkofman@ksvadvisory.com; ngoldstein@ksvadvisory.com

Subject: RE: Ideal (BC) Developments et al and anor ats First Source Financial Management Inc. and Kingsett Mortgage Corporation

Justin:

The Receiver does not intend to obtain an appraisal. Rather, the Receiver is of the view a properly conducted sales process (such as the one for which approval is being sought on Monday) will generate offers for the property that will be more indicative of the property's value than an appraisal. Accordingly, the Receiver believes that an appraisal will only result in further, and unnecessary, cost and delay, without facilitating the sale process.

Best,

-----Original Message-----

From: Justin Robinson <JR@friedmans.ca>
 Sent: August 14, 2019 9:49 AM
 To: Jeff Larry <Jeff.Larry@paliareroland.com>
 Cc: Elizabeth Rathbone <Elizabeth.Rathbone@paliareroland.com>; awinton@lolg.ca; sthakker@lolg.ca;
matthew.karabus@gowlingswlg.com; Judy Hamilton <JH@friedmans.ca>; Bill Friedman <wf@friedmans.ca>;
 Seta Boyadjian <slb@friedmans.ca>; Susan Guo <SG@friedmans.ca>; bkofman@ksvadvisory.com;
ngoldstein@ksvadvisory.com
 Subject: RE: Ideal (BC) Developments et al and anor ats First Source Financial Management Inc. and Kingsett Mortgage Corporation

Dear Mr. Larry,

I understand that counsel for American, the third mortgagee, is also currently on vacation, as I spoke to Mr. Karabus yesterday when he returned my telephone call.

The sale process for which you seek approval omits to provide evidence that informs the court whether or not the receiver and manager will be undertaking several appraisals that will take into account the stage of the development, yet paragraph 6 of the draft order seeks an order relieving the receiver and manager from liability.

Would you kindly clarify the receiver's intentions in this regard.

Yours truly,

Justin Robinson
 Associate

Friedman Law Professional Corporation
 150 Ferrand Drive, Suite 800
 Toronto, ON M3C 3E5
jr@friedmans.ca
 Tel: (416) 496-3340 ext. 133
 Fax: (416) 497-3809

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-----Original Message-----

From: Jeff.Larry@paliareroland.com [<mailto:Jeff.Larry@paliareroland.com>]
 Sent: Monday, August 12, 2019 8:08 PM
 To: Justin Robinson
 Cc: Elizabeth.Rathbone@paliareroland.com; awinton@lolg.ca; sthakker@lolg.ca;

matthew.karabus@gowlingswlg.com; Judy Hamilton; Bill Friedman; Seta Boyadjian; Susan Guo;
bkofman@ksvadvisory.com; ngoldstein@ksvadvisory.com

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Subject: Re: Ideal (BC) Developments et al and anor ats First Source Financial Management Inc. and Kingsett Mortgage Corporation

Justin

We don't anticipate that there will be any opposition to the sales process or that submissions will be necessary. Rather, we expect the motion will be dealt with in Chambers.

If Ms Hamilton or anyone else has any concerns, I expect we can address them briefly upon her return (I am happy to speak to her the prior weekend or any other time) or even on the morning of.

Since it is in everyone's interest to move this process forward, we are not inclined to adjourn the attendance.

Sent from my iPhone

On Aug 12, 2019, at 4:42 PM, Justin Robinson <JR@friedmans.ca<<mailto:JR@friedmans.ca>>> wrote:

Dear Mr. Larry,

Receipt is acknowledged by email of the motion record of the receiver and manager, returnable August 19, 2019.

Judy Hamilton of our office appeared and made submissions in this matter, on behalf of the respondents, on each occasion the matter has been listed before the court. I am presuming that it is the case that you are unaware that Ms. Hamilton is currently taking vacation in B.C. and is not due back in Toronto for resumption of professional duties until August 19, 2019.

I anticipate that Ms. Hamilton will wish to appear at the return of the motion for approval of the sale process to make submissions on behalf of the respondents.

Unfortunately, service of the motion with a return date of August 19, 2019, without prior consultation with counsel of record and without prior consultation with Ms. Hamilton, or Ms. Hamilton's law clerk effectively denies the respondents an appearance by counsel with carriage of the matter.

Would you kindly advise whether your client agrees to a short adjournment, to permit Ms. Hamilton an opportunity to return to Toronto from vacation, review the motion materials, file responding materials, and appear and make submissions.

I have consulted with Ms. Hamilton's clerk and can advise that Ms. Hamilton is available on August 23, 27 and 30, 2019.

Yours truly,

Justin Robinson

Associate
<image003.jpg>
Friedman Law Professional Corporation
150 Ferrand Drive, Suite 800
Toronto, ON M3C 3E5
jr@friedmans.ca<<mailto:jr@friedmans.ca>>
Tel: (416) 496-3340 ext. 133
Fax: (416) 497-3809

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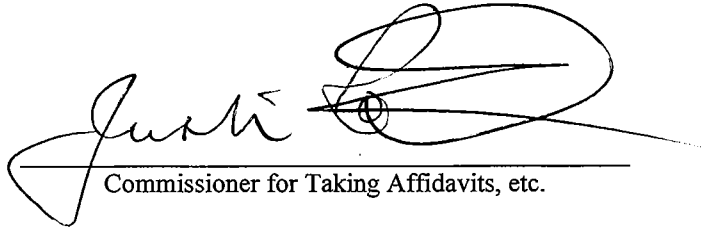
<mime-attachment>

<mime-attachment>

<mime-attachment>

<1233.16.12 - Bostwick Cr. - Discharge Statement (005).pdf>

This is Exhibit "L" referred to in
the Affidavit of William Friedman,
sworn this 16th day of August, 2019.



Justin L. [unclear]
Commissioner for Taking Affidavits, etc.

Justin Robinson

From: Bobby Kofman <bkofman@ksvadvisory.com>
Sent: Thursday, August 15, 2019 9:58 AM
To: Justin Robinson; Jeff.Larry@paliareroland.com
Cc: Andrew Winton; Elizabeth.Rathbone@paliareroland.com; Sapna Thakker; matthew.karabus@gowlingswlg.com; Judy Hamilton; Bill Friedman; Seta Boyadjian; Susan Guo; Noah Goldstein; Shida Azari
Subject: RE: Ideal (BC) Developments et al and anor ats First Source Financial Management Inc. and Kingsett Mortgage Corporation

The receiver is well aware of its responsibilities and need not be reminded of them.

Bobby Kofman
KSV Advisory Inc.
 (o) 416 932 6228
 (c) 647 282 6228
bkofman@ksvadvisory.com

From: Justin Robinson <JR@friedmans.ca>
Sent: August 15, 2019 9:55 AM
To: Jeff.Larry@paliareroland.com
Cc: Andrew Winton <awinton@lolg.ca>; Elizabeth.Rathbone@paliareroland.com; Sapna Thakker <sthakker@lolg.ca>; matthew.karabus@gowlingswlg.com <matthew.karabus@hdredirect-1b5-1afb6e2973825a56.elb.us-east-1.amazonaws.com>; Judy Hamilton <JH@friedmans.ca>; Bill Friedman <wf@friedmans.ca>; Seta Boyadjian <slb@friedmans.ca>; Susan Guo <SG@friedmans.ca>; Bobby Kofman <bkofman@ksvadvisory.com>; Noah Goldstein <ngoldstein@ksvadvisory.com>; Shida Azari <SA@friedmans.ca>
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Associate

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Subject: Re: Ideal (BC) Developments et al and anor ats First Source Financial Management Inc. and Kingsett Mortgage Corporation

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Justin Robinson
Associate

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Fax: (416) 497-3809

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-----Original Message-----

From: Jeff.Larry@paliareroland.com [mailto:Jeff.Larry@paliareroland.com]

Sent: Wednesday, August 14, 2019 1:38 PM

To: Justin Robinson

Cc: Elizabeth.Rathbone@paliareroland.com; awinton@lolg.ca; sthakker@lolg.ca;

matthew.karabus@gowlingswlg.com; Judy Hamilton; Bill Friedman; Seta Boyadjian; Susan Guo;

bkofman@ksvadvisory.com; ngoldstein@ksvadvisory.com

Subject: RE: Ideal (BC) Developments et al and anor ats First Source Financial Management Inc. and Kingsett Mortgage Corporation

Justin:

The Receiver does not intend to obtain an appraisal. Rather, the Receiver is of the view a properly conducted sales process (such as the one for which approval is being sought on Monday) will generate offers for the property that will be more indicative of the property's value than an appraisal. Accordingly, the Receiver believes that an appraisal will only result in further, and unnecessary, cost and delay, without facilitating the sale process.

Best,

-----Original Message-----

From: Justin Robinson <JR@friedmans.ca>

Sent: August 14, 2019 9:49 AM

To: Jeff Larry <Jeff.Larry@paliareroland.com>

Cc: Elizabeth Rathbone <Elizabeth.Rathbone@paliareroland.com>; awinton@lolg.ca; sthakker@lolg.ca;

matthew.karabus@gowlingswlg.com; Judy Hamilton <JH@friedmans.ca>; Bill Friedman <wf@friedmans.ca>;

Seta Boyadjian <slb@friedmans.ca>; Susan Guo <SG@friedmans.ca>; bkofman@ksvadvisory.com;

ngoldstein@ksvadvisory.com

Subject: RE: Ideal (BC) Developments et al and anor ats First Source Financial Management Inc. and Kingsett Mortgage Corporation

Dear Mr. Larry,

I understand that counsel for American, the third mortgagee, is also currently on vacation, as I spoke to Mr. Karabus yesterday when he returned my telephone call.

The sale process for which you seek approval omits to provide evidence that informs the court whether or not the receiver and manager will be undertaking several appraisals that will take into account the stage of the development, yet paragraph 6 of the draft order seeks an order relieving the receiver and manager from liability.

Would you kindly clarify the receiver's intentions in this regard.

Yours truly,

Justin Robinson

Associate

Friedman Law Professional Corporation

150 Ferrand Drive, Suite 800

Toronto, ON M3C 3E5

jr@friedmans.ca

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From: Jeff.Larry@paliareroland.com [<mailto:Jeff.Larry@paliareroland.com>]

Sent: Monday, August 12, 2019 8:08 PM

To: Justin Robinson

Cc: Elizabeth.Rathbone@paliareroland.com; awinton@lolg.ca; sthakker@lolg.ca; matthew.karabus@gowlingswlg.com; Judy Hamilton; Bill Friedman; Seta Boyadjian; Susan Guo; bkofman@ksvadvisory.com; ngoldstein@ksvadvisory.com

Subject: Re: Ideal (BC) Developments et al and anor ats First Source Financial Management Inc. and Kingsett Mortgage Corporation

Justin

We don't anticipate that there will be any opposition to the sales process or that submissions will be necessary. Rather, we expect the motion will be dealt with in Chambers.

If Ms Hamilton or anyone else has any concerns, I expect we can address them briefly upon her return (I am happy to speak to her the prior weekend or any other time) or even on the morning of.

Since it is in everyone's interest to move this process forward, we are not inclined to adjourn the attendance.

Sent from my iPhone

On Aug 12, 2019, at 4:42 PM, Justin Robinson <JR@friedmans.ca<<mailto:JR@friedmans.ca>>> wrote:

Dear Mr. Larry,

Receipt is acknowledged by email of the motion record of the receiver and manager, returnable August 19, 2019.

Judy Hamilton of our office appeared and made submissions in this matter, on behalf of the respondents, on each occasion the matter has been listed before the court. I am presuming that it is the case that you are unaware that Ms. Hamilton is currently taking vacation in B.C. and is not due back in Toronto for resumption of

professional duties until August 19, 2019.

119

I anticipate that Ms. Hamilton will wish to appear at the return of the motion for approval of the sale process to make submissions on behalf of the respondents.

Unfortunately, service of the motion with a return date of August 19, 2019, without prior consultation with counsel of record and without prior consultation with Ms. Hamilton, or Ms. Hamilton's law clerk effectively denies the respondents an appearance by counsel with carriage of the matter.

Would you kindly advise whether your client agrees to a short adjournment, to permit Ms. Hamilton an opportunity to return to Toronto from vacation, review the motion materials, file responding materials, and appear and make submissions.

I have consulted with Ms. Hamilton's clerk and can advise that Ms. Hamilton is available on August 23, 27 and 30, 2019.

Yours truly,

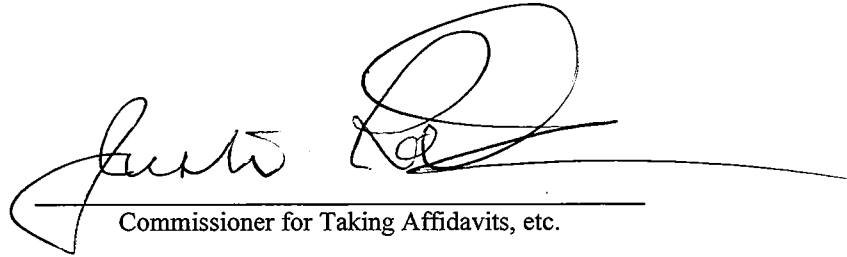
Justin Robinson
Associate
<image003.jpg>
Friedman Law Professional Corporation
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jr@friedmans.ca<<mailto:jr@friedmans.ca>>
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<mime-attachment>
<mime-attachment>
<mime-attachment>
<1233.16.12 - Bostwick Cr. - Discharge Statement (005).pdf>

This is Exhibit "M" referred to in
the Affidavit of William Friedman,
sworn this 16th day of August, 2019.



Justin R. [unclear]

Commissioner for Taking Affidavits, etc.

Justin Robinson

From: Jeff.Larry@paliareroland.com
Sent: Thursday, August 15, 2019 11:19 AM
To: Justin Robinson
Cc: awinton@lolg.ca; Elizabeth.Rathbone@paliareroland.com; sthakker@lolg.ca; matthew.karabus@hdredirect-lb5-1afb6e2973825a56.elb.us-east-1.amazonaws.com; Judy Hamilton; Bill Friedman; Seta Boyadjian; Susan Guo; bkofman@ksvadvisory.com; ngoldstein@ksvadvisory.com; Shida Azari
Subject: Re: Ideal (BC) Developments et al and anor ats First Source Financial Management Inc. and Kingsett Mortgage Corporation
Attachments: image003.jpg

We will be proceeding on Monday.

Sent from my iPhone

On Aug 15, 2019, at 9:54 AM, Justin Robinson <JR@friedmans.ca<mailto:JR@friedmans.ca>> wrote:

Dear Mr. Larry,

Kindly advise the receiver and manager's instructions to you, in the receiver's independent capacity as an officer of the court, and bearing in mind the receiver and manager's duties.

I again request that litigation counsel and the receiver and manager work with, and cooperate with, our transactional colleagues and consent to an adjournment of the return of the motion to August 26, 2019, as requested by Mr. Friedman, on behalf of the transactional solicitors working on the transaction.

If I do not hear from you by noon today, my duty to the respondents requires that I get more up to speed, prepare in the absence of counsel having carriage of the matter, an affidavit grounding the basis for the court's consideration of a contested adjournment application and possibly other materials as well to assist the judge.

Yours truly,

Justin Robinson
 Associate
 <image003.jpg>
 Friedman Law Professional Corporation
 150 Ferrand Drive, Suite 800
 Toronto, ON M3C 3E5
 jr@friedmans.ca<mailto:jr@friedmans.ca>
 Tel: (416) 496-3340 ext. 133
 Fax: (416) 497-3809

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From: Andrew Winton [mailto:awinton@lolg.ca]
Sent: Thursday, August 15, 2019 9:17 AM
To: Justin Robinson
Cc: Jeff.Larry@paliareroland.com<mailto:Jeff.Larry@paliareroland.com>; Elizabeth.Rathbone@paliareroland.com<mailto:Elizabeth.Rathbone@paliareroland.com>; Sapna Thakker; matthew.karabus@gowlingswlg.com<mailto:matthew.karabus@gowlingswlg.com>; Judy Hamilton; Bill Friedman; Seta Boyadjian; Susan Guo; bkofman@ksv advisory.com<mailto:bkofman@ksv advisory.com>; ngoldstein@ksv advisory.com<mailto:ngoldstein@ksv advisory.com>; Shida Azari
Subject: Re: Ideal (BC) Developments et al and anor ats First Source Financial Management Inc. and Kingsett Mortgage Corporation

Justin,

On Monday, August 12, Sapna and Shida exchanged emails concerning a discharge statement and whether our client would go to the expense of preparing yet another discharge statement when it appeared your client did not have sufficient funds to close. Sapna made it clear we would not prepare a payout statement unless your client would pay off the entire debt to our clients today. Shida assured us the transactions would close today.

Now you are asking for an additional 11 days to discharge the mortgage. Our clients will not agree to that request.

Our position is that unless your client deposits in our trust account sufficient funds to discharge the first secured debt, as shown in the discharge statement, by end of day today, the Receiver's motion should proceed as scheduled on August 19.

Unfortunately, the history of this debt is riddled with occasions where your client promised to pay out by a certain date and then failed to do so. It has been one month since a Receiver was appointed and it appears your client is still not in a position to discharge the debt, despite assuring us as recently as 3 days ago that it would be able to do so today. We are not prepared to wait any longer.

Thank you,

Andrew

Andrew Winton
Lax O'Sullivan Lissus Gottlieb
416 644 5342
www.lolg.ca<http://www.lolg.ca>

On Aug 15, 2019, at 6:37 AM, Justin Robinson <JR@friedmans.ca<mailto:JR@friedmans.ca>> wrote:
Dear Mr. Winton,

Thank you for your email.

I attach the following documents:

1. Email exchanges (chain) between Ms. Azari and Mr. Meirovivi (Feature Corp) regarding the Subordination and Standstill Agreement and other documents;

2. Email exchanges (chain) between Ms. Azari, Ms. Rosen at Gowlings (American);
3. Email exchanges (chain) between Ms. Azari and Ms. Mysmk (Romspen), at Garfinkel Biderman;
4. Discharge Statement issued by First Source as at August 14, 2019.

Mr. Friedman requests an opportunity to permit the transactional lawyers acting for the borrowers, Romspen, American, Feature Corp. and First Source to finalize outstanding transactional arrangements to permit completion of the transaction and advises me that an adjournment to August 26, 2019, should probably be sufficient.

I request that litigation counsel work with and cooperate with our transactional colleagues and consent to an adjournment of the return of the motion to August 26, 2019.

Kindly advise your instructions.

Yours truly,

Justin Robinson
Associate

Friedman Law Professional Corporation
150 Ferrand Drive, Suite 800
Toronto, ON M3C 3E5
jr@friedmans.ca<mailto:jr@friedmans.ca>
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Subject: Re: Ideal (BC) Developments et al and anor ats First Source Financial Management Inc. and Kingsett Mortgage Corporation

Justin,

Let's simplify things and tone down the rhetoric: either the first secured creditors are paid out before August 19 or they are not. If they are, then the appraisal issue is moot.

If payment is not made before August 19, then the Receiver's motion should proceed as scheduled so there is no further delay in selling the property. In that case, counsel for the debtor can attend and make submissions to the Court about the appraisal issue. There is no need to argue via email.

Regards,

Andrew

Andrew Winton
Lax O'Sullivan Lissus Gottlieb
416 644 5342
www.lolg.ca<<http://www.lolg.ca>>

On Aug 14, 2019, at 6:05 PM, Justin Robinson <JR@friedmans.ca<<mailto:JR@friedmans.ca>>> wrote:

Dear Mr. Larry,

Thank you for your email.

Mr. Friedman has this afternoon briefed me on the transactions in play to refinance the debt outstanding to the applicant secured creditors (First Source and Kingsett).

First Source and Kingsett are represented by Lax Sullivan. Lax Sullivan has provided a discharge statement to us.

Romspen is advancing \$13,000,000.00. Romspen is represented by Garfinkle Biderman LLP.

American is advancing \$1,000,000.00 to take a second position. American is represented in the transaction by Susan Rosen of Gowlings.

Feature Corp is represented by David Merivocci.

Refinancing is a definite and imminent reality. Ms. Azari of our office is working with Mr. Friedman and the other transactional lawyers to close the deal.

The receiver and manager is an officer of the court, and is very definitely in a fiduciary capacity to all parties involved in the contest. The receiver and manager's sale process, which by your own admission involves no appraisals (that have regard to the stage of the development, or otherwise), is an inappropriate sale process.

I am assuming that the receiver and manager has not identified any unsecured creditors. If I am mistaken, kindly advise me.

It is therefore appropriate, in the circumstances for us to move for an adjournment of the motion on Monday to permit the transaction to close and to full repayment of the debt and to provide an opportunity to the receiver to reconsider its duties as an officer of the court.

I anticipate that to permit the refinancing transaction to close and full payment to be advanced, subject to some balances being paid into court for the purposes of judicial determination and approval, or otherwise, that a court order shall be required approving such transaction.

As the secured creditors have been on notice of this transaction, through their solicitors at Lax Sullivan, any costs expended by the secured creditors and the receiver, may not necessarily be approved by the court. It is therefore my suggestion that the receiver and manager "down tools" immediately if that has not already occurred.

However, I do suggest that we avoid a war of words, and rather work together to formulate the appropriate draft order for the court's consideration on Monday, to approve the pending and imminent transaction.

Kindly advise the Receiver and Manager's position.

Yours truly,

Justin Robinson
Associate

Friedman Law Professional Corporation
150 Ferrand Drive, Suite 800
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Subject: RE: Ideal (BC) Developments et al and anor ats First Source Financial Management Inc. and Kingsett Mortgage Corporation

Justin:

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Subject: Re: Ideal (BC) Developments et al and anor ats First Source Financial Management Inc. and Kingsett Mortgage Corporation

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I anticipate that Ms. Hamilton will wish to appear at the return of the motion for approval of the sale process to make submissions on behalf of the respondents.

Unfortunately, service of the motion with a return date of August 19, 2019, without prior consultation with counsel of ¹²⁸ record and without prior consultation with Ms. Hamilton, or Ms. Hamilton's law clerk effectively denies the respondents an appearance by counsel with carriage of the matter.

Would you kindly advise whether your client agrees to a short adjournment, to permit Ms. Hamilton an opportunity to return to Toronto from vacation, review the motion materials, file responding materials, and appear and make submissions.

I have consulted with Ms. Hamilton's clerk and can advise that Ms. Hamilton is available on August 23, 27 and 30, 2019.

Yours truly,

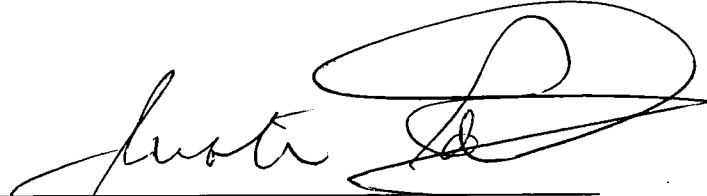
Justin Robinson
Associate
<image003.jpg>
Friedman Law Professional Corporation
150 Ferrand Drive, Suite 800
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Justa
Commissioner for Taking Affidavits, etc.

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Subject: Re: Ideal (BC) Developments et al and anor ats First Source Financial Management Inc. and Kingsett Mortgage Corporation

Bill,

With respect, this is the same story we have heard time and time again. We warned you on Monday that we would not delay and payment was required today.

There is no reason to suggest that officers of the court have “nefarious reasons” for proceeding with a Receivership application as scheduled, and I would ask that you not use such inflammatory language in this fashion.

Regards,

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On Aug 15, 2019, at 9:42 AM, Bill Friedman <wf@friedmans.ca> wrote:

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Yours truly,

William Friedman

Barrister & Solicitor
 <image001.png>

<image002.jpg>

Friedman Law Professional Corporation

150 Ferrand Drive, Suite 802
 Toronto, ON M3C 3E5
wf@friedmans.ca
 Tel: (416) 496-3340 ext. 199
 Fax: (416) 497-3809
 Friedman Law Professional Corporation

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From: Andrew Winton [<mailto:awinton@lolg.ca>]
Sent: Thursday, August 15, 2019 9:17 AM
To: Justin Robinson <JR@friedmans.ca>
Cc: Jeff.Larry@paliareroland.com; Elizabeth.Rathbone@paliareroland.com; Sapna Thakker <sthakker@lolg.ca>; matthew.karabus@gowlingswlg.com <matthew.karabus@hdredirect-lb5-1afb6e2973825a56.elb.us-east-1.amazonaws.com>; Judy Hamilton <JH@friedmans.ca>; Bill Friedman <wf@friedmans.ca>; Seta Boyadjian <slb@friedmans.ca>; Susan Guo <SG@friedmans.ca>; bkofman@ksvadvisory.com; ngoldstein@ksvadvisory.com; Shida Azari <SA@friedmans.ca>
Subject: Re: Ideal (BC) Developments et al and anor ats First Source Financial Management Inc. and Kingsett Mortgage Corporation

Justin,

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Now you are asking for an additional 11 days to discharge the mortgage. Our clients will not agree to that request.

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Unfortunately, the history of this debt is riddled with occasions where your client promised to pay out by a certain date and then failed to do so. It has been one month since a Receiver was appointed and it appears your client is still not in a position to discharge the debt, despite assuring us as recently as 3 days ago that it would be able to do so today. We are not prepared to wait any longer.

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I attach the following documents:

1. Email exchanges (chain) between Ms. Azari and Mr. Meirovivi (Feature Corp) regarding the Subordination and Standstill Agreement and other documents;
2. Email exchanges (chain) between Ms. Azari, Ms. Rosen at Gowlings (American);
3. Email exchanges (chain) between Ms. Azari and Ms. Mysmk (Romspen), at Garfinkel Biderman;
4. Discharge Statement issued by First Source as at August 14, 2019.

Mr. Friedman requests an opportunity to permit the transactional lawyers acting for the borrowers, Romspen, American, Feature Corp. and First Source to finalize outstanding transactional arrangements to permit completion of the transaction and advises me that an adjournment to August 26, 2019, should probably be sufficient.

I request that litigation counsel work with and cooperate with our transactional colleagues and consent to an adjournment of the return of the motion to August 26, 2019.

Kindly advise your instructions.

Yours truly,

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Associate

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Sent: Wednesday, August 14, 2019 6:17 PM

To: Justin Robinson

Cc: Jeff.Larry@paliareroland.com; Elizabeth.Rathbone@paliareroland.com; Sapna Thakker; matthew.karabus@gowlingswlg.com; Judy Hamilton; Bill Friedman; Seta Boyadjian; Susan Guo; bkofman@ksvadvisory.com; ngoldstein@ksvadvisory.com; Shida Azari

Subject: Re: Ideal (BC) Developments et al and anor ats First Source Financial Management Inc. and Kingsett Mortgage Corporation

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Thank you for your email.

Mr. Friedman has this afternoon briefed me on the transactions in play to refinance the debt outstanding to the applicant secured creditors (First Source and Kingsett).

First Source and Kingsett are represented by Lax Sullivan. Lax Sullivan has provided a discharge statement to us.

Romspen is advancing \$13,000,000.00. Romspen is represented by Garfinkle Biderman LLP.

American is advancing \$1,000,000.00 to take a second position. American is represented in the transaction by Susan Rosen of Gowlings.

Feature Corp is represented by David Merivocci.

Refinancing is a definite and imminent reality. Ms. Azari of our office is working with Mr. Friedman and the other transactional lawyers to close the deal.

The receiver and manager is an officer of the court, and is very definitely in a fiduciary capacity to all parties 134 involved in the contest. The receiver and manager's sale process, which by your own admission involves no appraisals (that have regard to the stage of the development, or otherwise), is an inappropriate sale process.

I am assuming that the receiver and manager has not identified any unsecured creditors. If I am mistaken, kindly advise me.

It is therefore appropriate, in the circumstances for us to move for an adjournment of the motion on Monday to permit the transaction to close and to full repayment of the debt and to provide an opportunity to the receiver to reconsider its duties as an officer of the court.

I anticipate that to permit the refinancing transaction to close and full payment to be advanced, subject to some balances being paid into court for the purposes of judicial determination and approval, or otherwise, that a court order shall be required approving such transaction.

As the secured creditors have been on notice of this transaction, through their solicitors at Lax Sullivan, any costs expended by the secured creditors and the receiver, may not necessarily be approved by the court. It is therefore my suggestion that the receiver and manager "down tools" immediately if that has not already occurred.

However, I do suggest that we avoid a war of words, and rather work together to formulate the appropriate draft order for the court's consideration on Monday, to approve the pending and imminent transaction.

Kindly advise the Receiver and Manager's position.

Yours truly,

Justin Robinson
Associate

Friedman Law Professional Corporation
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jr@friedmans.ca
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-----Original Message-----

From: Jeff.Larry@paliareroland.com [mailto:Jeff.Larry@paliareroland.com]

Sent: Wednesday, August 14, 2019 1:38 PM

To: Justin Robinson

Cc: Elizabeth.Rathbone@paliareroland.com; awinton@lolg.ca; sthakker@lolg.ca; matthew.karabus@gowlingswlg.com; Judy Hamilton; Bill Friedman; Seta Boyadjian; Susan Guo; bkofman@ksvadvisory.com; ngoldstein@ksvadvisory.com

Subject: RE: Ideal (BC) Developments et al and anor ats First Source Financial Management Inc. and Kingsett Mortgage Corporation

Justin:

The Receiver does not intend to obtain an appraisal. Rather, the Receiver is of the view a properly conducted sales process (such as the one for which approval is being sought on Monday) will generate offers for the property that will be more indicative of the property's value than an appraisal. Accordingly, the Receiver believes that an appraisal will only result in further, and unnecessary, cost and delay, without facilitating the sale process.

Best,

-----Original Message-----

From: Justin Robinson <JR@friedmans.ca>

Sent: August 14, 2019 9:49 AM

To: Jeff Larry <Jeff.Larry@paliareroland.com>

Cc: Elizabeth Rathbone <Elizabeth.Rathbone@paliareroland.com>; awinton@lolg.ca; sthakker@lolg.ca; matthew.karabus@gowlingswlg.com; Judy Hamilton <JH@friedmans.ca>; Bill Friedman <wf@friedmans.ca>; Seta Boyadjian <slb@friedmans.ca>; Susan Guo <SG@friedmans.ca>; bkofman@ksvadvisory.com; ngoldstein@ksvadvisory.com

Subject: RE: Ideal (BC) Developments et al and anor ats First Source Financial Management Inc. and Kingsett Mortgage Corporation

Dear Mr. Larry,

I understand that counsel for American, the third mortgagee, is also currently on vacation, as I spoke to Mr. Karabus yesterday when he returned my telephone call.

The sale process for which you seek approval omits to provide evidence that informs the court whether or not the receiver and manager will be undertaking several appraisals that will take into account the stage of the development, yet paragraph 6 of the draft order seeks an order relieving the receiver and manager from liability.

Would you kindly clarify the receiver's intentions in this regard.

Yours truly,

Justin Robinson
Associate

Friedman Law Professional Corporation
150 Ferrand Drive, Suite 800

Toronto, ON M3C 3E5
jr@friedmans.ca
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-----Original Message-----

From: Jeff.Larry@paliarerland.com [<mailto:Jeff.Larry@paliarerland.com>]

Sent: Monday, August 12, 2019 8:08 PM

To: Justin Robinson

Cc: Elizabeth.Rathbone@paliarerland.com; awinton@lolg.ca; sthakker@lolg.ca; matthew.karabus@gowlingswlg.com; Judy Hamilton; Bill Friedman; Seta Boyadjian; Susan Guo; bkofman@ksvadvisory.com; ngoldstein@ksvadvisory.com

Subject: Re: Ideal (BC) Developments et al and anor ats First Source Financial Management Inc. and Kingsett Mortgage Corporation

Justin

We don't anticipate that there will be any opposition to the sales process or that submissions will be necessary. Rather, we expect the motion will be dealt with in Chambers.

If Ms Hamilton or anyone else has any concerns, I expect we can address them briefly upon her return (I am happy to speak to her the prior weekend or any other time) or even on the morning of.

Since it is in everyone's interest to move this process forward, we are not inclined to adjourn the attendance.

Sent from my iPhone

On Aug 12, 2019, at 4:42 PM, Justin Robinson <JR@friedmans.ca<<mailto:JR@friedmans.ca>>> wrote:

Dear Mr. Larry,

Receipt is acknowledged by email of the motion record of the receiver and manager, returnable August 19, 2019.

Judy Hamilton of our office appeared and made submissions in this matter, on behalf of the respondents, on 137 each occasion the matter has been listed before the court. I am presuming that it is the case that you are unaware that Ms. Hamilton is currently taking vacation in B.C. and is not due back in Toronto for resumption of professional duties until August 19, 2019.

I anticipate that Ms. Hamilton will wish to appear at the return of the motion for approval of the sale process to make submissions on behalf of the respondents.

Unfortunately, service of the motion with a return date of August 19, 2019, without prior consultation with counsel of record and without prior consultation with Ms. Hamilton, or Ms. Hamilton's law clerk effectively denies the respondents an appearance by counsel with carriage of the matter.

Would you kindly advise whether your client agrees to a short adjournment, to permit Ms. Hamilton an opportunity to return to Toronto from vacation, review the motion materials, file responding materials, and appear and make submissions.

I have consulted with Ms. Hamilton's clerk and can advise that Ms. Hamilton is available on August 23, 27 and 30, 2019.

Yours truly,

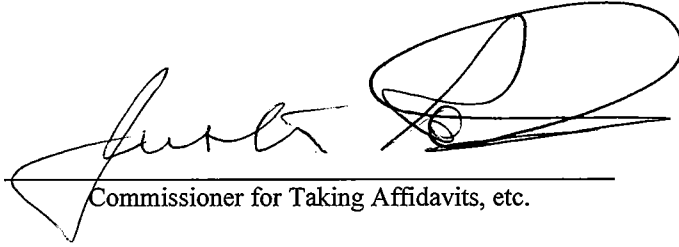
Justin Robinson
Associate
<image003.jpg>
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<mime-attachment>
<mime-attachment>
<mime-attachment>
<1233.16.12 - Bostwick Cr. - Discharge Statement (005).pdf>

This is Exhibit "O" referred to in
the Affidavit of William Friedman,
sworn this 16th day of August, 2019.



Commissioner for Taking Affidavits, etc.

Justin Robinson

From: Bill Friedman
Sent: Thursday, August 15, 2019 11:50 AM
To: Andrew Winton
Cc: Justin Robinson; Jeff.Larry@paliareroland.com; Elizabeth.Rathbone@paliareroland.com; Sapna Thakker; matthew.karabus@gowlingswlg.com; Judy Hamilton; Seta Boyadjian; Susan Guo; bkofman@ksvadvisory.com; ngoldstein@ksvadvisory.com; Shida Azari
Subject: RE: Ideal (BC) Developments et al and anor ats First Source Financial Management Inc. and Kingsett Mortgage Corporation

Andrew

I have not previously advised you that we were working on security documents with Rompsen. You can verify this and that we are well on the way to completing the documents and finalizing all their requisitions including subordination and postponement agreements with Barry Polisuk of Garfinkle Biderman legal counsel for Rompsen—

Your “warning” does not justify a refusal to adjourn for 1 week until August 26, 2019 for the reasons outlined in our previous emails which I will not repeat.

I am sorry that you took offence to the word “nefarious”. I was not referring to the receiver but rather to a possibility motivating your client. I am not alleging that it is a motivating factor just that the refusal to adjourn for 1 week given that it will be repaid by August 26, is disturbing.

Yours truly,

William Friedman

Barrister & Solicitor

Martindale-Hubbell



FRIEDMANS
LAW FIRM

Friedman Law Professional Corporation

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Sent: Thursday, August 15, 2019 11:21 AM

To: Bill Friedman <wf@friedmans.ca>

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Feature Corp is represented by David Merivocci.

Refinancing is a definite and imminent reality. Ms. Azari of our office is working with Mr. Friedman and the other transactional lawyers to close the deal.

The receiver and manager is an officer of the court, and is very definitely in a fiduciary capacity to all parties involved in the contest. The receiver and manager's sale process, which by your own admission involves no appraisals (that have regard to the stage of the development, or otherwise), is an inappropriate sale process.

I am assuming that the receiver and manager has not identified any unsecured creditors. If I am mistaken, kindly

advise me.

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It is therefore appropriate, in the circumstances for us to move for an adjournment of the motion on Monday to permit the transaction to close and to full repayment of the debt and to provide an opportunity to the receiver to reconsider its duties as an officer of the court.

I anticipate that to permit the refinancing transaction to close and full payment to be advanced, subject to some balances being paid into court for the purposes of judicial determination and approval, or otherwise, that a court order shall be required approving such transaction.

As the secured creditors have been on notice of this transaction, through their solicitors at Lax Sullivan, any costs expended by the secured creditors and the receiver, may not necessarily be approved by the court. It is therefore my suggestion that the receiver and manager "down tools" immediately if that has not already occurred.

However, I do suggest that we avoid a war of words, and rather work together to formulate the appropriate draft order for the court's consideration on Monday, to approve the pending and imminent transaction.

Kindly advise the Receiver and Manager's position.

Yours truly,

Justin Robinson
Associate

Friedman Law Professional Corporation
150 Ferrand Drive, Suite 800
Toronto, ON M3C 3E5
jr@friedmans.ca
Tel: (416) 496-3340 ext. 133
Fax: (416) 497-3809

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-----Original Message-----

From: Jeff.Larry@paliareroland.com [<mailto:Jeff.Larry@paliareroland.com>]

Sent: Wednesday, August 14, 2019 1:38 PM

To: Justin Robinson
 Cc: Elizabeth.Rathbone@paliareroland.com; awinton@lolg.ca; sthakker@lolg.ca;
matthew.karabus@gowlingswlg.com; Judy Hamilton; Bill Friedman; Seta Boyadjian; Susan Guo;
bkofman@ksvadvisory.com; ngoldstein@ksvadvisory.com
 Subject: RE: Ideal (BC) Developments et al and anor ats First Source Financial Management Inc. and Kingsett Mortgage Corporation

Justin:

The Receiver does not intend to obtain an appraisal. Rather, the Receiver is of the view a properly conducted sales process (such as the one for which approval is being sought on Monday) will generate offers for the property that will be more indicative of the property's value than an appraisal. Accordingly, the Receiver believes that an appraisal will only result in further, and unnecessary, cost and delay, without facilitating the sale process.

Best,

-----Original Message-----

From: Justin Robinson <JR@friedmans.ca>
 Sent: August 14, 2019 9:49 AM
 To: Jeff Larry <Jeff.Larry@paliareroland.com>
 Cc: Elizabeth Rathbone <Elizabeth.Rathbone@paliareroland.com>; awinton@lolg.ca; sthakker@lolg.ca;
matthew.karabus@gowlingswlg.com; Judy Hamilton <JH@friedmans.ca>; Bill Friedman <wf@friedmans.ca>;
 Seta Boyadjian <slb@friedmans.ca>; Susan Guo <SG@friedmans.ca>; bkofman@ksvadvisory.com;
ngoldstein@ksvadvisory.com
 Subject: RE: Ideal (BC) Developments et al and anor ats First Source Financial Management Inc. and Kingsett Mortgage Corporation

Dear Mr. Larry,

I understand that counsel for American, the third mortgagee, is also currently on vacation, as I spoke to Mr. Karabus yesterday when he returned my telephone call.

The sale process for which you seek approval omits to provide evidence that informs the court whether or not the receiver and manager will be undertaking several appraisals that will take into account the stage of the development, yet paragraph 6 of the draft order seeks an order relieving the receiver and manager from liability.

Would you kindly clarify the receiver's intentions in this regard.

Yours truly,

Justin Robinson
 Associate

Friedman Law Professional Corporation
 150 Ferrand Drive, Suite 800
 Toronto, ON M3C 3E5
jr@friedmans.ca
 Tel: (416) 496-3340 ext. 133
 Fax: (416) 497-3809

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-----Original Message-----

From: Jeff.Larry@paliarerland.com [<mailto:Jeff.Larry@paliarerland.com>]

Sent: Monday, August 12, 2019 8:08 PM

To: Justin Robinson

Cc: Elizabeth.Rathbone@paliarerland.com; awinton@lolg.ca; sthakker@lolg.ca; matthew.karabus@gowlingswlg.com; Judy Hamilton; Bill Friedman; Seta Boyadjian; Susan Guo; bkofman@ksvadvisory.com; ngoldstein@ksvadvisory.com

Subject: Re: Ideal (BC) Developments et al and anor ats First Source Financial Management Inc. and Kingsett Mortgage Corporation

Justin

We don't anticipate that there will be any opposition to the sales process or that submissions will be necessary. Rather, we expect the motion will be dealt with in Chambers.

If Ms Hamilton or anyone else has any concerns, I expect we can address them briefly upon her return (I am happy to speak to her the prior weekend or any other time) or even on the morning of.

Since it is in everyone's interest to move this process forward, we are not inclined to adjourn the attendance.

Sent from my iPhone

On Aug 12, 2019, at 4:42 PM, Justin Robinson <JR@friedmans.ca<<mailto:JR@friedmans.ca>>> wrote:

Dear Mr. Larry,

Receipt is acknowledged by email of the motion record of the receiver and manager, returnable August 19, 2019.

Judy Hamilton of our office appeared and made submissions in this matter, on behalf of the respondents, on each occasion the matter has been listed before the court. I am presuming that it is the case that you are unaware that Ms. Hamilton is currently taking vacation in B.C. and is not due back in Toronto for resumption of professional duties until August 19, 2019.

I anticipate that Ms. Hamilton will wish to appear at the return of the motion for approval of the sale process ^{b47} make submissions on behalf of the respondents.

Unfortunately, service of the motion with a return date of August 19, 2019, without prior consultation with counsel of record and without prior consultation with Ms. Hamilton, or Ms. Hamilton's law clerk effectively denies the respondents an appearance by counsel with carriage of the matter.

Would you kindly advise whether your client agrees to a short adjournment, to permit Ms. Hamilton an opportunity to return to Toronto from vacation, review the motion materials, file responding materials, and appear and make submissions.

I have consulted with Ms. Hamilton's clerk and can advise that Ms. Hamilton is available on August 23, 27 and 30, 2019.

Yours truly,

Justin Robinson
Associate
<image003.jpg>
Friedman Law Professional Corporation
150 Ferrand Drive, Suite 800
Toronto, ON M3C 3E5
jr@friedmans.ca<<mailto:jr@friedmans.ca>>
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**FIRST SOURCE FINANCIAL
MANAGEMENT INC. et al.**
Applicants

- and -

IDEAL (BC) DEVELOPMENTS INC., et al.
Respondents
Court File No.: CV-19-00622054-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
Proceeding commenced at Toronto

AFFIDAVIT OF WILLIAM FRIEDMAN
(Sworn August 16, 2019)

**FRIEDMAN LAW PROFESSIONAL
CORPORATION**
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Lawyers for the Respondents