

Copies of emails amongst RCR's Curt Quigley, and FIC's Tansowny and Graham Woods , in 2008

RE: Attempt to resolve RCR's payment obligations on Willow Park lots

Graham Woods

From: Curt [Curt@rcrconstruct.com]
Sent: Sunday, March 09, 2008 5:54 PM
To: John Tansowny
Cc: John Tansowny (hotmail); Graham Woods
Subject: Stage 7 spread sheet

John,

Please forward the following on to Graham Woods as well as I am not sure he is getting what I have been sending him.

\$608609.40 as of December 2006 seems to be in agreement by all parties. I am in agreement with this number.

2007 RCR Invoice #7090 for \$208500.00 ✓

Paid as follows: Cheque 34097 \$100000.00 ✓ Cheque 34094 \$100000.00 ✓ and cheque 34093 \$80500.00 ✓ and therefore an overpayment of \$72000.00

RCR repayment of \$72000.00 to FIC ✓

RCR payment to Malcolm Lennie \$60000.00

As far as I know I believe that FIC is in agreement of what has transpired to date on the above mentioned. I think it would be best if we can get together quickly and finalize the interest portion and finalize all payments to all parties as I am looking to send you the assignment of proceeds from my next 2 sales contracts that pertain to Lots 35 and 37 in stage 5 in Willow Park and are closing April 15, 2008. If we could get this done on Monday or Tuesday of this week that would be appreciated. From what I have, we are simply looking to finalize the interest portion of this and finalize the payments that FIC has received.

Regards,
Curt
RCR

12/5/2008

Graham Woods

From: Curt [Curt@rcrconstruct.com]
Sent: Monday, March 10, 2008 5:22 PM
To: Graham Woods
Cc: John Tansowny
Subject: RE: Stage 7 Lot payouts

Graham,
The only number that we are showing as paid different is Lot 5 as \$83860.60 as paid direct to Malcolm Lennie, the rest I confirm as accurate.
Regards,
Curt
RCR

From: Graham Woods [mailto:GWood@ficinvestors.com]
Sent: Monday, March 10, 2008 3:21 PM
To: Curt
Cc: John Tansowny
Subject: RE: Stage 7 Lot payouts

Curt,

Lot 3 - \$70,912;
Lot 4 - \$72,579;
Lot 5 - \$84,330;
Lot 6 - \$81,860; and,
Lot 63 - \$82,967.

\$ 392,648 monies paid from RCR's lawyer

These are the amounts received into Trust by Malcolm Lennie. Perhaps your lawyer could indicate how much of the above is GST for each of these. I don't have that information. The figures that should appear on my spreadsheet should be net of GST.

Thanks,

Graham J. Woods, CA - CFO
FIC Group of Companies
(t) 604.228.2075
(f) 604.224.1226
(toll free) 1.877.258.2342
www.FICInvestors.com
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From: Curt [mailto:Curt@rcrconstruct.com]
Sent: Monday, March 10, 2008 2:12 PM
To: John Tansowny
Cc: Graham Woods
Subject: Stage 7 Lot payouts

Gentlemen,
You will want to get an exact payout on the lots in terms of the money Malcolm Lennie received from our lawyer Murray Engelking for each of the lots in stage 7 which are Lots 3, 4, 5, 6 and 63 as we have a variance on what we are showing we have sent over to Malcolm Lennie via his instructions and what you are showing that you have received. I will double check our numbers. Please get back to me as soon as possible.
Regards,
Curt
RCR

12/5/2008

Graham Woods

From: Curt [Curt@rcrconstruct.com]
Sent: Monday, March 10, 2008 6:00 PM
To: Graham Woods
Cc: John Tansowny
Subject: RE: Stage 7 Lot payouts

Graham,
Got it...We did not receive that information from Malcolm Lennie as I mentioned the lot payouts came from his office, but what you are saying makes sense....I agree...
Curt

← Curt agrees

From: Graham Woods [mailto:GWoods@ficinvestors.com]
Sent: Monday, March 10, 2008 6:48 PM
To: Curt
Cc: John Tansowny
Subject: RE: Stage 7 Lot payouts



Our cost was \$364,900 for the five lots. $\$364,900 \times 1.12 = \$408,688$. You did not ship Malcolm Lennie enough money. You did just over 7%. This 7% was also present in RCR's original spreadsheet to FIC.

Anyway, my spreadsheet makes up for the difference between 7% and 12%.

Thanks,

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From: Curt [mailto:Curt@rcrconstruct.com]
Sent: Monday, March 10, 2008 5:27 PM
To: Graham Woods
Cc: John Tansowny
Subject: RE: Stage 7 Lot payouts

Graham,
Having confirmed the lot payouts now to Malcolm with the exception of Lot 5 as per your spread sheet I am not sure where the number of \$408688.00 comes from as listed on your spreadsheet labeled as Cost Plus 12% for lots which you have as \$408688.00 our numbers tell us we have shipped Malcolm Lennie \$392124.69 Please confirm receipt of this information.
Regards,
Curt
RCR

From: Graham Woods [mailto:GWoods@ficinvestors.com]
Sent: Monday, March 10, 2008 3:21 PM
To: Curt
Cc: John Tansowny
Subject: RE: Stage 7 Lot payouts

Curt,

12/5/2008

Lot 3 - \$70,912;
Lot 4 - \$72,579;
Lot 5 - \$84,330;
Lot 6 - \$81,860; and,
Lot 63 - \$82,967.

These are the amounts received into Trust by Malcolm Lennie. Perhaps your lawyer could indicate how much of the above is GST for each of these. I don't have that information. The figures that should appear on my spreadsheet should be net of GST.

Thanks,

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From: Curt [mailto:Curt@rcrconstruct.com]
Sent: Monday, March 10, 2008 2:12 PM
To: John Tansowny
Cc: Graham Woods
Subject: Stage 7 Lot payouts

Gentlemen,

You will want to get an exact payout on the lots in terms of the money Malcolm Lennie received from our lawyer Murray Engelking for each of the lots in stage 7 which are Lots 3, 4, 5, 6 and 63 as we have a variance on what we are showing we have sent over to Malcolm Lennie via his instructions and what you are showing that you have received. I will double check our numbers. Please get back to me as soon as possible.

Regards,
Curt
RCR

12/5/2008

Graham Woods

From: Curt [Curt@rcrconstruct.com]
Sent: Tuesday, March 11, 2008 2:27 PM
To: Graham Woods
Subject: RE: Lot costs

Understood...I will speak with you upon your return...
Regards,
Curt

From: Graham Woods [mailto:GWoods@ficinvestors.com]
Sent: Tuesday, March 11, 2008 12:40 PM
To: Curt
Cc: John Tansowny
Subject: Lot costs

Hi Curt,

I have had some personal issues surface and will not be in the office this week after today.

Anyway, I think we both agree that whatever we end up with, RCR believes it can be paid in April. We can firm up the spreadsheet next week.

As Malcolm Lennie is away and information can be difficult to get, can you ask your lawyer for copies of the five letters that accompanied the lot payments from Campbell & Co. to Malcolm. They should be one pagers that will answer all of our questions regarding the lots (i.e. cost, GST, etc.).

Please forward these to me when received by you.

Thanks and I will talk with you next week,

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12/5/2008

Graham Woods

From: Curt [Curt@rcrconstruct.com]
Sent: Monday, March 31, 2008 11:15 AM
To: Graham Woods
Subject: RE: Willow Park - Stage 7

Got it thanks...I will give you a call on Wednesday April 2, 2008
Curt

From: Graham Woods [mailto:GWood@ficinvestors.com]
Sent: Monday, March 31, 2008 10:24 AM
To: Curt
Subject: FW: Willow Park - Stage 7

Curt,

Here is the spreadsheet again.

Call me once you have taken a look and have a plan for payments throughout April.

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From: Graham Woods
Sent: Wednesday, March 26, 2008 10:46 AM
To: 'Curt'
Cc: John Tansowny; Steve Rea; Earle Pasquill
Subject: Willow Park - Stage 7

Hi Curt,

Further to our telephone call today, find attached the most recent spreadsheet regarding the Willow Park – Stage 7 lots.

As discussed, I was somewhat surprised by the low overall profit figure that calculates out as owing to us (about \$29K) and that you incurred losses on a couple of the homes. Per the terms of the agreement, we are permitted to audit the "construction cost" amounts. We may consider this option.

I think we can both agree that based on the attached spreadsheet, the lowest amount owing from RCR to us is \$938,427 under any circumstance. This is the amount that, over the month of April, we expect to receive from RCR. Also as discussed, April 30, 2008 is the fiscal year-end of FIC Investments USA Corp., the owner of the Willow Park lots. For obvious reasons, I need to have the \$938,427 settled before April 30, 2008.

Please review the attached spreadsheet and provide me on Friday with a payment plan over the month of April. It would be best if the payments could be spread over the month of April (\$200,000+ per week, etc.). I know that there may be a plan that some money you get from Stage 5 lots goes towards the \$917,004 so please, include this in the plan as well.

Thanks,

Graham J. Woods, CA – CFO
FIC Group of Companies
(t) 604.228.2075

12/5/2008

Never said would do this.

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Graham Woods

From: Graham Woods
Sent: Monday, April 21, 2008 10:17 AM
To: 'Curt'
Cc: John Tansowny; Earle Pasquill; Steve Rea
Subject: Balance owing - Stage 7 loan

Hi Curt,

To re-affirm our discussion of last week, the year-end of FIC Investments USA Corp. (owns 100% of the Stage 7 loan) is April 30, 2007. I need a cheque made payable to FIC Investments USA Corp. and of a reasonable amount to arrive on my desk here by the end of April 29th. I need to deposit that cheque on April 30th to show that the loan is performing. Please do not rely at this time on receiving the \$440K or so to make the April 29th payment from the two stage 5 lots closing as all of my instincts tell me that it is going to fall beyond April 30th.

John and Curt, ensure that the paperwork regarding the two Stage 5 lots is done and tight so that the cash amount is assigned to FIC Investments USA Corp. with no issues.

Curt, please update me with any other inflows of cash (i.e. Stage 5, Leduc lots, etc.).

As I am busy with many other tasks right now, there will be no other requests made by me prior to May 1st. I fully expect a "performance proving" payment by the end of April 29th.

Thanks,

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12/5/2008

Graham Woods

From: Curt [Curt@rcrconstruct.com]
Sent: Monday, May 05, 2008 4:34 PM
To: Graham Woods
Cc: mengelking@engwd.ca
Subject: RE: RCR Construction

Graham,

I think that this is an excellent idea, what I suggest is a face to face meeting with myself and all the parties that need to be present from an FIC standpoint. I would be open to having this meeting at any time over the next couple of weeks and in fact I would be willing to come to Vancouver if this is easier for FIC, get back to me on this as soon as you can, if it is easier we can arrange for a conference call between our two parties, I have several questions pertaining to this information and I will need answers before I begin putting any information together for you. I will await your email or call.

Thanks,

Curt
RCR Construction

From: Graham Woods [mailto:GWoods@ficinvestors.com]
Sent: Monday, May 05, 2008 4:12 PM
To: Curt
Subject: RCR Construction

Curt,

I was disappointed not to have received a "reasonable" payment in April.

We need to have a discussion about all of the FIC Group of Companies projects that RCR is involved in. From this, we need to come up with an overall plan that I fully understand.

At this time, please indicate all of the properties and lots that are the property of the FIC Group of Companies but which RCR is involved (i.e. is to build a home under contract, is to build a home under contract but is refusing to build because costs will exceed revenue, is presently building a home, has built a home and is awaiting payment from the buyer, has built a home and has received payment from the buyer). If you think it belongs on the list, put it on the list.

I think we need to take a look at the whole picture instead of just one piece at a time to figure out where we are at and where we are going.

The sooner this list is done, the better.

Thanks,

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12/5/2008

Graham Woods

From: Curt [Curt@rcrconstruct.com]
Sent: Tuesday, May 06, 2008 5:59 PM
To: Graham Woods
Cc: John Tansowny (hotmail)
Subject: RE: RCR Construction

Graham,
As per your email, I will wait to hear from you regarding getting together...I will be away from the office on May 15, 16 and 19 returning May 20, 2008 With respect to the two lots closing in stage 5 as I mentioned to John Tansowny, RCR has requested the transfer documents several times now to close on the lots and pay FIC however we are getting two conflicting reports as to which FIC lawyer has the files, we are told it is now David Welch at Trevo and yet Malcolm Lennie is still acting on this file...as my lawyer puts it, let FIC figure this out, my lawyer is not going to do anything further until he hears from me on this as to who is acting for FIC on this... Can you clarify this situation for me...

Thanks,
Curt
RCR

P.S. RCR has been attempting to get this information from Malcolm Lennie for 2 weeks now.

From: Graham Woods [mailto:GWoods@ficinvestors.com]
Sent: Tuesday, May 06, 2008 11:06 AM
To: Curt
Cc: mengelking@engwd.ca
Subject: RE: RCR Construction

*Our lawyer (Malcolm Lennie)
screwed this up -
(paperwork
not done)*

Let me think of a date that we can meet.

However, this does not change the amount owed for the "Willow Park – Stage 7 loan." In particular, the gross proceeds that you are to receive from the 2 Stage 5 lots are to come from your lawyer directly to us. They total between \$450,000 and \$500,000 if I recall.

Also, I need an update ASAP on the 2 Leduc lots which are each bringing in excess of \$160,000 to us. The Leduc lot is a very sensitive item as our staff real estate fund invested the \$129,000 into one of the Leduc lots. As such, it is imperative that funds come our way soon regarding this. What is the legal description of the two Leduc lots?

Please reply to my comments today.

Thanks,

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To: Graham Woods
Cc: mengelking@engwd.ca
Subject: RE: RCR Construction

Graham,

12/5/2008

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Thanks,

Curt
RCR Construction

From: Graham Woods [mailto:GWoods@ficinvestors.com]
Sent: Monday, May 05, 2008 4:12 PM
To: Curt
Subject: RCR Construction

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At this time, please indicate all of the properties and lots that are the property of the FIC Group of Companies but which RCR is involved (i.e. is to build a home under contract, is to build a home under contract but is refusing to build because costs will exceed revenue, is presently building a home, has built a home and is awaiting payment from the buyer, has built a home and has received payment from the buyer). If you think it belongs on the list, put it on the list.

I think we need to take a look at the whole picture instead of just one piece at a time to figure out where we are at and where we are going.

The sooner this list is done, the better.

Thanks,

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12/5/2008

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From: Graham Woods
Sent: Monday, May 26, 2008 3:18 PM
To: 'Curt'
Cc: Earle Pasquill
Subject: Balance owing

More work
done by me to
arrive at a fair
payment schedule

Curt,

Once again, thanks for coming out here on Friday.

In regards to the almost \$1M that is owed from RCR to FIC USA, I wanted to lay out some scenarios. Basically, the sooner you pay the less that you will have to pay.

Firstly, I am going on the basis that about \$450,000 will be coming to us when Stage 5 lots 35 and 37 close. What we must factor in is that we are already entitled to about \$160,000 [\$80,000 X 2] of that for the lot cost of lot 35 and 37 approximately. This leaves an estimated \$290,000 [and not \$450,000] to be applied against the almost \$1M that is due for the Stage 7 advances.

Scenario # 1:

Balance owing as of May 31, 2008 (see spreadsheet I gave the other day to you)	\$ 957,195
Less estimated Stage 5 lots 35 and 37 gross proceeds	(290,000)

	667,195
Less payment on or before June 30, 2008	(275,000)

	392,195
Less payment on or before July 31, 2008	(275,000)

	\$ 117,195 – balance waived
	=====

by FIC

*** Also, no further interest is accrued from May 31, 2008 to July 31, 2008 ***

Scenario # 2:

Balance owing as of May 31, 2008 (see spreadsheet I gave the other day to you)	\$ 957,195
Less estimated Stage 5 lots 35 and 37 gross proceeds	(290,000)

	667,195
Less payment on or before June 30, 2008	(200,000)

	467,195
Less payment on or before July 31, 2008	(200,000)

	267,195
Less payment on or before August 31, 2008	(200,000)

	\$ 67,195 – balance waived
	=====

by FIC

*** Also, no further interest is accrued from May 31, 2008 to August 31, 2008 ***

Scenario # 3:

Balance owing as of May 31, 2008 (see spreadsheet I gave the other day to you)	\$ 957,195
Less estimated Stage 5 lots 35 and 37 gross proceeds	(290,000)

	667,195
Less payment on or before June 30, 2008	(150,000)

	517,195
Less payment on or before July 31, 2008	(150,000)

12/5/2008

Less payment on or before August 31, 2008

367,195
(150,000)

Less payment on or before September 30, 2008

217,195
(200,000)

by FIC

\$ 17,195 – balance waived

*** Also, no further interest is accrued from May 31, 2008 to September 30, 2008 ***

Scenario # 4:

Balance owing as of May 31, 2008 (see spreadsheet I gave the other day to you)

\$ 957,195

Less estimated Stage 5 lots 35 and 37 gross proceeds

(290,000)

Less payment on or before June 30, 2008

667,195
(100,000)

Less payment on or before July 31, 2008

567,195
(100,000)

Less payment on or before August 31, 2008

467,195
(100,000)

Less payment on or before September 30, 2008

367,195
(100,000)

Less payment on or before October 31, 2008

267,195
(100,000)

Less payment on or before November 30, 2008

167,195
(100,000)

\$ 67,195 – balance to be
paid by RCR in Dec/2008 plus interest accrued at 1% per month on o/s balance 1Jun08 to 30Nov08

With scenario 1, 2, or 3, there is both a "freeze" on interest and the waiving of amounts by FIC. I would recommend one of the first three scenarios. With the forth scenario, we collect everything that is presently owing to us plus interest at 1% per month from June 1, 2008 on. There is no scenario which goes beyond December 31, 2008. As I mentioned in our meeting on Friday, I have been more than reasonable in regards to this matter.

The patience in the other executives in the FIC Group is at zero. It is imperative that you commit to one of these scenarios and meet all payments. If the amount does not begin to decrease, the matter will be out of my hands.

Which one of the scenarios can you commit to?

Thanks,

Graham J. Woods, CA – CFO
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12/5/2008

Graham Woods

From: Graham Woods
Sent: Monday, May 26, 2008 3:28 PM
To: 'Curt'
Subject: FW: stage 5 closings

Curt,

Looking at this e-mail it appears that there will be closer to \$356,000 available to go against the amount owing for the Stage 7 construction advances. I think I used \$290,000 in my scenario analysis. Under any of the scenarios, we will decrease the 30-Jun-08 payment by any difference between the actual that comes from your lawyer and my e-mail.

Thanks,

Graham J. Woods, CA - CFO
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From: John Tansowny [mailto:jtansowny@ficinvestors.com]
Sent: Monday, March 03, 2008 8:32 PM
To: Graham Woods
Cc: Steve Rea
Subject: Fw: stage 5 closings

I will instruct Malcolm to prepare an assignment to complete this.

Dave Welsh is on over-whelm at the moment with Calmar

From: Curt
Sent: Sunday, March 02, 2008 7:32 PM
To: [John Tansowny \(hotmail\)](mailto:John.Tansowny@hotmail.com)
Cc: [John Tansowny](mailto:John.Tansowny@ficinvestors.com)
Subject: stage 5 closings

John,

I have supplied you with copies of the completion contracts that involve lots 35 and 37 in stage 5 of Willow Park and these include a closing cash in both cases of \$250250.00 for a total of \$500500.00. Just confirm those numbers as I gave you the only copies that I had with me at this time, out of these funds FIC will realize that lot payout on each lot of approx. \$72000.00 for a total of \$144000.00. This money is usually sent to Malcolm Lennie and these 2 lots being paid out would conclude the stage 5 deal between FIC and RCR. Which was a lot deal only. \$500000.00 less the lots at \$144000.00 leaves approx. \$356000.00 which I could assign to FIC via my lawyer which could be applied to the balance outstanding on the stage 7 amounts, you would just have to provide me with the details of an assignment of this nature and I could look after this for you for your meetings on Wednesday. These homes will be completed on April 15, 2008. Please confirm receipt of this and provide any comments you have on this.

Regards,
Curt

*The lawyer's
Screamed this up.*

Graham Woods

From: Graham Woods
Sent: Monday, June 09, 2008 12:35 PM
To: 'Curt'
Cc: Earle Pasquill
Subject: FW: Balance owing

Curt,

I need to know which of the scenarios below you will be following to settle the balance owing? As mentioned before, I recommend 1, 2, or 3 because there is both a "freeze" on interest as well as the waiving of amounts owing to FIC.

Thanks,

Graham J. Woods, CA – CFO
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From: Graham Woods
Sent: Monday, May 26, 2008 3:18 PM
To: 'Curt'
Cc: Earle Pasquill
Subject: Balance owing

Curt,

Once again, thanks for coming out here on Friday.

In regards to the almost \$1M that is owed from RCR to FIC USA, I wanted to lay out some scenarios. Basically, the sooner you pay the less that you will have to pay.

Firstly, I am going on the basis that about \$450,000 will be coming to us when Stage 5 lots 35 and 37 close. What we must factor in is that we are already entitled to about \$160,000 [\$80,000 X 2] of that for the lot cost of lot 35 and 37 approximately. This leaves an estimated \$290,000 [and not \$450,000] to be applied against the almost \$1M that is due for the Stage 7 advances.

Scenario # 1:

Balance owing as of May 31, 2008 (see spreadsheet I gave the other day to you)	\$ 957,195
Less estimated Stage 5 lots 35 and 37 gross proceeds	(290,000)

	667,195
Less payment on or before June 30, 2008	(275,000)

	392,195
Less payment on or before July 31, 2008	(275,000)

\$ 117,195 – balance waived

by FIC

*** Also, no further interest is accrued from May 31, 2008 to July 31, 2008 ***

Scenario # 2:

Balance owing as of May 31, 2008 (see spreadsheet I gave the other day to you)	\$ 957,195
Less estimated Stage 5 lots 35 and 37 gross proceeds	(290,000)

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Less payment on or before June 30, 2008	667,195 (200,000)

Less payment on or before July 31, 2008	467,195 (200,000)

Less payment on or before August 31, 2008	267,195 (200,000)

by FIC	\$ 67,195 – balance waived
	=====

*** Also, no further interest is accrued from May 31, 2008 to August 31, 2008 ***

Scenario # 3:

Balance owing as of May 31, 2008 (see spreadsheet I gave the other day to you)	\$ 957,195
Less estimated Stage 5 lots 35 and 37 gross proceeds	(290,000)

Less payment on or before June 30, 2008	667,195 (150,000)

Less payment on or before July 31, 2008	517,195 (150,000)

Less payment on or before August 31, 2008	367,195 (150,000)

Less payment on or before September 30, 2008	217,195 (200,000)

by FIC	\$ 17,195 – balance waived
	=====

*** Also, no further interest is accrued from May 31, 2008 to September 30, 2008 ***

Scenario # 4:

Balance owing as of May 31, 2008 (see spreadsheet I gave the other day to you)	\$ 957,195
Less estimated Stage 5 lots 35 and 37 gross proceeds	(290,000)

Less payment on or before June 30, 2008	667,195 (100,000)

Less payment on or before July 31, 2008	567,195 (100,000)

Less payment on or before August 31, 2008	467,195 (100,000)

Less payment on or before September 30, 2008	367,195 (100,000)

Less payment on or before October 31, 2008	267,195 (100,000)

Less payment on or before November 30, 2008	167,195 (100,000)

paid by RCR in Dec/2008 plus interest accrued at 1% per month on o/s balance 1Jun08 to 30Nov08	\$ 67,195 – balance to be
	=====

With scenario 1, 2, or 3, there is both a "freeze" on interest and the waiving of amounts by FIC. I would recommend one of the first three scenarios. With the forth scenario, we collect everything that is presently owing to us plus interest at 1% per month from June 1, 2008 on. There is no scenario which goes beyond December 31, 2008. As I mentioned in our meeting on Friday, I have been more than reasonable in regards to this matter.

The patience in the other executives in the FIC Group is at zero. It is imperative that you commit to one of these scenarios and

12/5/2008

meet all payments. If the amount does not begin to decrease, the matter will be out of my hands.

Which one of the scenarios can you commit to?

Thanks,

Graham J. Woods, CA - CFO
FIC Group of Companies
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Graham Woods

From: Graham Woods
Sent: Friday, July 04, 2008 9:28 AM
To: 'Curt'
Subject: Stage 7 loan

Curt,

The Stage 7 loan has obviously caused us all sorts of problems.

I discussed your comments with Matthew yesterday and it is imperative that from the Lot 35 and 37 Stage 5 closing that we get the cost of lots 35 and 37 plus another \$100,000. That is the minimum acceptable. If your company is in such a position that you cannot provide even \$100,000, then I would probably prefer to stick with the assignment agreement and receive the entire \$450,000 or so because how else are we going to collect the rest?

Furthermore, our FIC Investments USA Corp. is about to undergo a financial statement audit for the year ended April 30, 2008. Recall that way back then I said that I needed to show that the loan with you was performing in that year yet you provided us with nothing.

The plan must start with the lot costs for lot 35 and 37 plus \$100,000 and another \$50,000 or \$100,000 on or before July 31, 2008. We must show that your loan is performing otherwise it will have to be impaired which will hit our income statement.

Recall also that, for Blackhawk, in regards to the last 6 lots, you were under contact to pay us \$1,650,000 for the lots. We let you out of this and accepted only \$1,200,000. A "loss" to us of \$450,000.

The heat is on me here to get this moving. We are also doing a comprehensive update to all of our members and shareholders soon. If something is not done about this loan then it will be a specific item that is discussed.

Thanks,

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12/5/2008

Graham Woods

From: Graham Woods
Sent: Thursday, July 10, 2008 11:06 AM
To: 'Curt'
Subject: FW: stage 5 closings

*Paperwork
not done by Lennie
Malcolm*

Curt,

See you "old" e-mail below.

At present the entire lot 35 and 37 proceeds (\$500,500) are assigned to us. I am willing to compromise but I need a firm answer from you this week. As you indicated that us taking the entire \$500,500 would "force you to lock your doors" my offer was the lot cots [about \$72,000 X 2 lots] plus \$150,000.

Recall that (a) our US company is presently being audited which has 100% of this loan in it and (b) we are providing our members with a very detailed comprehensive update soon. For the audit, there needs to be "evidence" (i.e. repayments during July) that the loan is performing and a plan. For the update to members, we will be very specific if there are troubled receivables from any parties. That is why it is imperative that a repayment is received soon and there is a plan going forward. We have been and will continue to be completely honest with our shareholders. If the loan is performing, then we have nothing to write about.

Advise soon.

Thanks,

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

From: Steve Rea
Sent: Tuesday, March 04, 2008 8:18 AM
To: John Tansowny; Graham Woods
Subject: Re: stage 5 closings

Joihn lets make it a conference call with graham and I on the line.

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

From: John Tansowny <jtansowny@ficinvestors.com>
To: Graham Woods
Cc: Steve Rea
Sent: Mon Mar 03 20:31:47 2008
Subject: Fw: stage 5 closings

I will instruct Malcolm to prepare an assignment to complete this.

Dave Welsh is on over-whelm at the moment with Calmar

From: Curt <Curt@rcrconstruct.com>

Sent: Sunday, March 02, 2008 7:32 PM
To: John Tansowny (hotmail) <mailto:jawnhome@hotmail.com>
Cc: John Tansowny <mailto:JTansowny@ficinvestors.com>
Subject: stage 5 closings

John,

I have supplied you with copies of the completion contracts that involve lots 35 and 37 in stage 5 of Willow Park and these include a closing cash in both cases of \$250250.00 for a total of \$500500.00. Just confirm those numbers as I gave you the only copies that I had with me at this time, out of these funds FIC will realize that lot payout on each lot of approx. \$72000.00 for a total of \$144000.00. This money is usually sent to Malcolm Lennie and these 2 lots being paid out would conclude the stage 5 deal between FIC and RCR. Which was a lot deal only. \$500000.00 less the lots at \$144000.00 leaves approx. \$356000.00 which I could assign to FIC via my lawyer which could be applied to the balance outstanding on the stage 7 amounts, you would just have to provide me with the details of an assignment of this nature and I could look after this for you for your meetings on Wednesday. These homes will be completed on April 15, 2008. Please confirm receipt of this and provide any comments you have on this.

Regards,

Curt

Graham Woods

From: Graham Woods
Sent: Thursday, August 14, 2008 8:11 AM
To: 'Curt'
Subject: Closings

*Title ultimately released
b/c we needed the \$244,000
of \$50.*

Curt,

I have had the evening to take a step back and look at the situation regarding the two (2) Stage 5 lots, the Stage 7 loan, and the eight (8) Stage 8 lots and have decided to take the following position:

- Title to the two (2) Stage 5 lots (lot 35 and 37) will not be released until Malcolm receives the price for the two lots AND the additional \$200,000 from the lot 35 and 37 closings from your lawyer; and,
- We will continue to endeavor to get our two lenders to release their charges on the eight (8) Stage 8 lots so that this deal can be closed.

In regards to the two (2) Stage 5 lots I have the following comments:

- These homes were initially supposed to close with the homeowners in May. We have been giving you extension after extension on these;
- At one point in time, FIC was entitled to ALL of the gross proceeds from these. Part of the amount would be for the selling price from FIC to RCR for the two Stage 5 lots and the rest would be applied to the Stage 7 construction loan;
- You have known for months that FIC was counting on the two Stage 5 lot amounts plus an amount (i.e. \$200,000);
- You have indicated that trades are still owed on these two lots. Without the lots the homes could never have been built and as such, FIC should be paid first; and,
- I would be surprised if your trades have not put liens or caveats on these two lots anyway which will delay the closing process anyway. You should check this.

In regards to the Stage 7 loan I have the following comments:

- You have not paid us even \$1 of repayment on this loan;
- I reiterated at a very personal level how important it was for our Group that the Stage 7 loan shows as performing. You have failed me in this regard; and,
- We expect the full amount of this loan (principal, interest, and profit). The total is nearing \$1,000,000 and interest continues to accrue.

In regards to the eight (8) Stage 8 lots I have the following comments:

- This is close as one lender should be giving their lawyer direction today. Although on vacation, David Welsh has been corresponding with a lawyer at his office as well as the lawyer of the second lender and this discharge appears to be close as well; and,
- I don't expect anything to happen this week.

The following are unfortunate circumstances that are not my or FIC's problem:

- Your vacation starting this Friday; and,
- Your law firm having all of their lawyers away in August.

FIC is no longer going to make rush moves that are not in the best interest of FIC as a whole. Those days are over.

In regards to the \$200,000, in lieu of the \$200,000 coming from the Stage 5 closing, a certified cheque or bank draft made payable to FIC Investments USA Corp. from RCR would be acceptable. Once this cheque / draft was received by me here, I would allow the Stage 5 lots to close.

We have no other options to proceed.

I am busy in meetings today and may be in tomorrow morning then I am gone for the weekend.

Thanks,

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12/5/2008

Graham Woods

From: Graham Woods
Sent: Wednesday, October 22, 2008 12:22 PM
To: 'Curt'
Subject: Stage 7 loans
Attachments: FIC USA - Document for RCR to sign - 22Oct08 - unsigned.pdf

Another attempt
with Tredy LLRs
assistance

Curt,

Please sign (two spots for you) and get Murray Engleking to sign the attached and have returned to me here via fax or e-mail with original mailed to me by the end of Monday, October 27, 2008.

As we discussed, this is the document that gives us a process to pay down the Stage 7 loan and also involves the lawyer.

I have a mandate from the executive and from the auditor to get this document signed and get this process in place. This is the last chance to resolve this on a basis that both of us can agree on.

Thanks,

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12/5/2008

**ASSIGNMENT OF SALE PROCEEDS
AND CHARGE ON LAND**

RCR CONSTRUCTION & MANAGEMENT LTD. (the Assignor) in consideration of payment of TEN (\$10.00) DOLLARS receipt of which is hereby acknowledged by the Assignor, and the agreement of **FIC Investments USA Corp.** (the Assignee) to forebear from making an immediate demand for payment of the full balance due of certain construction financing advanced to the Assignor by the Assignee, in the amount of \$996,159.00 as at September 30, 2008 together with interest accruing thereon at the rate of 12% per annum, compounded monthly, for an effective annual rate of 12.683% per annum, DOES HEREBY, as supplemental and additional collateral security for repayment of the said construction financing and interest, and without limiting its right to retract its forbearance and to take all necessary steps at law and equity for recovery of the said indebtedness, Assign and Transfer from the sale proceeds of each and every title to lands which the Assignor is owner, or of which the Assignor is entitled to become owner, wherever situate, the sum of \$33,334 per title, to be applied firstly to interest and secondly to principal, and charges the said lands in the amount of \$33,334 per title, payable forthwith in care of the Assignee's solicitors Trevoy LLP, 680-10180-101 st. Edmonton, Alberta, Canada T5J 3S4 upon the completion of the conveyance of such title to any person. Furthermore, the Assignee shall be at liberty in its discretion to register a caveat on any or all such titles, pursuant to the within Assignment and Charge notwithstanding that each is not specifically listed herein nor annexed hereto.

DATED at the City of Edmonton, in the Province of Alberta, this ____ day of October AD 2008 and executed by the Assignor by its duly authorized officer in that behalf.

RCR CONSTRUCTION & MANAGEMENT LTD.

PER: _____

Curt Quigley, President

NOTICE OF THE WITHIN ASSIGNMENT IS HEREBY ACKNOWLEDGED THIS ____ DAY OF OCTOBER AD 2008 BY THE UNDERSIGNED, AS CONFIRMED BY ITS SIGNATURE BELOW:

Curt Quigley

ENGELKING WOODS, Solicitors to RCR Construction & Management Ltd.

Per:

Graham Woods

From: Graham Woods
Sent: Sunday, October 26, 2008 7:36 PM
To: Curt
Subject: RE: Stage 7 loans

Curt,

There are no specific addresses. It is an amount for every home you build until the loan is paid off. The document is intended to be simple and straightforward. It applies to all homes built, whether Murray handles the closing or not. If there are specific known homes right now, then our position can be strengthened if you attach an exhibit with specific properties. I am not requesting that you do that, however. The document is simply an acknowledgement that \$33,334 per home closing will come to FIC Investments USA toward settlement of the Stage 7 loan.

Call me on Monday to discuss but I do require something signed by all parties by the end of Monday. The FIC Executive has given me a very firm directive on this.

If Murray wants to revise the document, send to me very early Monday morning and I will run it by David Welsh.

Thanks,

Graham

From: Curt [mailto:Curt@rcrconstruct.com]
Sent: Sun 10/26/2008 10:15 AM
To: Graham Woods
Subject: RE: Stage 7 loans

Graham,

Spoke with My lawyer on this matter and the vagueness of your letter concerns him and I with regards to the fact that the letter does not address specifically addresses involved and what not give me a call on this when you get a chance...

Regards,
Curt
RCR

From: Graham Woods [mailto:GWoods@ficinvestors.com]
Sent: Wednesday, October 22, 2008 1:22 PM
To: Curt
Subject: Stage 7 loans

Curt,

Please sign (two spots for you) and get Murray Engleking to sign the attached and have returned to me here via fax or e-mail with original mailed to me by the end of Monday, October 27, 2008.

As we discussed, this is the document that gives us a process to pay down the Stage 7 loan and also involves the lawyer.

I have a mandate from the executive and from the auditor to get this document signed and get this process in place. This is the last chance to resolve this on a basis that both of us can agree on.

Thanks,

Graham J. Woods, CA - CFO
FIC Group of Companies

12/5/2008

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12/5/2008

Graham Woods

From: Graham Woods
Sent: Tuesday, October 28, 2008 5:10 PM
To: 'Curt'
Cc: mengelking@engwd.ca
Subject: RE: RCR and FIC

Curt,

I don't need to meet with you.

Have your lawyer draft a one page simple document whereby RCR legally commits to pay down the balance that is owed. Ensure that there is a minimum of \$100,000 per month commencing 15-Nov-2008 and that the loan is fully paid back by October 31, 2008. Note that interest continues to accrue at 1% per month. This document is to be signed by you, your lawyer, and Earle Pasquill of FIC. We will expect the payments by the 15th of each month and they are to come from your lawyer to our office here.

If this cannot be done, just state so and I will proceed with this matter.

Thanks,

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From: Curt [mailto:Curt@rcrconstruct.com]
Sent: Tuesday, October 28, 2008 4:53 PM
To: Graham Woods
Cc: mengelking@engwd.ca
Subject: RCR and FIC

Graham,

As mentioned to you earlier, I had a chance to meet with my lawyer this afternoon and here is what I am proposing:

I would agree that it is in both our interests to come to an agreement with regards to what amounts are owing and timelines for debt repayment as well as addressing financial issues with regards to Stage 8. I would like to get this resolved as soon as possible. I am absolutely certain that I am not going to sign what has been submitted to RCR recently by FIC with regards to a blanket open assignment involving all future projects that RCR would have on the go. This being said, I would like to work together to resolve this and put into a legally binding agreement that would satisfy both our parties. I would like to propose a meeting in your office or RCR's office as soon as possible in order to facilitate a working agreement that will work for both FIC and RCR. I would make myself available to come to Vancouver if need be as soon as a meeting time could be set. I look forward to your response.

Regards,

Curt Quigley

RCR Construction & Management Ltd.

12/5/2008

Graham Woods

From: Graham Woods
Sent: Tuesday, November 04, 2008 1:54 PM
To: 'Curt'
Cc: Earle Pasquill
Subject: Stage 7 loan

Curt,

Hope you are well.

Please put together and sign a document with the following parameters:

The loan will be repaid as follows:

- \$50,000 payment on or before November 30, 2008;
- \$100,000 on the 15th of each month commencing with the first payment on or before December 15, 2008 and then \$100,000 on the 15th of each month until the loan is paid out in full.

Earle will be in charge of collection. If a payment is missed, we will use every and all means necessary to collect any and all amounts owed.

Also, you need to provide a trail of the \$129,000 that was paid with a cheque to RCR from 0779243 B.C. Ltd. in February 2007. At present, we feel that RCR owes 0779243 B.C. Ltd. \$129,000.

Thanks,

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Graham Woods

From: Curt [Curt@rcrconstruct.com]
Sent: Tuesday, November 04, 2008 3:57 PM
To: Graham Woods
Cc: mengelking@engwd.ca
Subject: RE: Stage 7 loan

Graham,

I forwarded this email request on to my lawyer and he has gotten back to me indicating that we will have something in writing to your solicitor by the end of this week. I will also get back to you by tomorrow with regards to this \$129000.00 that was supposedly paid to RCR, as every record of bank statements from any accounts of ours do not show a deposit of any close to this amount. Was this a wire transfer deposit or an actual cheque written to RCR.

Regards,

Curt

RCR Construction & Management Ltd.

From: Graham Woods [mailto:GWood@ficinvestors.com]
Sent: Tuesday, November 04, 2008 2:54 PM
To: Curt
Cc: Earle Pasquill
Subject: Stage 7 loan

Curt,

Hope you are well.

Please put together and sign a document with the following parameters:

The loan will be repaid as follows:

- \$50,000 payment on or before November 30, 2008;
- \$100,000 on the 15th of each month commencing with the first payment on or before December 15, 2008 and then \$100,000 on the 15th of each month until the loan is paid out in full.

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12/5/2008

Graham Woods

From: Curt [Curt@rcrconstruct.com]
Sent: Thursday, November 06, 2008 11:28 AM
To: Graham Woods
Subject: RE: Stage 7 loan
Importance: Low

Got it thanks... Heard you are leaving FIC....
Regards
Curt

From: Graham Woods [mailto:GWood@ficinvestors.com]
Sent: Thursday, November 06, 2008 11:51 AM
To: Curt
Cc: David S. Welsh
Subject: FW: Stage 7 loan

Curt,

David Welsh must receive by fax or other means your plan for repayment of the Stage 7 loan by 4PM Alberta time tomorrow. The repayment plan must at minimum encompass the requirements below.

Thanks,

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Sent: Tuesday, November 04, 2008 1:54 PM
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Cc: Earle Pasquill
Subject: Stage 7 loan

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Earle will be in charge of collection. If a payment is missed, we will use every and all means necessary to collect any and all amounts owed.

Also, you need to provide a trail of the \$129,000 that was paid with a cheque to RCR from 0779243 B.C. Ltd. in February 2007. At present, we feel that RCR owes 0779243 B.C. Ltd. \$129,000.

Thanks,

12/5/2008

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