

NOTICE OF CLASS ACTION CERTIFICATION and
APPROVAL OF PARTIAL SETTLEMENT

Fortress Syndicated Mortgage Class Actions in respect of:
The Orchard, Calgary

You are receiving this notice because you invested in the following “Fortress” syndicated mortgage loan in respect of the following Development Project:

- the **Orchard Project**, located at 602, 606, 610, 620, 624, 626 and 628 12th Avenue S.E., in Calgary, Alberta in respect of the charge registered as Registration Number 141 112 373

A Class action has been commenced in respect of this Development Project:

- *Arlene McDowell and The Estate of Bryan Madryga by his Estate Administrator Rebecca Shaw v. Fortress Real Capital Inc. and others CV-17-570361-00CP (Orchard)*

(the “Class Action”)

This notice provides you with important information about the Class Action that you need to be aware of because there are **two important developments** that can impact your legal rights.

1. The Action has been Certified for Settlement Purposes against the FMP Defendants, only

The court has certified this class action as against the Defendants FMP Mortgage Investments Inc., Michael Daramola, Tonino Amendola and Graham McWaters (the “FMP Defendants”).

The FMP Defendants are referred to as the “Settling Defendants”.

2. The Court has Approved a Settlement with the FMP Defendant

The Court has approved a settlement with the FMP Defendants that will fully and finally resolve the Class Members’ claims against the FMP Defendants. The FMP Defendants will pay \$3 million inclusive of all interest, court costs, administrative costs, and legal fees in exchange for a full and final release from the Class Members.

The Court has approved legal fees and disbursements payable to Class Counsel of \$859,321.63, which is equal to 25% of the settlement funds, plus disbursements and HST. Class Counsel have been retained on a contingency fee basis, and have paid all the expenses related to the action.

The net settlement funds, after deduction of the legal fees and disbursements, and administrative costs, and a hold-back of \$169,500 for future fees, disbursements and costs will be distributed to the Class.

This Notice only contains a summary of how the certification and settlement of this action affects you. Go to www.fortressclassaction.ca to review the Long-Form Notice for more details, or contact Class Counsel at the addresses below if you have any questions.

CERTIFICATION OF THE ACTIONS AGAINST THE SETTLING DEFENDANTS

The Court has granted an order certifying the Orchard action as class proceeding as against the FMP Defendants, for the purpose of effecting that settlement.

There are other Defendants in this action that have not settled, and the Class Action will be continuing against those non-Settling Defendants.

The Class Members in the Class Action are:

All persons in Canada who invested in a syndicated mortgage in respect of the Orchard Project, registered against title to lands located at 602, 606, 610, 620, 624, 626 and 628 12th Avenue S.E., in Calgary, Alberta as Registration Number 141 112 373.

You have received this Notice because you have been identified by FAAN, the mortgage administrator, as a Class Member in the Orchard Class Action.

What the Class Action Is About

In the Class Action, the Plaintiffs assert claims against the Settling Defendants for breach of contract, negligence, negligent misrepresentation, fraudulent misrepresentation, and conspiracy. The claims seek payment of damages (money) to the Class Members to compensate them for the losses that they have suffered from their investments in the syndicated mortgage loans for this Development Project.

None of the allegations made against the Settling Defendants have been proven in court, and the Settling Defendants deny all the allegations that have been made against them. If a settlement had not been reached, the Settling Defendants would be defending the Class Action and opposing the certification of this action as a class proceeding. The settlement is a compromise of the parties' positions and is not an admission of liability or fault by the Settling Defendants.

For more information, including details about the Class Action or the Settlement, visit www.fortressclassaction.ca, or contact Class Counsel at:

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The Ontario Superior Court of Justice approved this notice, however, if you have questions or comments, contact Class Counsel and NOT the Court