

NOTICE OF PARTIAL CLASS ACTION CERTIFICATION
and APPROVAL OF SETTLEMENTS

Fortress Syndicated Mortgages Class Actions in respect of:
Collier Centre, Barrie Harmony
Simcoe/The Kemp, Barrie
Orchard, Calgary
Sutton/The Link, Burlington
Ten88 Progress, Toronto

You are receiving this notice because you invested in one or more of the following “Fortress” syndicated mortgage loans in respect of five Development Projects:

- the **Collier Centre Project First Syndicated Mortgage only**, located at 90 Collier Street and 55 Mulcaster Street, Barrie, Ontario, in respect of the charge registered as Instrument SC1005953;
- the **Harmony Simcoe/The Kemp Project**, located at 51, 53, 55 and 75 Bradford Street, Barrie, Ontario, in respect of the charge registered as Instrument SC983678.
- the **Sutton/The Link Project**, located at 5210, 5218, 5226, 5236 Dundas Street and 2500 Burloak Drive in Burlington, Ontario in respect of the charges registered as Instruments HR1062915, HR1163232, or HR1174204;
- 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; or
- the **Progress/Ten88 Project**, located at 1088 Progress Avenue, Toronto, Ontario in respect of the charge registered as Instrument AT3101004.

Class actions have been commenced in respect of these five Development Projects:

- *Arlene McDowell and Saviero Aversa v. Fortress Real Capital Inc. and others* CV-16-558165-00CP (Collier Centre)

- *The Estate of Bryan Madryga by his Estate Administrator Rebecca Shaw v. Fortress Real Capital Inc. and others* CV-16-565287-00CP (Harmony Simcoe/The Kemp)
- *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)
- *Arlene McDowell v. Fortress Real Capital Inc. and others* CV-16-560268-00CP (Progress/Ten88)
- *Sandra Medland v. Fortress Real Capital Inc. and others* CV-16-561293-00CP (Sutton/The Link)

(together, the “Class Actions”)

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

1. The Actions have been Certified for Settlement Purposes

The Class Actions brought in respect of each of these Development Projects have been certified as class proceedings as against the Defendants, Building & Development Mortgages Canada Inc. (formerly carrying on business as Centro Mortgage Inc.) (“BDMC”), and the Estate of Ildina Galati, deceased, by its Trustee in Bankruptcy Crowe Soberman Inc. (“Galati”) (together, the “BDMC Defendants”).

The court has also certified the actions involving the Collier Centre, Orchard, and Sutton/The Links Development Projects as against the Defendants FFM Capital Inc., Rosalia Spadafora and Saul Perlov (together, the “FFM Defendants”). [The FFM Defendants were only included as defendants in the actions involving these three Development Projects.]

The BDMC Defendants and the FFM Defendants, together, are referred to as the “Settling Defendants”.

2. The Court has Approved Settlements with the BDMC Defendants and the FFM Defendants

The Ontario Superior Court of Justice has approved a settlement with the BDMC Defendants that will fully and finally resolve the Class Members’ claims against the BDMC Defendants in all five actions. The BDMC Defendants will pay \$8 million inclusive of all interest, court costs, administrative costs, and legal fees in exchange for a full and final release from the Class.

The Court has also approved a settlement with the FFM Defendants that will fully and finally resolve the Class Members’ claims against the FFM Defendants in the Collier Centre, Orchard, and Sutton/The Links actions. The FFM Defendants will pay \$2.375 million inclusive of all interest, court costs, administrative costs, and legal fees in exchange for a full and final release from the Class Members in these three actions.

The Court has approved legal fees payable to Class Counsel of \$2,593,750, which is equal to 25% of each of the settlement funds, plus HST and disbursements. Class Counsel have been retained on a contingency fee basis, and have paid all the expenses related to the actions, and have not been paid for their services since the Class Actions were started in 2016 and 2017.

This Notice only contains a summary of how the certification and settlement of these actions affect 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 orders certifying the five actions as class proceedings as against the BDMC Defendants, for the purpose of effecting the settlement, and naming the plaintiffs as the representative plaintiffs. The Court has also granted orders certifying the Collier Centre, Orchard, and Sutton/The Links actions as class proceedings as against the FFM Defendants, for the purpose of effecting that settlement.

There are other defendants in each of the five actions that have not settled, and the Class Actions will be continuing against those non-settling defendants.

The Class Members in each of the Class Actions are:

For CV-16-558165-00CP (Collier Centre):

All persons in Canada who invested prior to January 30, 2015 in a syndicated mortgage in respect of the Collier Centre Project No. 1, registered against title to lands located at 90 Collier Street and 55 Mulcaster Street, Barrie, Ontario, as Instrument SC1005953.

For CV-16-565287-00CP (Harmony Simcoe/The Kemp):

All persons in Canada who invested in a syndicated mortgage in respect of the Harmony Simcoe Project, registered against title to lands located at 51, 53, 55 and 75 Bradford Street, Barrie, Ontario, as Instrument SC983678.

CV-17-570361-00CP (Orchard):

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.

For CV-16-560268-00CP (Progress/Ten88):

All persons in Canada who invested in a syndicated mortgage in respect of the Ten88 (Progress) Project, registered against title to lands located at 1088 Progress Avenue, Toronto, Ontario as Instrument AT3101004.

CV-16-561293-00CP (Sutton/The Link):

All persons in Canada who invested in a syndicated mortgage in respect of the Sutton/The Link Project, registered against title to lands located at 5210, 5218, 5226, 5236 Dundas Street and 2500 Burloak Drive in Burlington, Ontario as Instruments HR1062915, HR1163232, or HR1174204.

You have received this Notice because you have been identified by FAAN, the mortgage administrator, as a Class Member in one or more of these Class Actions.

What the Class Actions are About

In each of the five Class Actions, 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 each of these Development Projects.

None of the allegations made against the Settling Defendants has 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 Actions and opposing the certification of these actions as class proceedings. The settlement is a compromise of the parties' positions and is not an admission of liability or fault by the Settling Defendants.

What you Need to Do Now

If you want to remain in the Class Action(s) and participate in the settlement(s), then you do not need to do anything. You are automatically included in the Class Action, if you meet the class definition. Your share of the settlement funds will be calculated by FAAN and distributed to you by FAAN.

If you do not want to be involved in the Class Action(s), and you do not want to be paid a portion of the settlement funds, then you need to “Opt Out” of the Class Action(s).

How to OPT OUT	<p>If you choose to Opt Out of the Class Action(s), then you will not be bound by any Court orders. This means you will get no payments or benefits from the settlements with the Settling Defendants, or any future settlements or trial judgment. This also means you will not be bound to any negative results in respect of the remaining parts of the Class Actions.</p> <p>If you Opt Out, you keep the right to sue any of the Settling Defendants on your own - however, you should be aware that there are limitation periods and bankruptcy proceedings that apply to your claim, and you should seek legal advice as soon as possible to determine your right to bring an individual action.</p> <p>To Opt Out you must notify Class Counsel in writing by no later than March 10, 2023.</p>
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	<p>To validly Opt Out you must send an Opt Out Notice that includes:</p> <ul style="list-style-type: none"> • your full name and contact information; • the Development Project(s) in which you invested; • a written statement that says that you do not wish to participate in the Class Action(s), and are choosing to Opt Out; and • your signature or electronic equivalent <p>Opt Out Notices may be sent to Class Counsel by mail, email, fax, or courier to one of the addresses set out below, and must be received, and in the case of Canada Post mail, post-marked, by no later than 5 pm E.T. on March 10, 2023.</p>
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For more information, including details about the Class Actions or the Settlements, visit www.fortressclassaction.ca , or contact Class Counsel at:

<p>Waddell Phillips Professional Corporation Barristers 36 Toronto Street, Suite 1120 Toronto, ON M5C 2C5 reception@waddellphillips.ca Tel: 1-888-684-5545 (toll-free) Fax: 416-477-1657</p>	<p>MSTW Professional Corporation Barristers and Solicitors 1301- 20 Adelaide Street E Toronto, ON M5C 2T6 mwine@mstwlaw.com Tel: 416-477-5524 Fax: 416-777-2050</p>
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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.