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November 18, 2019

SENT VIA EMAIL

rose ray@bell.net

Dear Ms. Ray,

This letter is further to our meeting on November 11, 2019, where we discussed potential claims involving Fortress-related syndicated mortgage investments (“SMIs”).

This letter does not create any agreement or relationship between you and any member of the Investigative Team (defined below). Rather, as you requested, it summarizes the terms of a proposed engagement. No lawyer-client or other relationship will exist between you and any member of the Investigative Team until a formal retainer agreement is entered into.

Scope of Proposed Investigation

You have asked us to provide you with a proposed budget for an engagement to conduct a factual and legal investigation into whether meritorious claims exist against solvent defendants who are able to pay a judgment or settlement to recoup investors’ losses arising from the SMIs in one or more of the following Fortress projects, such as: (i) Brookdale on Avenue Road; (ii) King Square; (iii) Collier Centre; (iv) The Harlowe and (v) SkyCity Centre.

To this end, we would also examine the viability of certain possible defendants, including but not limited to:

- Trustees
- Valuers
- FSCO and other regulators
- Law firms (i.e. Norton Rose)

- MGAs

As discussed, such an engagement would require \$50,000 to pay the fees of the following legal and investigative professionals:

- Darryl Levitt (lawyer; Darryl Levitt Law) - \$14,000 for overseeing and administration of investigation.
- Serge Kalloghlian & AJ Freedman (lawyers; Kalloghlian Professional Corporation) - \$18,000 to conduct the legal research and assessment on what would be the most viable target and strategy.
- Dave Oswald (forensic accountant, Forensic Restitution) - \$12,000 for reviewing financial statements of the various projects, determining where money was spent, as well as potential assets that may still exist, and the various critical players in the Fortress structure.
- Bruce Livesey (private investigator; i20 Research Inc.) - \$6,000 for gathering evidence such as pertinent documents, interviewing investors in the projects and Fortress insiders, researching Fortress's corporate structure, co-ordinating research and presenting material to the potential clients in a clear, concise manner.

(Collectively the "Investigative Team")

As you know, each member of the Investigative Team specializes in some aspect of investigating matters involving corporate wrongdoing. Each of them, to varying degrees, have already begun preliminary investigative work on a pro bono basis, but require payment to continue the work.

At the conclusion of the investigation, we expect to provide you with a report providing our opinion regarding:

1. The legal and practical viability of legal claims against different potential defendants; and
2. The available options by which you may pursue such claims (if any).

No Assurance as to Opinion

It must be emphasized that, while we hope that the investigation will uncover information that will aide in pursuing recovery of investor's losses relating to these projects, as well as additional Fortress-related projects, it is not possible to make any assurances that this will be the case. It is possible that our advice following the investigation is that there are no legally or practically viable claims against any solvent defendants.

Limitation Periods

Furthermore, the Investigative Team has not conducted a comprehensive assessment to determine whether any such claims may be time-barred due to the expiration statutory limitation periods. If it is subsequently determined that limitation period issues exist, this may render

certain claims impossible to pursue, even where the investigation shows them to be otherwise meritorious. It will only be possible to determine whether there are limitation period issues upon further investigation into the circumstances of each such project.

Client

Under the proposed engagement described above, you (Rose Ray) would be the client to whom the Investigative Team answers and reports. The engagement would not create a lawyer/client or any other type of relationship with any other parties related or connected to you, including your clients, relatives, or any other investors in Fortress-related projects.

You advised us that you may be raising funds from Fortress SMI investors who invested in a wide range of projects, including projects in addition to those referenced above that are the focus of this investigation. It is important to emphasize that the terms of our engagement will in no way be informed by the manner which the funds are ultimately raised. As far as the Investigative Team is concerned, the funds are being provided by you alone.

Consequently, any obligations we have arising from this engagement will be owed to you alone, without regard to the ultimate source of the funds. The role of Kalloghlian Professional Corporation is limited to providing you legal advice pertaining to the viability of potential claims. Any lawyer-client relationship arising from this engagement would be only be owed to you and is limited to that specific purpose.

Furthermore, the Investigative Team will only communicate with, and receive instructions from, you and will not be expected to communicate directly with any other contributing party. Where necessary, you will act as the conduit between the Investigative Team and parties seeking to provide information or comments pertaining to the investigation.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Levitt".

Darryl Levitt