



February 12, 2020

Important Update on Status of Proceedings

Pursuant to the Order of the Honourable Mr. Justice Hainey of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated March 21, 2019 (the “**Order**”) Miller Thomson LLP (“**Representative Counsel**”) was appointed to represent all individuals and/or entities (“**Investors**”) that hold an interest in a syndicated mortgage, administered by Hi-Rise Capital Ltd. (“**Hi-Rise**”), in respect of the property municipally known as 263 Adelaide Street West, Toronto, Ontario (the “**Property**”) owned by Adelaide Street Lofts Inc. (“**Adelaide**”) and the proposed development known as the “Adelaide Street Lofts”, in connection with the negotiation and implementation of a settlement with respect to such investments. A copy of the Order can be found on the ‘Documents’ section of Representative Counsel’s website (the “**Website**”), available at <https://www.millertomson.com/en/hirise/>.

Representative Counsel writes this update further to our communication dated January 31, 2020 entitled “Important Update regarding Vote Results” (the “**Last Update**”), a copy of which is posted on the ‘Communications’ section of the Website, and to provide Investors with the following update:

The Settlement

As you know, pursuant to the Minutes of Settlement (attached as Appendix “B” to the Fourth Report of Representative Counsel dated January 9, 2020, a copy of which is posted on the Website), the parties entered into a settlement pursuant to which Adelaide would move forward with a sale of 100% of the Property to Lanterra Developments Ltd., among other things (the “**Settlement**”).

The Settlement was subject to the approval of Investors and approval by the Court. Accordingly, Hi-Rise called a second vote in order to allow Investors to vote on the Minutes of Settlement and the terms of the Settlement (the “**Vote**”).

As you know, the Vote passed. A breakdown and details of the Vote results are set out in the Last Update.

Settlement Approval Motion

Now that the Vote has passed, the next step is for Hi-Rise to bring a motion to the Court to have the Settlement approved by the Court (the “**Settlement Approval Motion**”).

The Settlement Approval Motion has been scheduled to take place at **10:00 a.m. on March 19, 2020 at the Court located at 393 University Avenue, 8th Floor, Toronto Ontario.**

Hi-Rise will prepare motion materials in advance of the Settlement Approval Motion. Once Hi-Rise’s motion materials have been delivered, Representative Counsel will post a copy of same on its Website.

Representative Counsel's Next Steps

In advance of the Settlement Approval Motion, Representative Counsel will also prepare and file its Sixth Report with the Court. At the Settlement Approval Motion, Representative Counsel will also seek direction from the Court in order to assist it in continuing to complete its mandate, including the distribution process (*i.e.*, distribution of settlement proceeds to Investors).

Representative Counsel will post a copy of its Sixth Report on its Website. Please continue to regularly consult the Website for updates.

Distributions

As set out in the Last Update, after the Settlement and the Vote results are approved by the Court, Representative Counsel will begin working on matters related to the distribution process (*i.e.*, distribution of settlement proceeds to Investors).

At this time, Representative Counsel expects that distributions to Investors will be made within 4 to 6 weeks after the scheduled closing date of May 14, 2020 (*i.e.*, by early July 2020).

In the meantime, there is nothing for you to do. Representative Counsel will deliver another update to all Investors after the Settlement Approval Motion. As set out above, please continue to regularly consult the Website for updates and for copies of all Court materials filed in connection with the Settlement Approval Motion.

Communications to Representative Counsel

Representative Counsel continues to receive inquiries from Investors regarding the Settlement and the Vote. Representative Counsel has been receiving many emails and telephone calls from Investors directly, and many Investors have the same questions.

In order to manage the volume of inquiries and to effectively respond to all Investors, we ask that all Investors submit inquiries to Representative Counsel through email at HiRiseCapital@millertthomson.com.

Representative Counsel reviews all emails received through this email address, and will respond to inquiries through further communications to Investors (which will be emailed to all Investors and posted on the Website). Thank you.

Yours Truly,

Miller Thomson LLP,
solely in its capacity as
Representative Counsel

