



March 30, 2022

Update and Summary of Details on Final Distribution

Pursuant to the Order of the Honourable Mr. Justice Hailey 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., in respect of the property municipally known as 263 Adelaide Street West, Toronto, Ontario, owned by Adelaide Street Lofts Inc. 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.millerthomson.com/en/hi-rise>.

Representative Counsel writes this update further to its communication dated March 7, 2022 (Update on Final Distribution and Final Distribution Motion) (the “**Last Update**”), a copy of which is posted on the Website, and to provide Investors with the following update:

1. As set out in the Last Update, the Final Distribution Motion is scheduled for April 7, 2022.
2. On March 29, 2022, Representative Counsel served its Motion Record in support of the Final Distribution Motion, which includes a copy of Representative Counsel’s Ninth Report dated March 29, 2022 (the “**Ninth Report**”).
3. Representative Counsel urges Investors to read the entirety of the Ninth Report for full details on the Final Distribution Motion. This Update is delivered to summarize the status of the Distribution Plan and the Final Distribution described in the Ninth Report, and is intended to be read in conjunction with the Ninth Report.

Status of Distribution Plan

4. As you know, Representative Counsel delivered Investor Claim Notices to each Investor, setting out each Investor’s Claim Amount and Investor classification, among other things.
5. Representative Counsel received Notices of Objection from certain Investors that complied with the deadline to submit a Notice of Objection under the Distribution Plan.
6. In accordance with its court-ordered authority, Representative Counsel has resolved all of the Notices of Objection received by Investors.
7. Accordingly, the process for receiving and resolving Notices of Objection under the Distribution Plan is now fully complete and closed.
8. There is nothing further for you to do in this regard.

Initial Distribution

9. In accordance with the Initial Distribution Approval Order, Representative Counsel delivered an Initial Distribution to all Investors. This was delivered by way of cheques to each Investor.
10. Registered Investors received payment in full on account of their investments.
11. Non-Registered Investors received an Initial Distribution representing an approximate recovery of 34.45% of their Investor Claim Amount.

Final Distribution

12. Representative Counsel is seeking approval of its Final Claim Index, which sets out the list of Investors that will be participating in the Final Distribution (the “**Remaining Investors**”). With the exception of the Investors described below, the Remaining Investors include the Non-Registered Investors and certain Opt-Out Investors.
13. The Remaining Investors do not include: (a) any Registered Investors, as they have been paid in full; (b) certain Investors with whom Representative Counsel entered into settlements under the Distribution Plan; and (c) a Missing Investor, being an Investor who did not claim the Initial Distribution and cannot be located.
14. At the Final Distribution Motion, Representative Counsel is seeking Court authority to make a Final Distribution in the amount of \$1,408,287.84 to the Remaining Investors, to be distributed *pro rata*, which represents an additional recovery of 2.94%.
15. If the proposed Final Distribution is approved by the Court and you are a Remaining Investor, you will receive a Notice of Final Distribution letter and a Final Distribution cheque delivered to you at the address that Representative Counsel has on file.
16. If you are a Remaining Investor, it is important that you **CASH YOUR FINAL DISTRIBUTION CHEQUE AS SOON AS POSSIBLE AND IN ANY EVENT WITHIN 6 MONTHS OF THE DATE OF ISSUANCE**. Representative Counsel will provide further details regarding the Final Distribution at the time of delivery.

Tax Loss Documents

17. Certain Investors have requested certain investment loss or related tax documentation from Representative Counsel.
18. Since Representative Counsel is only responsible for administering the Distribution from the Settlement, it is not capable of issuing any tax forms or documents to Investors.
19. However, Hi-Rise has advised Representative Counsel that it is capable of issuing documents to Investors that request same. In order to do so, Representative Counsel will be required to provide Hi-Rise with information regarding the Distribution amount delivered to the requesting Investor under the Distribution Plan.
20. If you wish to request this documentation, you must:



- (a) Email Representative Counsel at HiRiseCapital@millerthomson.com to make the request.
- (b) Representative Counsel will then forward your request to Hi-Rise, and will provide Hi-Rise with your Distribution information (including, in particular, the amount(s) you received).
- (c) Representative Counsel will copy you on the email to Hi-Rise.
- (d) Thereafter, each requesting Investor must correspond with Hi-Rise directly regarding this matter, as Representative Counsel is not capable of further assisting in this process.

Address Change Procedure

- 21. Representative Counsel has previously requested that any Investor who has changed his or her address immediately notify Representative Counsel.
- 22. If you have moved and your address has changed since you made your investment, please notify Representative Counsel immediately by following the Court-approved Address Change Procedure and:
 - (a) Email Representative Counsel at HiRiseCapital@millerthomson.com to advise of your new address; and
 - (b) Provide proof of your new address. For example, you may email a copy of a utility bill (or any similar mailed document) with your name and new address on it.

IMPORTANT Note to Investors Regarding Communications & Investor Inquiries

Representative Counsel continues to receive inquiries that have been addressed in our Communications. The Communications we deliver to Investors are intended to provide Investors with updates on new developments and new information. Accordingly, Representative Counsel will not be repeating the same information in each of its Communications. Please consult the Website and the Communications, as it is likely that the information you are seeking has already been provided to Investors by Representative Counsel. To the extent you require further information or clarification after you have reviewed the Website and previous Communications, please feel free to contact Representative Counsel.

Representative Counsel continues to receive inquiries directly to this email, as well as to the personal emails and telephone numbers of the lawyers involved. As set out in previous communications and in order to ensure that all inquiries are managed efficiently and cost-effectively, please do not email Representative Counsel's individual lawyers directly. **As a reminder, Representative Counsel will not be communicating with Investors through their personal emails.**

In order to manage the volume of inquiries and to effectively respond, Investors should submit inquiries to Representative Counsel through the dedicated email account at HiRiseCapital@millerthomson.com. Representative Counsel reviews all emails received through this email address on a daily basis, and will respond to **new** inquiries through further



communications to Investors (which will be emailed to all Investors and posted on the Website).

It is crucial at this time that all Investors respect this request. Thank you all for your patience.

Yours Truly,

Miller Thomson LLP,
solely in its capacity as
Representative Counsel

