



April 25, 2019

### Update on Status of Proceeding

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 ("**SMI**"), administered by Hi-Rise Capital Ltd. ("**Hi-Rise**"), in respect of the property municipally known as 263 Adelaide Street West, Toronto, Ontario (the "**Property**") and the proposed development known as the "Adelaide Street Lofts" (the "**Project**"), 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/hirise/>.

Pursuant to the Order, Representative Counsel represents the interest of all Investors, except Investors who do not wish to be represented by Representative Counsel and have completed and delivered an Opt-Out Notice.

Representative Counsel writes this update further to our communication dated April 4, 2019 entitled "Update on Court Hearing" (the "**Last Update**"), a copy of which is posted on the 'Communications' section of the Website, and to provide Investors with the following status update on this proceeding:

1. Representative Counsel brought a motion to the Court on April 15, 2019 to approve the establishment of the Official Committee of Investors. Representative Counsel's motion materials for this motion can be found on the 'Documents' section of the Website.
2. Pursuant to the Order of the Court dated April 15, 2019 (the "**Official Committee Approval Order**"), *inter alia*, the Official Committee was approved and constituted. A copy of the Official Committee Approval Order can be found on the 'Documents' section of the Website.
3. As further set out on in the Last Update, the Court was scheduled to hear an application brought by Hi-Rise on April 4, 2019 (the "**April Hearing**"). The April Hearing was adjourned to allow for additional steps to take place before the hearing date. Some of these additional steps have taken place, although certain steps remain to be completed.
4. The parties re-attended at Court on April 17, 2019. The April Hearing has been adjourned to May 7, 2019 at 9:30 a.m. for further scheduling and for Hi-Rise to provide an update to the Court on the status of the proposed Transaction (as defined below) ("**May Court Date**"). A copy of the Endorsement of Justice Hainey dated April 17, 2019 can be found on the 'Documents' section of the Website.

5. Representative Counsel will attend the May Court Date on behalf of all Investors (except those that have delivered an Opt-Out Notice). Accordingly, your attendance on this date is not required.
5. Representative Counsel has been advised by Hi-Rise that it has received an offer in respect of a proposed transaction related to the Property (the "**Transaction**"). We understand that the offeror is in the process of completing its due diligence in connection with the Transaction, and that the Transaction details and documents will be made available to Representative Counsel and Investors at the end of this due diligence period, which is expected to be at the end of May 2019. At this time, Representative Counsel does not have any further details with respect to the Transaction.

We will provide you with an update and advise you of the outcome of the May Court Date after the attendance. We will also provide you with an update in respect of the Transaction as soon as information becomes available in this regard.

Yours Truly,

Miller Thomson LLP,  
solely in its capacity as  
Representative Counsel

