



October 28, 2019

Vote Results from the Meeting called by Hi-Rise Capital Ltd. on October 23, 2019

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” (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/>.

In accordance with the Order, Representative Counsel established an Official Committee of Investors (the “**Official Committee**”), with which Representative Counsel consults regularly and from which it takes instruction in respect of this matter.

Lanterra Transaction & Vote

As you know, the main holding company and owner of Adelaide entered into a joint venture agreement (“**JV Agreement**”) with Lanterra Developments Limited (in trust) or its designee (“**Lanterra**”) to complete the development of the Property (the “**Lanterra Transaction**”). Certain details on the Lanterra Transaction are set out in our Communication dated July 4, 2019, a copy of which is posted on the ‘Communications’ section of the Website.

As you also know, Hi-Rise has scheduled a meeting on Wednesday September 25, 2019, at which Investors will vote on a proposed settlement (the “**Proposed Settlement**”) of the Investors’ investments in the mortgage on the Property (the “**Vote**”), which Proposed Settlement arises from the JV Agreement.

Vote Results

The Vote results were delivered today, the details of which are as follows:

1. In total, 404 Investors voted, representing 61.77% of Investors;
2. 29.364% of Investors (representing \$10,202,272 in value) voted in favour of the Proposed Settlement;
3. 70.636% of Investors (representing \$24,542,125 in value) **voted against** the Proposed Settlement; and
4. **Accordingly, the Vote did not pass.**

Next Steps

Representative Counsel, in consultation with the Official Committee, are working towards next steps. Representative Counsel will deliver an update to all Investors as soon as one becomes available. **In the meantime, there is nothing for you to do.**

Yours Truly,

Miller Thomson LLP,
solely in its capacity as
Representative Counsel