



October 9, 2020

Update on Distribution Process and Closing Date

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.millerthomson.com/en/hirise/>.

Representative Counsel writes this update further to our communication dated May 12, 2020 entitled “Update on Transaction Approval, Closing Date Extension & What this means for Non-Registered Investors” (the “**Last Update**”), a copy of which is posted on the ‘Communications’ section of the Website, and to provide Investors with the following update:

1. Lanterra has advised Representative Counsel that it is on track to proceed with closing on November 16, 2020. Accordingly, and to answer many inquiries received by Investors, Representative Counsel does not expect there to be any delays to closing.
2. As you may know, Representative Counsel is responsible for Distribution of the Investor Settlement Amount to Investors (as such terms are defined in the Minutes of Settlement). Representative Counsel is working towards preparing a scheme for Distribution, and will seek Court approval of same (the “**Distribution Scheme Motion**”).
3. The Distribution Scheme Motion has not yet been scheduled with the Court. However, it is expected that the Distribution Scheme Motion will be scheduled before the November 16, 2020 closing date.
4. Once the Distribution Scheme Motion is scheduled, Representative Counsel will advise all Investors of the date through another Communication.
5. Representative Counsel will set out its proposed Distribution scheme in a further court report. This report will be filed with the Court, and will be delivered to Investors prior to the Distribution Scheme Motion.
6. It is important that Representative Counsel and Hi-Rise have your current address on file. If you have moved, please notify Representative Counsel immediately, at hirisecapital@millerthomson.com so that we may update our master distribution list.

7. **In the meantime, there is nothing further for you to do.** Representative Counsel will provide you with another update as soon as one becomes available.

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.

Further, and importantly, Representative Counsel has received numerous inquiries directly to this email, as well as to their personal emails. As set out in previous communications and in order to ensure that all inquiries are managed effectively, we ask again that you please do not email Representative Counsel directly at their personal inboxes.

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@millერთhompson.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

