



January 5, 2021

Update on Distribution Process and Investor Payment Notices

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 its communication dated November 25, 2020 entitled “Update on Distribution Process” (the “**Last Update**”), a copy of which is posted on the Website, and to provide Investors with the following update.

1. As you may know, the Last Update indicated that Investors can expect to receive their Investor Payment Notices in December 2020.
2. Representative Counsel has received many follow up emails from Investors to inquire on the status of same.
3. **The Investor Payment Notices have not been delivered to Investors. You have not missed any documents in the mail.**
4. Representative Counsel is still in the process of undertaking the Distribution process, and is working with its Distribution Agent (Alvarez & Marsal Canada Inc.) and Hi-Rise Capital Ltd. on finalizing the Distribution entitlements.
5. The Distribution Agent has identified certain issues with respect to the calculation of the Distribution entitlements and other issues that it is currently in the process of resolving. These issues caused an unforeseen delay in delivering the Investor Payment Notices. This is why you have not yet received the Investor Payment Notice in the mail.
6. We expect to issue another communication by the end of this week. This communication will set out the anticipated timeline for delivering Investor Payment Notices.
7. In the meantime, there is nothing for you to do.

Address Change Procedure

8. Representative Counsel has already requested that any Investors who have changed their address immediately notify Representative Counsel.
9. 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 and 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 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.

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

