



February 24, 2021

Update on Investor Claim Notices & Accrued Interest Calculations

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 February 17, 2021 (the “**Last Update**”), a copy of which is posted on the Website, and to provide Investors with the following update:

Motion for Approval of Initial Distribution

Representative Counsel intends to proceed with a Motion on Wednesday March 17, 2021 at 2 pm EST (the “**Initial Distribution Motion**”) for an Order approving an initial Distribution of funds (the “**Initial Distribution**”) to Investors.

Please be advised of the following details with the respect to the Initial Distribution Motion:

1. The purpose of the Initial Distribution Motion is to seek Court approval to make an initial payment to Investors on account of their claims (*ie*, the Initial Distribution).
2. The Initial Distribution will be made on the basis of the amounts and other information set out in the Investor Claim Notices.
3. Only a portion of the amounts held by Representative Counsel will be paid out at this time as part of the Initial Distribution. Representative Counsel will hold back funds while it resolves certain certain contingent matters (the “**Contingent Matters**”), including the Notices of Objections delivered by certain Investors and litigation regarding certain issues. At the Initial Distribution Motion, Representative Counsel will seek Court authority to hold back a reserve fund for these purposes. A further Distribution may be made at a later date, depending upon the outcome of the Contingent Matters.
4. It is anticipated that the Initial Distribution will provide for (i) payment in full to Registered Investors, and (ii) partial payment to Non-Registered Investors.

5. If you delivered a Notice of Objection to your Investor Claim Notice, you will receive an Initial Distribution on account of the undisputed portion of the amount set out in your Investor Claim Notice.
6. At this time, there is still a small number of Investor Claim Notices for Registered Investors that have not been sent. The Distribution Agent is in the process of resolving these claims. **If you are a Registered Investor and you have not received your Investor Claim Notice, please exercise patience.** Once all Investor Claim Notices have been finally delivered, Representative Counsel will send an update to Investors to advise them of same.
7. In support of the Initial Distribution Motion, Representative Counsel will be delivering a Seventh Report to all Investors and filing same with the Court. This Seventh Report will be available in advance of the Initial Distribution Motion date and will be emailed to Investors and posted on the Website.
8. Further details regarding the Initial Distribution will be set out in the Seventh Report. You will receive notice when the Seventh Report is available for review. Representative Counsel will also deliver another Update in advance of the Initial Distribution Motion to summarize the contents of the Seventh Report.

Next Steps

Please consult the Communication on the Website dated February 3, 2021 for full details with respect to your Investor Claim Notice. As a reminder:

- (a) Upon receipt of your Investor Claim Notice please review it thoroughly to confirm its accuracy. **If you agree with the information contained in your Investor Claim Notice then there is nothing further for you to do.**
- (b) **However, if you disagree with any of the information contained in your Investor Claim Notice, then you must notify Representative Counsel of your objection within 14 days of the date of your Investor Claim Notice (to be clear, within 14 days from the date set out in the top left corner of the first page of your Investor Claim Notice), by using the form of Notice of Objection included with your Investor Claim Notice.**

Address Change Procedure

1. Representative Counsel has previously requested that any Investor who has changed his or her address immediately notify Representative Counsel.
2. 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

