



April 8, 2019

Questions & Answers

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/>.

Since the date of the Order, Representative Counsel has received numerous email inquiries from Investors. Representative Counsel has reviewed and consolidated the email inquiries and has prepared the following responses on an anonymous basis. The responses below have been consolidated by topic and theme.

These Questions & Answers should be read in conjunction with the information contained on the Website. All capitalized terms have the same meaning ascribed to them in the Order, unless otherwise defined herein.

Representative Counsel’s Role

1. **Why has Representative Counsel been appointed and what is Representative Counsel’s role?**

A: Hi-Rise is seeking to enter into a transaction related to the Property (the “**Transaction**”). As part of this Transaction, Hi-Rise is also seeking to enter into settlement agreements with Investors with respect to the amounts owing to them under their SMI (*i.e.*, their investment in the Project).

Accordingly, Hi-Rise made an application to the Court in order to appoint Representative Counsel to represent all Investors in this proceeding in connection with the negotiation and implementation of a settlement of Investor’s investments in the SMI and the Project. In this regard, Representative Counsel’s role is to advocate, act and negotiate on behalf of all Investors with respect to this contemplated Transaction and settlement.

Representative Counsel is an officer of the Court and is subject to the Court's authority. This means that Representative Counsel will report to the Court periodically on its activities and conduct, and will seek advice and direction from the Court when necessary.

2. **How am I represented by Representative Counsel? Is anything required of me?**

A: Your representation by Representative Counsel under the Order is automatic. This means that if you wish to be represented by Representative Counsel, you do not have to do anything.

If you do not wish to be represented by Representative Counsel, you should complete and submit an Opt-Out Notice, a copy of which has been mailed to you and is also available on the Website.

Please note that Representative Counsel's role as prescribed in the Order does not include initiating proceedings or providing advice with respect to the commencement of litigation. Investors who wish to obtain advice with respect to litigation-related matters (including any applicable limitation periods) should contact alternative counsel at their earliest convenience.

3. **Do I have to pay to be represented by Representative Counsel?**

A: No. Your representation by Representative Counsel will not cost you any money. Pursuant to the Order, Representative Counsel's fees will be paid by Adelaide Street Lofts Inc.

4. **Do I deal with Representative Counsel or Hi-Rise?**

A: As noted above, your representation by Representative Counsel is automatic unless you deliver an Opt-Out Notice. Accordingly, if you have any questions or concerns, you must now direct all of those questions to Representative Counsel instead of Hi-Rise.

Please continue to submit all inquiries to Representative Counsel by email to HiRiseCapital@millerthomson.com. Representative Counsel will continue to review these questions and post responses to additional questions.

5. **How can I stay up to date on this matter?**

A: Representative Counsel will provide updates to Investors by posting notices and communications on the Website as information becomes available. Please consult the 'Communications' section of the Website regularly for updates.



Copies of all court materials and orders will also be posted on the 'Documents' Section of the Website.

Representative Counsel may also email you notifications from time to time. If you have not received an email from Representative Counsel and would like to be added to the email distribution, please email your first and last name to HiRiseCapital@millerthomson.com.

Project and the Property

1. What is the status of the Project and the Property?

A: Hi-Rise is currently negotiating a sale of the Property, and is seeking to use proceeds of the sale to negotiate a settlement with Investors of the amounts owing to them under their SMI (*i.e.*, a settlement of amounts owing to you by Hi-Rise pursuant to your investment).

The details surrounding this sale and proposed Transaction, *i.e.*, the sale terms, purchase price of the Property, purchaser name, etc., have not yet been disclosed.

Representative Counsel understands that these details will be available shortly. Representative Counsel will update Investors as soon as this information becomes available. Please consult the 'Communications' section of the Website regularly for updates.

2. What is happening with my SMI (*i.e.*, my investment in the Project)? Can I get my investment back?

A: Right now, there is nothing happening and there is nothing for you to do. Once the details of the Transaction are disclosed, Representative Counsel will be able to advise you on how your SMI will be affected by the Transaction and what it means for you in terms of settling the amounts owed to you/ getting money back.

3. What are the status of other investments in Hi-Rise projects and properties?

A: Pursuant to the Order, Representative Counsel is only appointed to act for Investors with SMI's in the Project (*i.e.*, Investors with investments in "Adelaide Street Lofts"). If you have an investment in other projects administered by Hi-Rise, you should submit your inquiries Hi-Rise directly.

