



June 20, 2019

Update on Status of Proceeding

Pursuant to the Order of the Honourable Mr. Justice Hailey 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**") 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/>.

Pursuant to the Order, Representative Counsel represents the interest of all Investors, except Investors who do not wish to be represented by Representative Counsel and have completed and delivered an Opt-Out Notice.

Representative Counsel writes this update further to our communication dated May 8, 2019 entitled "Update on Status of Proceeding" (the "**Last Update**"), a copy of which is posted on the 'Communications' section of the Website, and to provide Investors with the following status update on this proceeding:

1. As further set out in the Last Update, Hi-Rise has received an offer in respect of a proposed transaction related to the Property (the "**Transaction**"). Representative Counsel has entered into a Non-Disclosure Agreement and has obtained details in respect of the Transaction on a "counsel-only" basis. Representative Counsel is still not in a position to share these details with the Official Committee or Investors.
2. We understand from Adelaide that the offeror in respect of the Transaction has requested an extension to the due diligence period in order to permit it make further inquiries related to the Property. Adelaide has requested from Representative Counsel an extension to June 24, 2019 for the completion of this due diligence, at which time the details of the Transaction are expected to be made available to Investors.
3. Representative Counsel, in consultation with the Official Committee, has agreed to grant the extension to June 24, 2019.
4. At this time, no further Court date is scheduled. We will update all Investors through a further Communication (to be posted on the Website) after June 24, 2019.

Representative Counsel has been receiving emails and telephone calls from Investors directly. Please be advised that all inquiries must be submitted to Representative Counsel at HiRiseCapital@millerthomson.com. Representative Counsel will not be responding to individual inquiries and will not be corresponding over their personal emails.

Please continue to check the 'Communication' section of the Website regularly for further updates as they become available.

Yours Truly,

Miller Thomson LLP,
solely in its capacity as
Representative Counsel