



March 17, 2020

Update on Status of Proceedings and Implications of COVID-19

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.millertthomson.com/en/hirise/>.

Representative Counsel writes this update further to our communication dated February 13, 2020 entitled “Important Update on Status of Proceedings” (the “**Last Update**”), a copy of which is posted on the ‘Communications’ section of the Website, and to provide Investors with the following update:

Settlement Approval Motion

1. As you know, pursuant to the Minutes of Settlement (attached as Appendix “B” to the Fourth Report of Representative Counsel dated January 9, 2020, a copy of which is posted on the Website), the parties entered into a settlement pursuant to which Adelaide would move forward with a sale of 100% of the Property to Lanterra Developments Ltd., among other things (the “**Settlement**”).
2. The Settlement was subject to the approval of Investors and approval by the Court. Accordingly, Hi-Rise called a second vote in order to allow Investors to vote on the Minutes of Settlement and the terms of the Settlement (the “**Vote**”).
3. As the Vote has passed, the next step is for Hi-Rise to bring a motion to the Court to have the Settlement approved by the Court (the “**Settlement Approval Motion**”). As set out in the Last Update, the Settlement Approval Motion was scheduled to take place at the Court on March 19, 2020.
4. As you may know, due to the spread of the 2019 novel coronavirus (“**COVID-19**”), the Ontario Superior Court of Justice (“**SCJ**”) is suspending all regular operations, effective Tuesday, March 17, 2020, and until further notice. More information in this regard is available on the SCJ’s website at the following URL: <https://www.ontariocourts.ca/scj/covid-19-suspension-fam/>

5. **At this time, the suspended Court services are not expected to disrupt this proceeding. The following is expected to occur:**
- (a) While counsel are not permitted to attend at Court in person, this matter will now proceed electronically and by telephone conference until further notice.
 - (b) This means that Hi-Rise will bring the Settlement Approval Motion to the Court “in writing” and will deliver its materials to the Court by electronic means.
 - (c) Representative Counsel will also deliver its materials to the Court by electronic means.
 - (d) Hi-Rise expects to deliver its materials within the next week, and Representative Counsel expects to deliver its materials shortly thereafter.
 - (e) To the extent that the Court requires submissions from Hi-Rise, Representative Counsel, or any other party in this proceeding upon it receiving the written motion materials, the Court will convene a telephone case conference.
 - (f) Otherwise, the Court will issue its decision to the parties in writing. We do not know the timeline for the Court to release its decision. However, please understand that given these new and unprecedented circumstances, there may be some delay and we ask that all Investors be patient.
 - (g) All materials will be made available to Investors on the Website. Please stay tuned for future emails from Representative Counsel and please consult the Website regularly.
6. **In short, Hi-Rise is still on the path to seeking Court approval of the Settlement and Vote results.**

Distribution Matters

7. As set out in the Last Update, after the Settlement and the Vote results are approved by the Court, Representative Counsel will begin working on matters related to the distribution process (*i.e.*, distribution of settlement proceeds to Investors).
8. At this time, the closing date under the Settlement is still May 14, 2020. Representative Counsel still expects that distributions to Investors will be made within 4 to 6 weeks after the scheduled closing date (*i.e.*, by early July 2020), although this timeline may change as all organizations continue to navigate the COVID-19 pandemic.
9. **In the meantime, there is nothing for you to do.** Representative Counsel will deliver another update to all Investors as soon as one becomes available or if any of the current circumstances materially change. As set out above, please continue to regularly consult the Website for updates and for copies of all Court materials filed in connection with the Settlement Approval Motion.



COVID-19, Miller Thomson LLP Offices and Communications to Representative Counsel

Please note that Miller Thomson LLP remains open for business. However due to COVID-19, and to ensure the health and safety of our firms members and the public, our firm is moving toward working remotely (*i.e.*, from our homes). For more information on Miller Thomson's preparedness, please visit our website at the following URL: <https://www.millerthomson.com/en/covid-19-resources/>

Notwithstanding this change in circumstances, Representative Counsel will continue to represent the interests of Investors and there will be no disruption in our legal services or representation.

Representative Counsel continues to receive inquiries from Investors regarding the Settlement and the Vote. Representative Counsel has been receiving many emails and telephone calls from Investors directly, and many Investors have the same questions.

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@millerthomson.com.

Representative Counsel reviews all emails received through this email address, and will respond to 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

