



April 23, 2020

Update on Status of Proceedings and Settlement Approval Motion

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, 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 our communication dated March 17, 2020 entitled “Important Update on Status of Proceeding” and our communication dated April 20, 2020 entitled “Important Update on Status of Proceedings and Settlement Approval Motion” (collectively, the “**Last Updates**”), copies of which are posted on the ‘Communications’ section of the Website, and to provide Investors with the following update. All capitalized terms in this Communication have the same meaning prescribed to them in the Last Updates. Please review this communication in conjunction with the Last Update.

1. The Settlement Approval Motion proceeded on April 22, 2020 via video conference call before the Court. The Honourable Mr. Justice Hailey and the lawyers to the parties were present on the video conference call.
2. The Court granted Representative Counsel’s motion. The Order and Endorsement of the Honourable Mr. Justice Hailey dated April 22, 2020 is posted under the ‘Documents’ section of the Website.
3. Hi-Rise made submissions to the Court in respect of its Settlement Approval Motion.
4. Thereafter, Lanterra made submissions to the Court in respect of its cross-motion for an extension to the Closing Date. Lanterra’s cross-motion was opposed by certain parties.
5. The Court adjourned the Settlement Approval Motion and Lanterra’s cross-motion to provide the parties with an opportunity to negotiate a settlement on the issue of extending the Closing Date. The Court directed the parties to negotiate only the issue of the extension to the Closing Date.
6. Representative Counsel will be kept apprised of the negotiations regarding the extension to the Closing Date.

7. This means that the outcome of the Vote and the Settlement has not yet been approved by the Court.
8. At this time, the parties expect to re-appear before the Court on Monday, April 27, 2020 via video conference (the “**New Hearing Date**”) on the Settlement Approval Motion and the Lanterra cross-motion. At such time, the parties will advise the Court on the outcome of its negotiations. It is anticipated that the Court will render its decision at the New Hearing Date.
9. In the meantime, **there is nothing further for you to do**. We will provide an update to Investors after the New Hearing Date.

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 predominately 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

