

Appendix “Q”

Distribution Plan Approval Notice

Notice of Proposed Distribution Plan and Treatment of Investors in Hi-Rise Capital Ltd. and the Adelaide Street Lofts Project

Pursuant to the Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated March 21, 2019 (the “**Appointment Order**”), 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 proposed development known as the “Adelaide Street Lofts” at the property municipally known as 263 Adelaide Street West, Toronto, Ontario (the “**Property**”) and owned by Adelaide Street Lofts Inc., in connection with the negotiation and implementation of a settlement with respect to such investments, except for those Investors who opted out of representation by Representative Counsel in accordance with the terms of the Appointment Order.

Unless otherwise defined herein, capitalized terms in this Distribution Plan Approval Notice are as defined in the Appointment Order, a copy of which is available at <https://www.millerthomson.com/wp-content/uploads/2019/03/Representative-Counsel-Appointment-Order.pdf>

Purpose of Notice

The purpose of this Notice is to provide Investors with notice that Representative Counsel will be seeking court approval of the Distribution Plan described in the Sixth Report of Representative Counsel dated November 6, 2020. A copy of the Sixth Report is posted on the Website.

The Distribution Plan

As you are aware, it is anticipated that the Property will be sold to Lanterra Developments Ltd. (the “**Lanterra Transaction**”) on November 16, 2020. Pursuant to the Order of the Court dated April 27, 2020, Representative Counsel is authorized to distribute the net sale proceeds of the Lanterra Transaction to Investors.

The proposed Distribution Plan is based upon Representative Counsel’s observations and recommendations set out in the Sixth Report. As set out in detail in the Sixth Report, there are a number of different iterations of the Loan Participation Agreements executed by Non-Registered Investors. These include what may be materially different provisions regarding Investor priority. The legal effect of these LPA irregularities is uncertain, but could give rise to arguments by individual Non-Registered Investors regarding their respective priorities.

However, despite these LPA irregularities, for the reasons set out in the Sixth Report including fairness, efficiency and cost-effectiveness, Representative Counsel recommends that all Non-Registered Investors be treated equally, as a single class, under the Distribution Plan.

Opportunity to Object to Distribution Plan

Due to the nature and scope of its mandate and the varying and potentially conflicting interests of its individual constituents, Representative Counsel is not in a position to advocate for or against, or otherwise

respond to, individual Non-Registered Investor objections, beyond what is expressly set out in the Sixth Report.

However, Representative Counsel acknowledges the need to provide Non-Registered Investors who wish to object to the proposed Distribution Plan with a meaningful opportunity to do so. Non-Registered Investors who wish to object to the proposed Distribution plan are requested to provide notice of the objection to Representative Counsel at least ten (10) days prior to the hearing of the Motion.

Representative Counsel strongly recommends that Non-Registered Investors who wish to object to the Distribution Plan immediately seek independent counsel.

Note that an Order approving the Distribution Plan will be binding on all Investors including with respect to the proposed treatment of Non-Registered Investors.