



February 3, 2021

### **Update on Distribution Process and Deliver of Investor Claim Notices**

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.millerthomson.com/en/hirise/>.

Representative Counsel writes this update further to its Communication dated January 20, 2021, a copy of which is posted on the Website, and to provide Investors with the following update:

1. As described in previous Communications, in the course of its mandate the Distribution Agent (Alvarez & Marsal Canada Inc.) identified certain issues affecting the calculation of the distribution entitlements and other issues. These issues caused an unforeseen delay in delivering the notices regarding the Investor claims (the “**Investor Claim Notices**”).
2. Resolution of these issues is dependent on delivery of information from third parties and as such the resulting delay is beyond Representative Counsel’s control.
3. However, Representative Counsel is pleased to advise that a significant number of these issues have been resolved, and on February 4, 2021, the first round of Investor Claim Notices will be delivered.
4. Representative Counsel and the Distribution Agent continue in their efforts to resolve the outstanding issues regarding certain Investor Claim Amounts. Investor Claim Notices will be delivered as such issues are resolved.
5. Upon receipt of your Investor Claim Notice please review it thoroughly to confirm its accuracy. **If you agree with the information contained in your Investor Claim Notice then there is nothing further for you to do.**
6. **However, if you disagree with any of the information contained in your Investor Claim Notice, then you must notify Representative Counsel of your objection within 14 days of the date of your Investor Claim Notice, using the form of Notice of Objection included with your Investor Claim Notice.**
7. Representative Counsel intends to schedule a Motion before the Court in late February 2021, at which Representative Counsel will seek an Order, among other

things, approving the amounts and information set out in the Investor Claim Notices and barring further objections to same.

8. Upon Court approval of the amounts and information set out in the Investor Claim Notices, Representative Counsel will immediately commence distributing funds in accordance with the Court Order. It is anticipated that such Order will provide that:
  - (a) The aggregate amount payable to Registered Investors will be delivered to Community Trust Company, for distribution to individual Registered Investors; and
  - (b) Amounts payable to Non-Registered Investors will be delivered directly to them via cheque sent to the addresses provided to Representative Counsel by Hi-Rise or as otherwise provided by individual Registered Investors or their representatives.

### **Address Change Procedure**

9. Representative Counsel has previously requested that any Investor who has changed his or her address immediately notify Representative Counsel.
10. If you have moved and your address has changed since you made your investment, please notify Representative Counsel immediately by following the Court-approved Address Change Procedure and:
  - (a) Email Representative Counsel at [HiRiseCapital@millerthomson.com](mailto:HiRiseCapital@millerthomson.com) to advise of your new address; and
  - (b) Provide proof of your new address. For example, you may email a copy of a utility bill (or any similar mailed document) with your name and new address on it.

### **IMPORTANT Note to Investors Regarding Communications & Investor Inquiries**

Representative Counsel continues to receive inquiries that have been addressed in our Communications. The Communications we deliver to Investors are intended to provide Investors with updates on new developments and new information. Accordingly, Representative Counsel will not be repeating the same information in each of its Communications. Please consult the Website and the Communications, as it is likely that the information you are seeking has already been provided to Investors by Representative Counsel. To the extent you require further information or clarification after you have reviewed the Website and previous Communications, please feel free to contact Representative Counsel.

Representative Counsel continues to receive inquiries directly to this email, as well as to the personal emails of the lawyers involved. As set out in previous communications and in order to ensure that all inquiries are managed efficiently and cost-effectively, please do not email Representative Counsel's individual lawyers directly.

In order to manage the volume of inquiries and to effectively respond, Investors should submit inquiries to Representative Counsel through the dedicated email account at [HiRiseCapital@millerthomson.com](mailto:HiRiseCapital@millerthomson.com). Representative Counsel reviews all emails received



through this email address on a daily basis, and will respond to **new** 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

