

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*,
R.S.C. 1985, c. B-3 AS AMENDED

**IN THE MATTER OF THE NOTICES OF INTENTION
TO MAKE A PROPOSAL OF
YG LIMITED PARTNERSHIP AND YSL RESIDENCES INC.**

RESPONDENTS MOTION RECORD
(returnable June 23, 2021)

Date: June 7, 2021

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*Lawyers for the Respondents,
YG Limited Partnership and
YSL Residences Inc.*

TO: ATTACHED SERVICE LIST

**ONTARIO
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I N D E X

Tab Document

1. Affidavit of David Mann sworn June 4, 2021

Exhibit “**A**” – *A summary of condominium projects from 2003 to 2018*

Exhibit “**B**” – *Email from Dave Mann to Eric Li dated July 17, 2020 setting out Empire’s proposed transaction*

Exhibit “**C**” – *Email from GP’s counsel, Cathy Alderson to Alexander Soutter dated July 20, 2020 enclosing a summary of the Empire Transaction*

Exhibit “**D**” – *Email from the GP’s counsel, Cathy Alderson dated July 21, 2020 to Shara Roy, counsel to the other group of LPS enclosing the summary of the Empire Transaction*

Exhibit “**E**” – *Email from Dan Casey dated August 30, 2020 and a reply from Shaun Laubman on the day*

Exhibit “**F**” – *Email from Morty Gross, Empire’s internal counsel dated September 11, 2020*

Exhibit “**G**” – *Email from Dave Mann to Eric Li dated November 11, 2020*

Exhibit “**H**” – *Email dated April 12, 2021 from David Gruber, Concord’s counsel to Harry Fogul, the GP’s counsel setting out the terms of Concord’s proposed transaction*

Exhibit “**I**” – *The Proposal and the Amended Proposal*

Exhibit “**J**” – *Email exchange between counsel for the LPS and counsel for the GP relating to the sale of the Yonge Street properties dated March 1, 2021*

Exhibit “**K**” – *The Demands from counsel for Timbercreek*

Exhibit “**L**” – *Email from Harry Fogul to the LPS’ counsel dated March 3, 2021 explaining the history and sale of the Yonge Street properties*

Exhibit “**M**” – *Email exchange between January 7 to January 10, 2021*

Exhibit “**N**” – *Exchange of emails between counsel relating to the non-existence of documents on March 11, 2021*

Exhibit “**O**” – *The summary of monies owing*

Exhibit “**P**” – *Copies of Jeffrey Larry’s correcting email, the LPS counsel reply and further reply from the GP’s counsel all on December 2, 2020*

2. Service List

Tab 1

**ONTARIO
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IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*,
R.S.C. 1985, c. B-3 AS AMENDED

**IN THE MATTER OF THE NOTICES OF INTENTION
TO MAKE A PROPOSAL OF
YG LIMITED PARTNERSHIP AND YSL RESIDENCES INC.**

**AFFIDAVIT OF DAVID MANN
(sworn June 4, 2021)**

I, **David Mann**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS:**

1. I am the acting Chief Financial Officer for 9615334 Canada Inc., the general partner of YG Limited Partnership and of YSL Residences Inc., since January 2020 and, as such, I have knowledge of the matters contained in this my Affidavit and I have personal knowledge of the matters described below. Where I do not have personal knowledge of a matter, I have stated the source of my information and, in all such cases, believe it to be true.
2. Dan Casey was a successful and well-respected developer. Between 2003 and 2018, Dan Casey through various corporate entities developed multiple mixed-use projects comprising over 5,700 condominium units. Projects were profitable and all project lenders were fully repaid. *A summary of condominium projects from 2003 to 2018* is attached as **Exhibit “A”**.
3. YG Limited Partnership and YSL Residences Inc. are the owners and developers of an intended mixed-use office, retail and residential condominium project located at 363-385 Yonge Street, Toronto (the “YSL Project”). To date, the GP has achieved city zoning, drawings have been prepared, pre-sales achieved, demolition, shoring and partial excavation.

4. In early 2020 the YSL Project ran into financial difficulties when its financing commitments were withdrawn by Otera Capital Inc. and Kingsett Capital Inc.
5. Once the YSL construction financing commitments were withdrawn, 9615334 Canada Inc. the General Partner of the YG Limited Partnership (the “GP”) began looking for a potential buyer/financier for the YSL Project. During 2020, the GP had discussions and/or meetings with large developers including Trinity Group, Menkes, Lanterra, Great Gulf, Fitzrovia, Citizen, Smart Centre, Kimmel/Westdale, Onni, Westbank, GFL, Empire and Concord Pacific.
6. Most of the above developers declined to proceed further except for GFL, Empire and Concord.

Negotiations with GFL

7. GFL through PJD Properties, submitted a Letter of Intent dated May 19, 2020. PJD provided a due diligence schedule for which the GP addressed completely. The GP determined shortly thereafter that PJD was not serious about a purchase since there were no questions or follow-up. The 14-day due diligence period expired without any further discussions.

Negotiations with Empire

8. Empire (Water Wave) Inc. (“Empire”) began looking at a possible purchase in March, 2020 but did not proceed any further. Empire returned in May 2020 to look at the project again and submitted an Agreement of Purchase and Sale (Offer) dated June 22, 2020. A further Offer was presented on July 12, 2020 that provided the sale was contingent on the Limited Partners (“LPS”) executing a Special Resolution approving a sale of the YSL Project.
9. On July 13, 2020, the GP Dan Casey and I met with Eric Li of YongeSL Investment Limited Partnership, a \$7,100,000 Class A unit owner in YG Limited Partnership. We discussed the Empire offer and a buyout of their LPS interest. During the meeting, Eric and his wife emphasized their desire to sell their LP units and would even consider receiving only their principal back. Eric Li stated that the unit-owners 2124093 Ontario Limited, Sixone Investment Ltd., E&B Investment Corporation and TaiHe International

Group Inc. (the “Li Group”) were friends of his and would go along with his recommendations. We discussed the possibility of Empire contributing capital that could be used to buy back 50% of the LPS units.

10. During the meeting and for the next few days, the GP asked Eric and his group to submit a proposal to us based on the 50% buy-back discussions we had. We did not hear back from Eric and he did not provide us with the contact information for his friends’ unit owners. The GP made the decision to send a proposal to Eric Li on July 17, 2020. The proposal provided for a buyback of 50% of the units (financed by Empire) at cost. The remaining capital would remain in the YG Limited Partnership and earn a 100% return as provided in the Limited Partnership Agreement. The offer also provided as an incentive that the Class A LPS would receive their payments in priority to payments to Cresford entities. The GP instructed Eric Li to provide the proposal to the other members of the Li Group. *The email from Dave Mann to Eric Li dated July 17, 2020 setting out Empire’s proposed transaction* is attached as **Exhibit “B”**.
11. On July 20, 2020, the GP received an email from the lawyers representing the Li Group requesting a copy of the Empire Agreement of Purchase and Sale (the “APS”). Although Empire was unwilling to provide the APS to the LPS but provided the LPS with a summary of the proposed transaction. The APS summary stated that Empire would contribute funds to LPS to be used for redeeming the LPS limited partnership units. *The email from GP’s counsel, Cathy Alderson to Alexander Soutter dated July 20, 2020 enclosing a summary of the Empire Transaction* is attached as **Exhibit “C”**.
12. The GP attempted to contact the other limited partner group (\$4,700,000 total investment) through its agent Paul Lam but were told that all communication needed to be done through their lawyers. The deal summary was sent to their counsel, Shara Roy, by the GP’s counsel. No responses were received from any of the investors. *The email from the GP’s counsel, Cathy Alderson dated July 21, 2020 to Shara Roy, counsel to the other group of LPS enclosing the summary of the Empire Transaction* is attached as **Exhibit “D”**.
13. In late July after hearing that the LPS wished to redeem all of their units, Empire revised its APS such that funds would be provided on an expected closing date of September 22,

2020 sufficient to redeem all LP units at principal plus 12.25% accrued interest. The total payout to the investors would be \$21,202,000 (on an original investment of \$14,800,000).

14. Again, there was no response from the investors. On August 14, 2020, Nelligan O'Brien sent letters to both law firms requesting approval of the proposed redemptions. Our lawyer received a reply on August 21, 2020 from Alex Soutter of Thornton Grout Finnigan LLP stating that this proposal was not acceptable as they were entitled to a 100% return.
15. During this period, Empire consented to various extensions of the APS to allow the LPS time to approve the APS. Empire was beginning to lose its patience.
16. On August 30, 2020, Dan Casey sent an email to Anthony Szeto of 2504670 Canada Inc. to attempt to get his approval of the Empire APS. It was emphasized that the investors would receive their principal plus interest at 12.25%. A response to Dan Casey's email was received the same day. It was later expressed to us through his lawyer that we were only to speak with the LPS lawyers. It was stated in the correspondence that their clients wanted a payout equal to principal plus 100%. *Dan Casey's email dated August 30, 2020 and a reply from Shaun Laubman on the day* is attached as **Exhibit "E"**.
17. Further extensions were granted by Empire but with no agreement from the investors, Empire terminated the deal on September 11, 2020. *The email from Morty Gross, Empire's internal counsel dated September 11, 2020* is attached as **Exhibit "F"**.
18. On September 23, 2020, Eric Li and his wife asked to meet with the GP. Ted Dowbiggin and I met with them at 5:00 that afternoon and told them that the investors' refusal to negotiate was a great contributor to Empire backing out of the deal. We also explained the Timbercreek receivership application and told them that they would receive much less in a receivership. We were told by them that their relationship with the three investors represented by Lax O'Sullivan Lisus Gottlieb LLP had deteriorated and they were not speaking to each other. We also stated to them that Empire was forecasting construction costs that were significantly higher than our budget. This is a reason why the value of the property is lower.

19. Throughout the negotiations with Empire the GP did its best to obtain full recovery of their capital investment. The GP was successful in convincing Empire to redeem the LPS Class A Units at full price and pay interest to the date of closing at 12.25%. The LPS refused to accept this as the LPS wanted their full capital plus an additional 100%. As a result of this demand the Empire deal failed.

Negotiations with Concord

20. At this point, the GP returned to having discussions with Concord.
21. Ted Dowbiggin met with Eric Li on October 8, 2020 and agreed verbally that the GP would structure a deal whereby the LPS would forgive interest up to Concord's first advance on its construction loan and earn 8% interest thereafter until the final closing.
22. Ted Dowbiggin and I met again with Eric Li on November 11, 2020 and reiterated our proposal. No deal could be consummated. *The email from Dave Mann to Eric Li dated November 11, 2020* is attached as **Exhibit "G"**.
23. On November 20, 2020 the GP entered into a Term Sheet with Concord Properties Developments Corp. ("Concord") in which management of the YSL Project would be handed over to Concord. Concord would obtain construction financing and would provide mezzanine financing.
24. The LPS wanted a copy of the Concord Term Sheet and other information with respect to the arrangement with Concord. The GP agreed to provide this information if the LPS signed non-disclosure agreements. The LPS signed Non-Disclosure Agreements.
25. On November 30, 2020 a meeting with the LPS and their Counsel took place on Zoom. Prior to the said Zoom meeting the Term Sheet and a Pro Forma Summary of the YSL Project was provided.
26. The LPS were not prepared to negotiate. We had offered the LPS that they forgo interest to January 1, 2021 and then receive an 8% return on their investment until completion of the project. This request by the GP was in exchange for the Cresford Group of companies subordinating their unsecured claim (which had priority to the LPS investment). As a result of that rejection the request was dropped.

27. I was advised by Ted Dowbiggin, who was a consultant retained by the GP, that Concord advised him that Concord's financier Otera Capital Inc. did not like the proposed structure with respect to the YSL Project. Otera Capital Inc. was not prepared to proceed unless Concord obtained complete ownership of the YSL Project. The focus of the negotiations with Concord changed after Concord received this ultimatum from Otera Capital Inc.
28. I am advised by Ted Dowbiggin that there were no active negotiations with Concord in January, February and March, 2021 while Concord was attempting to get Otera Capital Inc. onside with a revised deal structure. During this time period conversations with Concord related to due diligence requests with respect to the YSL Project.
29. Verbal negotiations with Concord started again in April, 2021 all in the face of the Timbercreek forbearance arrangement (described below). The GP attempted to maximize recovery for all creditors and Limited Partners. Various Cresford entities were not only unsecured creditors of the YG Limited Partnership but held \$15 million of Class B Units.
30. During the weekend of April 10-11, 2021 during further telephone calls that Ted Dowbiggin had with Concord, the GP was advised that Concord was prepared to sponsor a proposal under the *Bankruptcy and Insolvency Act* in which the secured creditors would be paid in full and the unsecured creditors would receive 58 cents on the dollar. The GP was unable to get Concord to increase the offer as Concord for a number of undisclosed reasons would not budge from its position. The discussions with Concord were general in nature. The GP was not aware of the actual terms of Concord's plan until Monday, April 12, 2021 when David Gruber of Bennett Jones LLP, Concord's counsel sent an email to our counsel at Aird & Berlis LLP. *The email dated April 12, 2021 from David Gruber, Concord's counsel to Harry Fogul, the GP's counsel setting out the terms of Concord's proposed transaction is attached as Exhibit "H".*
31. On April 30, 2021 YG Limited Partnership and YSL Residences Inc. filed Notices of Intention to Make a Proposal naming KSV Restructuring Inc. as proposed Trustee.

32. On May 27, 2021 YG Limited Partnership and YSL Residences Inc. filed a Proposal. An Amended Proposal was filed on June 3, 2021. *The Proposal and the Amended Proposal* are attached as **Exhibit “T”**.

Timbercreek Forbearance Arrangement

33. Timbercreek Mortgage Servicing Inc. (“Timbercreek”) held the first mortgage against the YSL Project.
34. The mortgage held by Timbercreek matured on February 1, 2020 and the YG Limited Partnership was unable to repay the loan.
35. The GP met with the LPS on or around March 19, 2020 at the GP’s offices on 59 Hayden Street to advise them of the Timbercreek loan situation and to see if they would advance \$5 million to payout various liens that Timbercreek wanted discharged from title. The LPS refused to advance any monies. Various Cresford entities funded all interest and forbearance payments to Timbercreek from January 2020 to September 30, 2020 through intercompany loans to the YG Limited Partnership.
36. The GP negotiated a forbearance arrangement with Timbercreek in order to have additional time to find a buyer for the YSL Project.
37. As a result, the YG Limited Partnership entered into a Forbearance Agreement with Timbercreek dated March 26, 2020 which provided for a forbearance until June 1, 2020.
38. The YG Limited Partnership was unable to repay the loan by June 1, 2020, so on July 3, 2020 Forbearance Amendment #1 was entered into with Timbercreek. The YG Limited Partnership was required to sign a consent to the appointment of a receiver and did so on July 9, 2020. It extended the forbearance period to August 17, 2020.
39. Since the Timbercreek loan was not repaid Forbearance Agreement Amendment #2 was entered into on November 12, 2020 which extended the forbearance date to December 31, 2020 and adjourned the Application to appoint a receiver that was scheduled for November 13, 2020 was adjourned to December 2, 2020 and later adjourned to February 2, 2021.

40. Since the Timbercreek Loan was still not repaid Forbearance Agreement Amendment #3 was made as of January 28, 2021 and effective as of December 31, 2020. It extended the forbearance period to March 31, 2021, subject to certain conditions being met. It also provided for a possible extension to June 30, 2021. The court date for the Timbercreek Receivership Application was rescheduled to April 21, 2021 and subsequently to July 12, 2021.
41. Considering the proposal proceedings proposed by Concord, YG Limited Partnership and YSL Residences Inc. filed Notices of Intention to make a Proposal on April 30, 2021. Timbercreek had to consent to these proceedings so a Consent and Forbearance Agreement Amendment #4 was entered into made and effective as April 30, 2021. Timbercreek consented to the proposal proceedings and provided if the LPS succeed in their litigation to obtain any of the relief that they requested then there would be a default under the forbearance arrangement and Timbercreek would proceed to appoint a receiver pursuant to its outstanding Receivership Application. *The email exchange between counsel for the LPS and counsel for the GP relating to the sale of the Yonge Street properties dated March 1, 2021 is attached as Exhibit "J".*

357A and 357.5 Yonge Street Sale

42. The Yonge Street Properties were never part of the YSL Project. The Special Resolution clause in the Limited Partnership Agreement deals with a sale of all or substantially all the project assets, accordingly, the GP did not need consent of the Limited Partners.
43. The properties located at 357A and 357.5 Yonge Street were purchased by the YG Limited Partnership to block other developers from building next door to the YSL Project. They were not part of the YSL Project There was an intrinsic value to this acquisition which is why YG paid a price higher than the market rate at the time. Once the zoning was approved for YSL Project, the properties served no other purpose.
44. The first mortgagee Timbercreek demanded payment of its loans on October 19, 2020. *The Demands from counsel for Timbercreek is attached as Exhibit "K".*
45. The facts surrounding the sale of the Yonge Street properties was explained by our Counsel Harry Fogul in an email sent to counsel for the Limited Partners on March 3,

2021. *The email from Harry Fogul to the LPS' counsel dated March 3, 2021 explaining the history and sale of the Yonge Street properties* is attached as **Exhibit "L"**.

46. The Yonge Street properties were sold at fair market value by the GP as 3 offers were received for the Yonge Street Properties.
47. On the sale of the Yonge Street properties, after repayment of the mortgage and sales commissions, there was about \$7,000 remaining which was used to pay some of the legal fees. No amounts were paid to Cresford entities.

Disclosure

48. Prior to January 2020 the GP is not aware of any complaints by the LPS relating to lack of receiving information. The GP after January 2020 kept the LPS apprised of what was happening with the YSL Project. As noted in paragraph 35 of this Affidavit we met with the LPS on March 19, 2020 to advise them regarding Empire and the Timbercreek loan. Although Eric Li and his group attended, the Anthony Szeto group did not personally attend but sent a representative Paul Lam. We wanted to speak to the Anthony Szeto group directly, but we were unable to obtain their contact information.
49. A second meeting was held on July 13, 2020 with Eric Li to discuss the Empire deal as set out in paragraph 9 of this Affidavit.
50. With respect to the Concord deal the GP met with Eric Li on October 8, 2020 and again on November 11, 2020. The Anthony Szeto group would not meet. A Zoom meeting was held with both groups and their counsel on November 30, 2020 to discuss the Concord deal. This is set out in paragraphs 21, 22 and 25 of this Affidavit.
51. Throughout 2020 and 2021 the GP or its counsel exchanged e-mails with counsel for both groups of LPS and provided information. Although there were requests for more information, the GP did its best to provide available information.
52. An example of the information that was provided to the LPS can be seen from an exchange of emails from counsel for the LPS and counsel for the GP dated January 7 to January 10, 2021. *This email exchange* is attached as **Exhibit "M"**. I am advised by Harry Fogul that not every request for information and replies thereto are included in the

Applicants' Affidavits of Anthony Szeto and Eric Li or in this Affidavit as there are sufficient examples of the information flow in the said 3 Affidavits.

53. After the Order of Cavanagh, J. was made on January 13, 2021, the GP complied with the terms of the said Order and provided the LPS with the terms of the Concord proposal arrangement and the forbearance agreements with Timbercreek. The GP also provided an accounting of the monies put into the YSL Project and evidence of all loans made to the YG Limited Partnership by various Cresford entities.
54. The GP's Counsel provided the LPS' counsel with general updates with respect to negotiations with Concord because the discussions were general in nature and no agreements were concluded.
55. The focus of the negotiations changed when Concord's proposed financier Otera Capital Inc. advised Concord that in order for Otera Capital Inc. to provide the required construction financing Concord would have to acquire the YSL Project so Concord had complete control over the YSL Project and Cresford would have no further interest in the YSL Project. This information was conveyed to counsel for the LPS.
56. Counsel for the LPS continually complained that that they never saw any draft agreements, despite being told by the GP's Counsel that there were no draft agreements. *The exchange of emails between counsel relating to the non-existence of documents on March 11, 2021 is attached as **Exhibit "N"**.*

Unsecured Loans made by Cresford Entities

57. Three Cresford entities Cresford (Rosedale) Developments Inc., Oakleaf Consulting Ltd. and East Downtown Redevelopment Partnership are owed money from the YG Limited Partnership for monies loaned to the Partnership and services rendered to the Partnership.
58. A summary of the monies owing to Cresford (Rosedale) Developments Inc., Oakleaf Consulting Ltd. and East Downtown Redevelopment Partnership is set out in summary that was provided to the Trustee, KSV Restructuring Inc. *The summary of monies owing is attached as **Exhibit "O"**.*

59. Cresford (Rosedale) Developments Inc., Oakleaf Consulting Ltd. and East Downtown Redevelopment Partnership are not limited partners in the YG Limited Partnership. A separate entity Cresford (Yonge) Limited Partnership holds Class B Units in the YG Limited Partnership to the extent of \$15 million. In the case of Cresford (Rosedale) Developments Inc. and Oakleaf Consulting Ltd. loan advances from these two corporations to the YG Limited Partnership were advanced over a period of time and partial repayments were made on an ongoing basis.
60. The LPS rely on an email sent by Jeffery Larry on October 29, 2020 where he erroneously indicated that the monies owing to the Cresford entities were subsequent in priority to the LPS investment. I am the person who gave Mr. Larry the incorrect information. Mr. Larry corrected this error in an email to counsel for the LPS on December 2, 2020 at 2:03 p.m. Further emails were exchanged between counsel for the LPS, Mr. Larry and the GP's counsel, Harry Fogul where Mr. Fogul confirmed that he had spoken to a Cresford employee who acknowledged that he gave Mr. Larry incorrect information. *Copies of Jeffrey Larry's correcting email, the LPS counsel reply and further reply from the GP's counsel all on December 2, 2020* are attached as **Exhibit "P"**.

Summary

61. The GP contacted multiple developers and there was little interest in the YSL Project. The GP did this itself and through reputable real estate agents without much success. The GP did its best to try to sell the YSL Project and get the LPS paid. The deal with Empire did exactly that but the LPS were not satisfied with recovering all their capital and interest at 12.25%, they wanted their capital plus another 100%. It was as a result of their position that the Empire deal failed. The GP was then able to negotiate a deal with Concord that presented a possibility of the LPS being paid at the end of the project. Unfortunately, due the position taken by Concord's financier Otera Capital Inc., that deal could not proceed. This was not the fault of the GP. The GP always acted in good faith to try to maximize recovery for all stakeholders. It was always in the GP's interest to do so as a related entity held \$15 million of Class B Units subordinate to the LPS' Units. The LPS place the blame on their situation on the GP when they had the chance to be paid in

Exhibit “A”

This is **Exhibit “A”** referred to in the

Affidavit of **David Mann**

Sworn before me this 4th day of June, 2021

A handwritten signature in blue ink, appearing to read "Mary Fogel". The signature is written in a cursive style with a prominent loop at the end.

A Commissioner for taking affidavits

A PROVEN TRACK RECORD

**Summary of Projects Marketed under the
Cresford Brand 2003 - 2018:**

	Units	Status	Architect
VOX	337 units	2018	Peter Clewes (architectsAlliance)
Fifty Nine Hayden		2018	Peter Clewes (architectsAlliance)
CASA III	618 units	2018	Peter Clewes (architectsAlliance)
CASA II	470 units	2016	Peter Clewes (architectsAlliance)
1Thousand Bay	458 units	2016	Peter Clewes (architectsAlliance)
Merton Yonge Condominium	198 units	2014	Peter Clewes (architectsAlliance)
Lofts 399	173 units	2013	Paul Northgrave (Northgrave Architects)
Windermere NXT II	383 units	2013	Peter Clewes (architectsAlliance)
Windermere NXT I	457 units	2010	Peter Clewes (architectsAlliance)
Casa Condominiums, Toronto	403 units	2010	Peter Clewes (architectsAlliance)
Bloor Street Neighbourhood Condominiums, Toronto	349 units	2009	Paul Northgrave (Northgrave Architects)
76 Shuter Street Condominiums, Toronto	124 units	2007	Paul Northgrave (Northgrave Architects)
Windermere by the Lake West Townhouses, Toronto	120 units	2007	Rob Nicolucci (RN Design)
Windermere by the Lake Tower, Toronto	306 units	2007	Pellow Architects
Quad Condominiums Phase II, Toronto	128 units	2006	Paul Northgrave (Northgrave Architects)
Windermere by the Lake Townhomes, Toronto	104 units	2005	Pellow Architects
Quad Condominiums Phase I, Toronto	72 units	2005	Paul Northgrave (Northgrave Architects)
Bridgewater Condos / Townhouses, Uxbridge	79 units	2005	AW Trusevych Associates
Thornwood Condominiums Phase II, Toronto	137 units	2005	Young + Wright
Boot Condominiums Phase I, Toronto	153 units	2003	Young + Wright
Thornwood Condominiums Phase I, Toronto	166 units	2003	Northgrave Architects
The Merchandise Building Condominiums, Toronto	525 units	2003	Northgrave Architects
	5760 units		

Exhibit “B”

This is **Exhibit "B"** referred to in the

Affidavit of **David Mann**

Sworn before me this 4th day of June, 2021

A handwritten signature in blue ink, appearing to read "Harry Fogel". The signature is written in a cursive style with a prominent loop at the end.

A Commissioner for taking affidavits

From: Dave Mann
Sent: July 17, 2020 1:03 PM
To: 'lue_li@hotmail.com' <lue_li@hotmail.com>
Subject: YSL

WITHOUT PREJUDICE

Hi Eric,

I haven't heard from you so I thought I would send you our proposal which should agree with our understanding. We have discussed the payment priorities and will agree that your capital and return will be paid in priority to Cresford.

1. On closing of the APS with Empire, funds are invested by Empire into the new LP, the purpose of which is to buy back 50% of the investors' capital. The new LP will pay the funds up to YG LP as a credit to the \$75M investment by YG. YG LP will pay \$3,550,000 to YongeSL Investment Limited Partnership as a redemption of 50% of the Class A units held in YG.
2. \$1,500,000 will be paid in the same way as above to redeem 50% of the units held by TaiHe International, Sixone Investment Ltd and E & B Investment Corporation.
3. The remaining capital of \$5,050,000 (\$3,550,000 + \$1,500,000) will stay invested in YG. The capital will earn an annual return of 12.25% compounded annually. The guaranteed return is 100% over the 5 year period.
4. On closing of the YSL project, tentatively scheduled for 2025, the capital of YG invested in the new LP, after adjustments for the buyouts, will be paid up to YG and distributed in priority to the investors. The investors will receive their capital and guaranteed return before Cresford is paid its capital.
5. The profits remaining in the new LP will be paid to YG on the basis of its original equity (after buyout adjustments). That percentage is currently expected to be a maximum of 65%. If there is anything owing to the investors, that will be paid in priority to Cresford.

We are offering the same deal with the Paul Lam investors, which total \$4,700,000. If they accept the terms, their payment will be \$2,350,000 on closing. They will be entitled to the remaining \$2,350,000 on project completion plus the guaranteed 100% return.

Fei has agreed to remain in the project and has received our consent to register an equitable mortgage.

If you are agreeable to the above, we will send you Resolutions to execute as evidence of approval of the sale.

Let me know if you have any questions.

Thanks

This communication is intended only for the party to whom it is addressed, and may contain information which is privileged or confidential. Any other delivery, distribution, copying or disclosure is strictly prohibited and is not a waiver of privilege or confidentiality. If you have received this telecommunication in error, please notify the sender immediately by return electronic mail and destroy the message.

Exhibit “C”

This is **Exhibit “C”** referred to in the

Affidavit of **David Mann**

Sworn before me this 4th day of June, 2021

A handwritten signature in blue ink, appearing to read "Nancy Fogel". The signature is written in a cursive style with a prominent loop at the end.

A Commissioner for taking affidavits

From: Cathy Alderson [<mailto:Cathy.Alderson@nelliganlaw.ca>]
Sent: July 20, 2020 4:18 PM
To: Alexander Soutter <ASoutter@tgf.ca>
Cc: Dave Mann <dmann@cesford.com>; Debbie Bellinger <Debbie.Bellinger@nelliganlaw.ca>; Al O'Brien <allan.obrien@nelliganlaw.ca>
Subject: RE: Empire

Alex this is further to our telephone conversation this afternoon.

We are acting for the General Partner in connection with a sale of the YSL Project to Empire. It is our understanding that you represent a number of investors in the YSL Project.

We have received instructions from Dave Mann to forward the deal summary with Empire for your review. Empire has agreed to this despite a clause in the agreement that emphasizes the confidentiality of its content as between the parties. This is being forwarded to you in order that the investors can better understand the basic terms of the transaction when deciding whether or not to provide their consent. It is provided to you under the clear understanding that it is strictly confidential as between you and your clients as named in the LP Investor Agreements.

We know that from time to time investor clients may seek advice from financial or other personal advisors. It is critical that your investor clients agree that they will not share the content of the summary except with your office. Proposed distribution by you or your clients to any other professional advisors must be approved in writing by our client and Empire prior to distribution, and those advisors must agree to the same terms with respect to confidentiality. This unequivocal commitment from your clients must be obtained before your firm releases the summary.

Cathy Alderson for
Al O'Brien

Cathy Alderson
Legal Assistant/Adjointe juridique
Nelligan O'Brien Payne LLP
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Tel/Tél: 613-231-8236 | Fax/Télé: 613-238-2098
www.nelliganlaw.ca

Due to COVID-19, we have taken the necessary steps to work remotely. Our mail service has been suspended and we no longer have the ability to accept courier packages. Please send electronic correspondence until further notice. Thank you

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July 19, 2020

Summary of APS – Sale of YSL project to Empire Group

Private and Confidential

1. Empire Communities, through its affiliate Empire (Water Wave) Inc., has contracted with YSL Residences Inc. to purchase and develop the YSL project. An agreement of purchase and sale was executed on July 17, 2020.
2. The APS is conditional until Tuesday July 21 upon YG LP receiving approval by Special Resolution by all of the limited partners. The due diligence period will then expire 10 business days after that date with the closing of the transaction 30 business days thereafter.
3. On closing, Empire and YG LP will enter a new Limited Partnership (New LP). YG will transfer the property, mortgages, contracts, accounts payable and, at Empire's option, existing unit purchase and sale agreements to New LP in exchange for Class A units having a value of \$75,000,000.
4. Empire will contribute equity to New LP as needed for accounts payable, YG LP investor redemptions and ongoing construction costs up to the date of construction financing in exchange for Class B units.
5. Class A and B units will each be valued at \$1 per unit.
6. Empire will pay a deposit of \$1,000,000 by July 21 to be held in trust by YG LP solicitors.
7. On closing, Empire will pay \$3,000,000 to the New LP for Class B units. These funds will be paid to YG LP to repay Cresford for excess equity contributed to YG LP to settle certain trade payables.
8. Empire will also contribute funds up to \$10,000,000 in exchange for additional Class B units to be used by YG LP to redeem the capital held by certain LP investors. The amount contributed will reduce the Class A units by the same amount. For example, if \$7,000,000 is required to be paid to LP investors, the initial \$75,000,000 will be reduced to \$68,000,000.
9. The new LP will either extend the current Timbercreek mortgage or arrange for a replacement lender.
10. All decisions respecting the project will be made by Empire. Dan Casey, through an affiliate of Cresford, will be retained as an advisor and will be paid \$25,000 per month (Advisory Fee) for the term of the project. On the sale of the last unit of the project and after the YG Class A units are redeemed, New LP will pay an amount to bring the Advisory Fee up to a total of \$4,800,000. This is the amount that Cresford funded to the project to service the Timbercreek mortgage during the past 8 months.
11. Empire will earn a Development and Construction Management Fee, a Sales and Marketing Fee, a 15% return on its equity (Class B units) and, if required, a Loan Guarantee Fee. These will be charged to the project and paid prior to any distributions to YG LP and profit-sharing payments.

12. We are enclosing our forecasted Waterfall calculation based on our preliminary budget. The average unit sale revenue is at \$1,550 per square foot. Empire has not yet determined if the existing purchase and sale agreements will be cancelled.

Exhibit “D”

This is **Exhibit “D”** referred to in the

Affidavit of **David Mann**

Sworn before me this 4th day of June, 2021

A handwritten signature in blue ink, appearing to read "Henry Fogel". The signature is written in a cursive style with a large, stylized initial 'H'.

A Commissioner for taking affidavits

From: Cathy Alderson [<mailto:Cathy.Alderson@nelliganlaw.ca>]
Sent: July 21, 2020 10:33 AM
To: sroy@litigate.com; agrossman@litigate.com
Cc: Al O'Brien <allan.obrien@nelliganlaw.ca>; Debbie Bellinger <Debbie.Bellinger@nelliganlaw.ca>
Subject: Empire [Nelligan-2379088-955832955-41]

This is further to our telephone conversation a few minutes ago.

We are acting for the General Partner in connection with a sale of the YSL Project to Empire. It is our understanding that you represent the individual investors who have together invested a total of approximately 4.7 million dollars.

We have received instructions from Dave Mann to forward the attached Deal Summary with Empire for your review.

We have received instructions from Dave Mann to forward the deal summary with Empire for your review. Empire has agreed to this despite a clause in the agreement that emphasizes the confidentiality of its content as between the parties. This is being forwarded to you in order that the investors can better understand the basic terms of the transaction when deciding whether or not to provide their consent. It is provided to you under the clear understanding that it is strictly confidential as between you and your clients as named in the LP Investor Agreements.

We know that from time to time your investor clients have been represented by Paul Lam, who is also a client of your firm. Mr. Lam is not an investor in the project. It is critical that your investor clients agree that they will not share the content of the summary except with their legal advisors and with accountants who may agree to the same terms with respect to confidentiality. This unequivocal commitment must be obtained before your firm releases the summary.

We have been informed by our client that individual(s) who are unrelated to the Project are seeking to obtain information about the Empire Agreement and may attempt to undermine and interfere with the contractual relationship as between Empire and the General Partner. It is imperative that the deal summary only be distributed to your clients if they are in agreement with these strict terms of confidentiality.

**Cathy Alderson for
Al O'Brien**

Cathy Alderson
Legal Assistant/Adjointe juridique
Nelligan O'Brien Payne LLP
50 O'Connor, Suite 300, Ottawa ON K1P 6L2
Tel/Tél: 613-231-8236 | Fax/Télé: 613-238-2098
www.nelliganlaw.ca

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Private and Confidential

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Exhibit ‘E’

This is **Exhibit “E”** referred to in the

Affidavit of **David Mann**

Sworn before me this 4th day of June, 2021

A handwritten signature in blue ink, appearing to read "Nancy Fogel". The signature is written in a cursive style with a large, stylized initial 'N'.

A Commissioner for taking affidavits

From: Debbie Bellinger [<mailto:Debbie.Bellinger@nelliganlaw.ca>]
Sent: August 31, 2020 9:32 AM
To: Dave Mann <dmann@cresford.com>
Subject: FW: YSL [IWOV-Client.FID106454]

FYI

Debbie Bellinger
Lawyer
Nelligan O'Brien Payne LLP
50 O'Connor, Suite 300, Ottawa ON K1P 6L2
Tel/Tél: 613-231-8309 | Fax/Télé: 613-788-3671
www.nelliganlaw.ca

COVID-19 Update. The office of Nelligan Law is open with many of the team continuing to work from home. Reception is open and accepting packages, however, we continue to encourage electronic correspondence. If arriving at our office new protocols have been put in place to ensure the safety of our employees and clients.

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From: Shaun Laubman <slaubman@lolg.ca>
Sent: August 30, 2020 8:37 PM
To: Debbie Bellinger <Debbie.Bellinger@nelliganlaw.ca>
Cc: Al O'Brien <allan.obrien@nelliganlaw.ca>; 'ASoutter@tgf.ca' <ASoutter@tgf.ca>
Subject: FW: YSL [IWOV-Client.FID106454]

Good evening Debbie,

One of my clients received the email below from Mr. Casey earlier today. My clients do not wish to have Mr. Casey contact them directly regarding these matters. They prefer that any further correspondence go between counsel.

I want to correct several statements in Mr. Casey's email that are inaccurate. First, my clients have not met with Mr. Casey in 2020 so they do not know what meetings he is referring to in his second paragraph.

As well, in subparagraph (iii) of his email, Mr. Casey refers to the offer representing "full entitlement under the LP Agreement". A similar statement has been made in some of your recent emails. This is clearly not what the LP Agreement provides. The LP Agreement provides that the unitholders are entitled to receive their investment plus a return of up to 100% of their investment. The offer that has been presented represents far less than that amount. Given the significant shortfall in the offer that has been presented, the refusal to disclose the APS and its economic terms is unacceptable. I have raised this very issue previously so I am surprised to see Mr. Casey state that the APS is "irrelevant" to the offer made to the unitholders. Without it, our clients have no ability to assess the reasonableness of the offer and whether they are in fact getting their full entitlement.

Best regards,

Shaun Laubman

Direct 416 360 8481

Cell 416 315 4122

slaubman@lolg.ca

Lax O'Sullivan Lisus Gottlieb LLP

Suite 2750, 145 King St W

Toronto ON M5H 1J8 Canada

T 416 598 1744 F 416 598 3730

www.lolg.ca



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Begin forwarded message:

From: Dan Casey <dcasey@cresford.com>

Subject: YSL

Date: August 30, 2020 at 12:30:25 PM EDT

To: "anthonyszeto@icloud.com" <anthonyszeto@icloud.com>

Cc: Dave Mann <dmann@cresford.com>

You have been supportive and a friend of the Cresford Group of Companies for a long time. I appreciate that. I want to be absolutely certain that you understand what is happening.

In all of our meetings in 2020, you indicated that you wanted your investment returned. I am pleased that I was able to find someone who is willing and able to do that.

We all need to get this done. I want to make sure that you understand the situation, as it stands today:

- (i) The payment would be made prior to closing. It is based on the document that we have given to your lawyers. It has nothing to do with the terms of the APS;
- (ii) This is full repayment of your investment of \$ PLUS interest at 12.25% compounded annually to the date of payment;
- (iii) This represents your full entitlement under the LP Agreement at this time;

(iv) This payment may be unavailable *at any moment*. I can't stress this enough. When you sign and return the document, Empire will sign it. I am worried that if, in the meantime, Empire refuses to extend the condition to "deal with the investors", it will be too late.

(v) Empire will not consent to release the agreement. Nobody can force them to do so. This has been very clear.

(vi) If you return the signed document it will not be effective until your money is in your hands. I do not control the extensions. Every day this goes on, I have to justify to Empire why the condition should be extended for one more day. Getting those daily extensions is not easy. Over a period of two weeks all I have to report is that you say you will not accept the payment unless you get to see the agreement of purchase and sale, which is irrelevant.

I am concerned there may be some confusion. If you wish any further explanation, I am happy to have a call, but should do so soon.

Best Regards,

Dan Casey

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Exhibit “F”

This is **Exhibit “F”** referred to in the

Affidavit of **David Mann**

Sworn before me this 4th day of June, 2021

A handwritten signature in blue ink, appearing to read "Nancy Fogel". The signature is written in a cursive style with a prominent loop at the end.

A Commissioner for taking affidavits

From: Morty Gross [<mailto:MGross@empirecommunities.com>]

Sent: September 11, 2020 4:51 PM

To: Dave Mann <dmann@cresford.com>

Cc: 'Debbie Bellinger' <Debbie.Bellinger@nelliganlaw.ca>; Brent Forrest <BForrest@empirecommunities.com>; Daniel Guizzetti <dgguizzetti@empirecommunities.com>; Andrew Guizzetti <APGuizzetti@empirecommunities.com>; Tim Royds <TRoyds@empirecommunities.com>; Ellie Dawson <EDawson@empirecommunities.com>; Patryk Dawidowski <PDawidowski@empirecommunities.com>; Angela Cheung <ACheung@empirecommunities.com>; Morty Gross <MGross@empirecommunities.com>; Janet Livingstone <JLivingstone@empirecommunities.com>; Jackie Doherty <JDoherty@empirecommunities.com>

Subject: Empire (Water Wave) Inc. Agreement with YSL Residences Inc. respecting the YSL - Yonge Street Living Residences Project

Importance: High

Dave,

Re: Agreement of Purchase and Sale dated July 14, 2020 (the "APS") amongst YSL Residences Inc. (the "Vendor"), Empire (Water Wave) Inc. ("Empire") and YG Limited Partnership (the "Beneficial Owner") as reinstated and amended by Reinstatement of and Amendment to Agreement of Purchase and Sale dated August 11, 2020 (the "RAA") (the APS as reinstated and amended by the RAA are hereinafter referred to as the "Agreement") respecting the Project at 363 Yonge Street and 3 Gerrard Street East, 367, 369, 373, 377, 379, 381 and 385 Yonge Street, Toronto

We regret to advise you that the mutual condition contained in section 4.3 of Agreement has not been satisfied or waived by Empire. Accordingly, the Agreement is at an end.

We thank you for your co-operation herein and for the positive experience working on this proposed transaction.

Morty Gross

MORTY GROSS

VICE PRESIDENT, LEGAL AFFAIRS, GENERAL COUNSEL AND CORPORATE SEC

T +1-905-307-8102, 1250

M +1-647-402-6205

F +1-905-307-8103

MGROSS@EMPIRECOMMUNITIES.COM



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EMPIRECOMMUNITIES.COM
[FACEBOOK](#)
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Exhibit “G”

This is **Exhibit “G”** referred to in the

Affidavit of **David Mann**

Sworn before me this 4th day of June, 2021

A handwritten signature in blue ink, appearing to read "Henry Fogel". The signature is written in a cursive style with a prominent loop at the end.

A Commissioner for taking affidavits

From: Dave Mann
Sent: November 11, 2020 4:30 PM
To: 'Eric Li' <hue_li@hotmail.com>
Cc: Ted Dowbiggin <tdowbiggin@cresford.com>
Subject: FW: YSL

Without Prejudice

Thank-you for meeting with us today.

We are currently in discussions with Concord Adex to invest in the YSL project. As we emphasized in our meeting today, we need to enter into an agreement with Concord this week so that the court hearing initiated by Timbercreek and scheduled for Friday November 13th can be adjourned. Concord is requiring confirmation from the limited partnership unitholders that they are agreeable to a revised payout formula.

Our proposal is that the \$20,000,000 loan held by Fei and the limited partner units will be converted to interest-free for the period from original investment to December 31, 2020. Thereafter, the loan and LP units will earn interest at 8% compounded annually and be paid out on completion of the project.

Please reply that you are in agreement in principle with this proposal subject to your review of the transaction and related documents. Time is of the essence, therefore, we would appreciate a reply this evening.

Thanks

Eric, I couldn't find Fei's email address so could you forward this to her and copy me?

Dave Mann
Cresford Developments
416-971-7411 x229

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Exhibit “H”

This is **Exhibit “H”** referred to in the
Affidavit of **David Mann**
Sworn before me this 4th day of June, 2021

A handwritten signature in blue ink, appearing to read "Nancy Fegul". The signature is written in a cursive style with a prominent loop at the end.

A Commissioner for taking affidavits

From: David Gruber <GruberD@bennettjones.com>
Sent: Monday, April 12, 2021 8:05:19 PM
To: Harry Fogul <hfogul@airdberlis.com>
Subject: YSL Residences Inc. and YSL Limited Partnership

CAUTION -- EXTERNAL E-MAIL - Do not click links or open attachments unless you recognize the sender.

Dear Mr. Fogul:

I write you in your capacity as counsel to YSL Residences Inc. on behalf of the Concord Group to confirm the basis upon which Concord has agreed to facilitate a restructuring of the Yonge Street Living (a.k.a. YSL) project.

As you know, Otera Capital is prepared to provide a construction financing facility, but has stipulated certain conditions and the satisfaction of these conditions will require effectively a clean slate for the project. Given this, Concord and YSL Residences Inc. will enter into a formal agreement under which Concord will act as sponsor for a Proposal under the *Bankruptcy and Insolvency Act* to be put forward by YSL Residences Inc. in its capacity as general partner of YSL Limited Partnership. The restructuring under the Proposal will close once all applicable periods post-sanction order have expired.

The essential terms of the Proposal will be as follows:

1. On closing, the YSL project will be conveyed to a Concord entity free and clear of all financial encumbrances except as otherwise provided for in the Proposal;
2. As at closing, the Concord purchaser will pay out or assume any secured debt against the YSL property;
3. On or before closing, Concord will ensure the removal of all liens filed against the YSL property;
4. At closing (or the earliest possible date thereafter as may be required to deal with resolution of disputed claims), Concord will pay the Proposal Trustee an amount sufficient to pay a dividend of 58% on proven unsecured claims, subject to a cap based upon the estimated quantum of such claims which you will provide to us with a *pro rata* reduction on the dividend if the proven claims exceed the estimate; and
5. Concord will reimburse YSL Residences Inc. for professional costs associated with the Proposal process.

We look forward to working with you in documenting the terms of the formal agreement in the coming days.

Best regards,



David Gruber
Partner, Bennett Jones LLP

2500 Park Place, 666 Burrard Street, Vancouver, B.C., V6C 2X8
T. [604 891 5150](tel:6048915150) | F. [604 891 5100](tel:6048915100)
E. gruberd@bennettjones.com
BennettJones.com

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Exhibit “I”

This is **Exhibit "I"** referred to in the
Affidavit of **David Mann**
Sworn before me this 4th day of June, 2021

A handwritten signature in blue ink, appearing to read "Mary Foyel". The signature is written in a cursive style with a large, stylized initial 'M'.

A Commissioner for taking affidavits

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**IN THE MATTER OF THE PROPOSAL OF YG LIMITED PARTNERSHIP
AND YSL RESIDENCES INC. PURSUANT TO THE
*BANKRUPTCY AND INSOLVENCY ACT***

PROPOSAL

WHEREAS, pursuant to Notices of Intention to Make a Proposal dated April 30, 2021, YSL Residences Inc. and YG Limited Partnership (collectively, "YSL" or the "**Company**") initiated proceedings under the *Bankruptcy and Insolvency Act* (Canada) R.S.C. 1985, B-3 as amended (the "**BIA**"), pursuant to Section 50(1) thereof;

NOW THEREFORE the Company hereby submits the following proposal under the BIA to its creditors (the "**Proposal**").

**ARTICLE I
DEFINITIONS**

1.01 Definitions

In this Proposal:

"**Administrative Fees and Expenses**" means the fees, expenses and disbursements incurred by or on behalf of the Proposal Trustee, the solicitors for the Proposal Trustee, the solicitors of the Company both before and after the Filing Date;

"**Affected Creditor Claim**" means a Proven Claim, other than an Unaffected Claim;

"**Affected Creditor Share**" means, subject to section 2.02(a)(i), the amount that is equal to 58% of the face value of an Affected Creditor Claim, subject to the Maximum Proposal Fund Amount which, if exceeded shall result in Affected Creditors receiving the Affected Creditor Pro Rata Share;

"**Affected Creditor Pro Rata Share**" means, in respect of an Affected Creditor Claim, (i) the face value of the Affected Creditor Claim, divided by (ii) the Maximum Proposal Fund Amount;

"**Affected Creditors**" means all Persons having Affected Creditor Claims, but only with respect to and to the extent of such Affected Creditor Claims;

"**Affected Creditors Class**" means the class consisting of the Affected Creditors established under and for the purposes of this Proposal, including voting in respect thereof;

"**Approval Order**" means an order of the Court, among other things, approving the Proposal;

"**Assumed Contracts**" means, subject to section 8.02(e), those written contracts entered into by or on behalf of the Company in respect of the Project to be identified by the Proposal Sponsor prior to the Creditors' Meeting, which are to be assumed by the Proposal Sponsor upon Implementation with the consent of the applicable counterparty or otherwise pursuant to an order issued in pursuant to section 84.1 of the BIA;

"**BIA**" has the meaning ascribed to it in the recitals;

"**Business Day**" means a day, other than a Saturday or Sunday, on which banks are generally open for business in Toronto, Ontario;

"**Claim**" means any right or claim of any Person against the Company in connection with any indebtedness, liability, or obligation of any kind whatsoever in existence on the Filing Date (or which has arisen after the Filing Date as a result of the disclaimer or repudiation by the Company on or after the Filing Date of any lease or executory contract), and any interest accrued thereon to and including the Filing Date and costs payable in respect thereof, including by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including any legal, statutory, equitable or fiduciary duty) or by reason of any right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and whether or not such indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any right or ability of any Person to advance a claim for contribution or indemnity or otherwise against the Company with respect to any matter, cause or chose in action, but subject to any counterclaim, set-off or right of compensation in favour of the Company which may exist, whether existing at present or commenced in the future, which indebtedness, liability or obligation (A) is based in whole or in part on facts that existed prior to the Filing Date, (B) relates to a period of time prior to the Filing Date, or (C) is a right or claim of any kind that would be a claim provable in bankruptcy within the meaning of the BIA;

"**Company**" has the meaning ascribed to it in the recitals;

"**Conditions Precedent**" shall have the meaning given to such term in section 8.02 hereof;

"**Condo Purchase Agreement**" means an agreement of purchase and sale in respect of a residential condominium unit in the Project between the Company and a Condo Purchaser;

"**Condo Purchaser**" means a purchaser of a residential condominium unit in the Project pursuant to a Condo Purchase Agreement;

"**Condo Purchaser Claim**" means any Claim of a Condo Purchaser in respect of its Condo Purchase Agreement;

"**Construction Lien Claim**" means any Proven Claim in respect of amounts secured by a perfected lien registered against title to the Property and are valid in accordance with the *Construction Act* (Ontario);

"Convenience Creditor" means an Affected Creditor with a Convenience Creditor Claim;

"Convenience Creditor Claim" means (a) any Proven Claims of an Affected Creditor in an amount less than or equal to \$15,000, and (b) any Proven Claim of an Affected Creditor in an amount greater than \$15,000 if the relevant Creditor has made a valid election for the purposes of this Proposal in accordance with this Proposal prior to the Convenience Creditor Election Deadline;

"Convenience Creditor Consideration" has the meaning ascribed to it in Section 3.04;

"Convenience Creditor Election Deadline" means 5:00 p.m. (Toronto time) on June 14, 2021;

"Convenience Creditor Election Form" means the form, substantially in the form attached hereto as Schedule "B", pursuant to which an Affected Creditor that is not a Convenience Creditor may elect to be treated as a Convenience Creditor, in accordance with Section 3.04 herein;

"Court" means the Ontario Superior Court of Justice (Commercial List);

"Court Approval Date" means the date upon which the Court makes the Approval Order;

"Creditors' Meeting" means the meeting of the Affected Creditors called for the purpose of considering and voting upon the Proposal;

"Creditors' Meeting Date" means such date and time for the Creditors' Meeting as may be called by the Proposal Trustee, but in any event shall be no later than twenty-one (21) days following the filing of this Proposal with the Official Receiver;

"Crown" means Her Majesty in Right of Canada or of any Province of Canada and their agents;

"Crown Claims" means the Claims of the Crown set out in Section 60(1.1) of the BIA outstanding as at the Filing Date against the Company, if any, payment of which will be made in priority to the payment of the Preferred Claims and to distributions in respect of the Ordinary Claims, and specifically excludes any other claims of the Crown;

"Disputed Claim" means any Claim which has not been finally resolved as a Proven Claim in accordance with the BIA as at the Proposal Implementation Date;

"Distributions" means a distribution of funds made by the Proposal Trustee from the Proposal Fund to Affected Creditors in respect of Affected Creditor Claims, in accordance with Article V;

"Effective Time" means 12:00 p.m. (Toronto time) on the Proposal Implementation Date;

"Equity Claim" has the meaning ascribed to it in Section 2 of the BIA;

"Existing Equity" means the limited partnership units of YG LP;

"Existing Equityholders" means the holders of the Existing Equity immediately prior to the Effective Time;

"**Filing Date**" means April 30, 2021, being the date upon which Notices of Intention to Make a Proposal were filed by the Company with the Official Receiver in accordance with the BIA;

"**Governmental Authority**" means any government, regulatory authority, governmental department, agency, commission, bureau, official, minister, Crown corporation, court, board, tribunal or dispute settlement panel or other law, rule or regulation-making organization or entity: (i) having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any other geographic or political subdivision of any of them; or (ii) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power;

"**Implementation**" means the completion and implementation of the transactions contemplated by this Proposal;

"**Implementation Certificate**" has the meaning ascribed to it in Section 8.02(j);

"**Maximum Proposal Fund Amount**" means \$65,000,000;

"**Official Receiver**" shall have the meaning ascribed thereto in the BIA;

"**Outside Date**" means July 31, 2021;

"**Permitted Encumbrances**" means those encumbrances on the Property listed in Schedule "A" hereto;

"**Person**" means any individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, Governmental Authority and a natural person in such person's capacity as trustee, executor, administrator or other legal representative;

"**Preferred Claim**" means a Claim enumerated in Section 136(1) of the BIA outstanding as at the Filing Date against the Company, if any, the payment of which will be made in priority to distributions in respect of Affected Creditor Claims;

"**Project**" means the mixed-used office, retail and residential condominium development to be constructed on the Property currently consisting of approximately 1,100 residential condominium units and 170 parking units and known as Yonge Street Living Residences;

"**Property**" means the real property owned by the Company and municipally known as 363-391 Yonge Street and 3 Gerrard Street East, Toronto, Ontario, and legally described by PIN numbers 21101-0042 (LT) to 21101-0049 (LT), inclusive;

"**Proposal**" means this Proposal of the Company, and any amendments, modifications and/or supplements hereto made in accordance with the terms hereof;

"**Proposal Fund**" means the fund established by the Proposal Sponsor pursuant to and as described in Section 5.01;

"Proposal Fund Amount" means the amount necessary to pay each Affected Creditor its Affected Creditor Share, provided that such amount shall not exceed the Maximum Proposal Fund Amount;

"Proposal Implementation Date" means the date on which Implementation occurs, which shall occur following the satisfaction of the Conditions Precedent, and no later than the Outside Date;

"Proposal Sponsor" means Concord Properties Development Corp.;

"Proposal Sponsor Agreement" means that agreement entered into among the Proposal Sponsor and the Company as of April 30, 2021, as amended from time to time;

"Proposal Trustee" means KSV Restructuring Inc. in its capacity as trustee in respect of this Proposal, or its duly appointed successor;

"Proposal Trustee's Website" means the following website: www.ksvadvisory.com/insolvency-cases/case/yg-limited-partnership;

"Proven Claim" means in respect of an Affected Creditor, the amount of a Claim as finally determined in accordance with the provisions of the BIA, provided that the Proven Claim of an Affected Creditor with a Claim in excess of \$15,000 that has elected to be a Convenience Creditor by submitting a Convenience Creditor Election Form shall be valued for voting purposes as \$15,000;

"Released Claims" means, collectively, the matters that are subject to release and discharge pursuant to Section 7.01;

"Released Parties" means, collectively, (i) the Company, (ii) each affiliate or subsidiary of the Company; (iii) the Proposal Sponsor, (iv) the Proposal Trustee, and (v) subject to section 7.01, each of the foregoing Persons' respective former and current officers, directors, principals, members, affiliates, limited partners, general partners, managed accounts or funds, fund advisors, employees, financial and other advisors, legal counsel, and agents, each in their capacity as such;

"Required Majority" means an affirmative vote of a majority in number and two-thirds in value of all Proven Claims in the Affected Creditors Class entitled to vote, who are present and voting at the Creditors' Meeting (whether online, in-person, by proxy or by voting letter) in accordance with the voting procedures established by this Proposal and the BIA;

"Secured Claims" means:

- (a) The Claim of Timbercreek which is secured by, among other things a mortgage, charge, lien or other security validly charging or encumbering the Property;
- (b) The Claim of 2576725 Ontario Inc. which is secured by, among other things, a mortgage, charge, lien or other security validly charging or encumbering the Property;
- (c) All Construction Lien Claims but only to the extent of such Construction Lien Claims;

"**Secured Creditor**" means a Person holding a Secured Claim, with respect to, and to the extent of such Secured Claim;

"**Superintendent's Levy**" means the levy payable to the Superintendent of Bankruptcy pursuant to sections 60(4) and 147 of the BIA;

"**Timbercreek**" means, collectively, Timbercreek Mortgage Servicing Inc. and 2292912 Ontario Inc.;

"**Unaffected Claim**" means:

- (a) the Administrative Fees and Expenses;
- (b) the Claims of Timbercreek;
- (c) the Claims of Westmount Guarantee Services Inc. which is secured by, among other things, a mortgage, charge, lien or other security validly charging or encumbering the Property;
- (d) the Claims of 2576725 Ontario Inc., which is secured by, among other things, an equitable mortgage encumbering the Property;
- (e) any Claim of the City of Toronto;
- (f) all Condo Purchaser Claims;
- (g) all Construction Lien Claims, but only to the extent such Claims are valid in accordance with the *Construction Act* (Ontario) and have been perfected by the Proposal Implementation Date; and
- (h) such other Claims as the Company and Proposal Sponsor may agree with the consent of the Proposal Trustee;

"**Unaffected Creditor**" means a creditor holding an Unaffected Claim, with respect to and to the extent of such Unaffected Claim;

"**Undeliverable Distributions**" has the meaning ascribed to it in Section 5.04; and

"**YSL**" has the meaning ascribed to it in the recitals.

1.02 Intent of Proposal

This Proposal is intended to provide all Affected Creditors a greater recovery than they would otherwise receive if the Company were to become bankrupt under the BIA. More specifically, the Proposal will provide for a payment in full of Secured Claims and will provide a significant recovery in respect of Affected Creditor Claims. While the exact recovery cannot be determined until all Claims have been determined, and subject to the claims of contingent Affected Creditors, the Company expects Affected Creditors to receive a significant, albeit not a full recovery, on their

Claims and, in any event, a greater recovery than would occur if the Company were to become a bankrupt under the BIA.

In consideration for, among other things, its sponsorship of this Proposal, including the satisfaction of all Secured Claims, Preferred Claims and the establishment of the Proposal Fund, on the Proposal Implementation Date, title to the Property, subject only to the Permitted Encumbrances, as well as the Company's interests and obligations under the Assumed Contracts and Condo Purchase Agreements shall be acquired by the Proposal Sponsor, or its nominee in accordance with the terms hereof.

1.03 Date for Any Action

In the event that any date on which any action is required to be taken under this Proposal by any of the parties is not a Business Day, such action will be required to be taken on the next succeeding day which is a Business Day.

1.04 Time

All times expressed in this Proposal are local time in Toronto, Ontario, Canada unless otherwise stipulated. Time is of the essence in this Proposal.

1.05 Statutory References

Except as otherwise provided herein, any reference in this Proposal to a statute includes all regulations made thereunder, all amendments to such statute or regulation(s) in force from time to time, and any statute or regulation that supplements or supersedes such statute or regulation(s).

1.06 Successors and Assigns

The Proposal will be binding upon and will enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors, and assigns of any Person named or referred to in the Proposal.

1.07 Currency

Unless otherwise stated herein, all references to currency and to "\$" in the Proposal are to lawful money of Canada.

1.08 Articles of Reference

The terms "hereof", "hereunder", "herein" and similar expressions refer to the Proposal and not to any particular article, section, subsection, clause or paragraph of the Proposal and include any agreements supplemental hereto. In the Proposal, a reference to an article, section, subsection, clause or paragraph will, unless otherwise stated, refer to an article, section, subsection, clause or paragraph of the Proposal.

1.09 Interpretation Not Affected by Headings

The division of the Proposal into articles, sections, subsections, clauses or paragraphs and the insertion of a table of contents and headings are for convenience of reference only and will not affect the construction or interpretation of this Proposal.

1.10 Numbers

In this Proposal, where the context requires, a word importing the singular number will include the plural and *vice versa* and a word or words importing gender will include all genders.

ARTICLE II **CLASSIFICATION AND TREATMENT OF AFFECTED PARTIES**

2.01 Classes of Creditors

For the purposes of voting on the Proposal, there will only be one class of creditors, being the Affected Creditors Class. For the purposes of voting on the Proposal, each Convenience Creditor shall be deemed to be in and shall be deemed to vote in and as part of, the Affected Creditors Class.

2.02 Treatment of Affected Creditors

- (a) As soon practicable after the Proposal Implementation Date, and after taking an adequate reserve in respect of any Disputed Claims:
 - (i) all Affected Creditor Claims (other than Convenience Class Creditors) shall receive, in respect of such Affected Creditor Claim, its Affected Creditor Share, net of the Superintendent's Levy, made by the Proposal Trustee from the Proposal Fund from time to time in accordance with Article V hereof; provided, however if the aggregate Affected Creditor Share amount payable to all Affected Creditors exceeds the Maximum Proposal Fund Amount, then Affected Creditors with Proven Claims shall receive, in respect of such Proven Claim, its Affected Creditor Pro Rata Share; and
 - (ii) all Convenience Class Creditors shall receive in respect of such Convenience Creditor Claims, the Convenience Creditor Consideration, net of the Superintendent's Levy;
- (b) On the Proposal Implementation Date, each Affected Creditor Claim shall, and shall be deemed to have been irrevocably and finally extinguished, discharged and released, and each Affected Creditor shall have no further right, title or interest in or to its Affected Creditor Claim.

2.03 Existing Equityholders and Holders of Equity Claims

Holders of Equity Claims shall not be entitled to vote in respect of their Equity Claims at the Creditors Meeting and shall not receive any distribution under this Proposal on account of their Equity Claims. Subject to Section 7.01, all Equity Claims shall be fully, finally and irrevocably and forever compromised, released, discharged, cancelled, extinguished and barred for no consideration on the Proposal Implementation Date in accordance with Section 6.01(h).

2.04 Application of Proposal Distributions

All amounts paid or payable hereunder on account of the Affected Creditor Claims (including, for greater certainty, any securities received hereunder) shall be applied as follows: (i) first, in respect of the principal amount of the Affected Creditor Claim, and (ii) second, in respect of the accrued but unpaid interest on the Affected Creditor Claim.

2.05 Full Satisfaction of All Affected Creditor Claims

All Affected Creditors shall accept the consideration set out in Section 2.02 hereof in full and complete satisfaction of their Affected Creditor Claims, and all liens, certificates of pending litigation, executions, or other similar charges or actions or proceedings in respect of such Affected Creditor Claims will have no effect in law or in equity against the Property, or other assets and undertaking of the Company. Upon the Implementation of the Proposal, any and all such registered liens, certificates of pending litigation, executions or other similar charges or actions brought, made or claimed by Affected Creditors will be and will be deemed to have been discharged, dismissed or vacated without cost to the Company and the Company will be released from any and all Affected Creditor Claims of Affected Creditors, subject only to the right of Affected Creditors to receive Distributions as and when made pursuant to this Proposal.

2.06 Undeliverable Distributions

Undeliverable Distributions shall be dealt with and treated in the manner provided for in the BIA and the directives promulgated pursuant thereto.

ARTICLE III MEETING OF AFFECTED CREDITORS

3.01 Meeting of Affected Creditors

On the Creditors' Meeting Date, the Company shall hold the Creditors' Meeting in order for the Affected Creditors to consider and vote upon the Proposal.

3.02 Time and Means of Creditors' Meeting

The Creditors' Meeting shall take place at 2:00 p.m. (Toronto time) on June 15, 2021. Due to COVID-19, the Creditors' Meeting shall be held online and may be accessed at the following website:

<https://zoom.us/j/93541423177?pwd=eU1oQkh5a3o5QWtWbzhhM0IzaDYyUT09>

Meeting ID: 935 4142 3177

Passcode: 912017

3.03 Quorum and Conduct of Creditors' Meeting

A quorum shall be constituted for the Creditors' Meeting or any adjournment thereof if there is one Affected Creditor, entitled to vote, present in person (virtually) or by proxy, or if one Affected Creditor, entitled to vote, has submitted a voting letter in accordance with the provisions of the BIA and this Proposal. If the requisite quorum is not present at the Creditors' Meeting or if the Creditors' Meeting has to be postponed for any reason, then the Creditors' Meeting shall be adjourned by the Proposal Trustee to such date, time and place or online meeting platform as determined by the Proposal Trustee. For greater certainty, the Creditors' Meeting may be adjourned one or more times.

3.04 Voting at the Meeting

Each Affected Creditor will be required to submit a proof of claim to the Proposal Trustee. Each Affected Creditor shall be entitled to a single vote valued in the full amount of its Proven Claim. In order to vote at the Creditors' Meeting, the proof of claim must be submitted to the Proposal Trustee no later than 5:00 p.m. (Toronto time) on the day that is one (1) Business Day prior to the commencement of the Creditors' Meeting. Any Person asserting a Construction Lien Claim that has not been perfected in accordance with the *Construction Act* (Ontario) is required to file a proof of claim in accordance with this paragraph.

The only Persons entitled to attend and speak at the Creditors' Meeting are representatives of the Company and its legal counsel and advisors, the Proposal Sponsor and its legal counsel and advisors, the Proposal Trustee and its legal counsel and advisors, and all other Persons entitled to vote at the Creditors' Meeting and their respective legal counsel and advisors. Any other Person may be admitted to the Creditors' Meeting on invitation of the Proposal Trustee.

The provisions of section 135 of the BIA will apply to all proofs of claim submitted by Affected Creditors, including in respect of Disputed Claims. In the event that a duly submitted proof of claim has been disallowed or revised for voting purposes by the Proposal Trustee, and such disallowance has been disputed by the applicable Affected Creditor in accordance with Section 135(4) of the BIA, then the dollar value for voting purposes at the Creditors' Meeting shall be the dollar amount of such disputed claim set out in the proof of claim submitted by such Affected Creditor, without prejudice to the determination of the dollar value of such Affected Creditor's disputed claim for distribution purposes.

Notwithstanding the foregoing, each Convenience Creditor with a Proven Claim of \$15,000 or less is irrevocably deemed to have voted the full amount of its Proven Claims in favour of the approval of the Proposal without requirement for such Convenience Creditor to file a proxy to vote in favour of the Proposal, in consideration for the Proposal providing for the full payment of their Proven Claim. An Affected Creditor with a Proven Claim in excess of \$15,000 that wishes to be treated as a Convenience Creditor under the Proposal must deliver a duly completed and executed Convenience Creditor Election Form to the Proposal Trustee by no later than the Convenience Creditor Election Deadline, and upon doing so such Affected Creditor: (i) is irrevocably deemed to have voted the full amount of its Proven Claim in favour of the Proposal as a member of the Affected Creditors Class; and (ii) shall be treated as a Convenience Creditor for all purposes and shall receive the lesser of (x) \$15,000, and (y) the amount of its Proven Claim (either (x) or (y), being the applicable “**Convenience Creditor Consideration**”).

Except as expressly provided herein, the Proposal Trustee's determination of claims pursuant to this Proposal and the BIA shall only apply for the purposes of this Proposal, and such determination shall be without prejudice to a Creditor's right to submit a revised proof of claim in subsequent proceedings in respect of the Company should this Proposal not be implemented.

3.05 Approval by Affected Creditors

In order to be approved, this Proposal must receive the affirmative votes of the Required Majority.

3.06 Modification to Proposal

Subject to the consent of the Proposal Trustee and the Proposal Sponsor, the Company reserves the right at any time prior to the Creditors' Meeting to file any modification of, amendment or supplement to the Proposal by way of supplementary proposal. Any such amended or supplementary proposal shall forthwith be posted on the Proposal Trustee's Website and filed with the Official Receiver as soon as practicable, in which case any such amended or supplementary proposal or proposals shall, for all purposes, be and be deemed to be a part of and incorporated in to this Proposal. At the Creditors' Meeting, the Company and/or the Proposal Trustee shall provide all Affected Creditors in attendance with details of any modifications or amendments prior to the vote being taken to approve the Proposal. Subject to the provisions of the BIA, after the Creditors' Meeting (and both prior to and subsequent to the Approval Order) and subject to the consent of the Proposal Trustee and the Proposal Sponsor, the Company may at any time and from time to time vary, amend, modify or supplement the Proposal.

ARTICLE IV PREFERRED CLAIMS AND MANDATORY PAYMENTS

4.01 Crown Claims

Within thirty (30) Business Days following the granting of the Approval Order, the Crown Claims, if any, will be paid by the Proposal Trustee, in full with related interest and penalties as prescribed by the applicable laws, regulations and decrees.

4.02 Preferred Claims

Within thirty (30) Business Days following the granting of the Approval Order, the Preferred Claims, if any, will be paid in full by the Proposal Trustee.

ARTICLE V ESTABLISHMENT OF PROPOSAL FUND AND DISTRIBUTIONS

5.01 Establishment of Proposal Fund

On the Plan Implementation Date, in accordance with the sequence set out in section 6.01 hereof, the Proposal Sponsor shall transfer to the Proposal Trustee, in trust, the Proposal Fund Amount, provided that such amount shall not exceed the Maximum Proposal Fund Amount, which funds shall be held in a specific trust account by the Proposal Trustee and used for the specific purposes set out in this Proposal, plus a reasonable reserve on account of Administrative Fees and Expenses, and, subject to section 5.03, a reserve in respect of Disputed Claims (if any). All such cash transferred to the Proposal Trustee shall be held in trust by the Proposal Trustee in the Proposal Fund for the benefit of such Persons who are entitled to receive Distributions (including all Affected Creditors to the extent of their Proven Claims) pursuant to this Proposal. Any excess funds remaining in the Proposal Fund following the distribution of all amounts contemplated by the Proposal to those parties entitled to such disbursements shall be remitted directly to the Proposal Sponsor, or as it may direct.

5.02 Distributions

As soon as possible after the Proposal Implementation Date and the payments contemplated by Sections 4.01 and 4.02, the Proposal Trustee shall make a Distribution to Affected Creditors with Proven Claims as follows:

- (a) If the aggregate amount necessary to satisfy the Affected Creditor Share payable to all Affected Creditors with Proven Claims does not exceed the Maximum Proposal Fund Amount, the Proposal Trustee shall make a Distribution to each Affected Creditor with a Proven Claim in the amount of its Affected Creditor Share, net of the Superintendent's Levy; or
- (b) If the aggregate amount necessary to satisfy the Affected Creditor Share payable to all Affected Creditors with Proven claims exceeds the Maximum Proposal Fund Amount, then, after reserving an amount necessary in respect of unresolved Disputed Claims in accordance with Section 5.03, the Proposal Trustee shall make a Distribution of all funds available for distribution in the Proposal Fund to each Affected Creditor with a Proven Claim in the amount of its Affected Creditor Pro Rata Share, net of the Superintendent's Levy. The Proposal Trustee may make more than one distribution to Affected Creditors of the Affected Creditor Pro Rata Share amount as Disputed Claims are resolved.

5.03 Reserves for Unresolved Disputed Claims

Prior to making any Distribution to Affected Creditors pursuant to Section 5.02, the Proposal Trustee shall set aside in the Proposal Fund sufficient funds to pay all Affected Creditors with Disputed Claims the amounts such Affected Creditors would be entitled to receive in respect of that particular Distribution pursuant to this Proposal, in each case as if their Disputed Claim had been a Proven Claim at the time of such Distribution. Upon the resolution of each Disputed Claim in accordance with the BIA, any funds which have been reserved by the Proposal Trustee to deal with such Disputed Claim but which are not required to be paid to the Affected Creditor shall remain in the Proposal Fund and become available for further Distributions to Affected Creditors in respect of their Proven Claims.

5.04 Method of Distributions

Unless otherwise agreed to by the Proposal Trustee and an Affected Creditor, all Distributions made by the Proposal Trustee pursuant to this Proposal shall be made by cheque mailed to the address shown on the proof of claim filed by such Affected Creditor or, where an Affected Creditor has provided the Trustee with written notice of a change of address, to such address set out in that notice. If any delivery or distribution to be made pursuant to Article IV hereof in respect of an Affected Creditor Claim is returned as undeliverable, or in the case of a distribution made by cheque, the cheque remains uncashed (each an "**Undeliverable Distribution**"), no other crediting or delivery will be required unless and until the Proposal Trustee is notified of the Affected Creditor's then current address. The Proposal Trustee's obligations to the Affected Creditor relating to any Undeliverable Distribution will expire six months following the date of delivery or mailing of the cheque or other distribution, after which date the Proposal Trustee's obligations under this Proposal in respect of such Undeliverable Distribution will be forever discharged and extinguished, and the amount that the Affected Creditor was entitled to be paid under the Proposal shall be distributed to the Proposal Sponsor.

5.05 Residue After All Distributions Made

Residual funds, if any, in the Proposal Fund which are not required for Distribution under this Proposal shall be returned to the Proposal Sponsor, or as it may direct, by the Proposal Trustee immediately prior to the filing of the certificate by the Proposal Trustee referenced in section 13.02 hereof.

ARTICLE VI IMPLEMENTATION

6.01 Proposal Implementation Date Transactions

Commencing at the Effective Time, the following events or transactions will occur, or be deemed to have occurred and be taken and effected, in the following order in five minute increments (unless otherwise indicated) and at the times and in the order set out in this Section 6.01 (or in such other manner or order or at such other time or times as the Company and the Proposal Sponsor may agree, each acting reasonably), without any further act or formality required on the part of any Person, except as may be expressly provided herein:

- (a) Either the Proposal Sponsor will, at its election, but subject to obtaining the consent of the applicable Secured Creditor, assume the Secured Claims, or on behalf of the Company, the Proposal Sponsor will make payment in full to Secured Creditors in respect of their Secured Claims;
- (b) the releases in respect of Secured Claims referenced in section 7.01 shall become effective, and any registrations on title to the Property in respect of such Secured Claims shall be discharged from title to the Property;
- (c) the Proposal Sponsor shall provide the Proposal Fund Amount to the Proposal Trustee in accordance with section 5.01 in full and final settlement of all Affected Creditor Claims;
- (d) the Proposal Sponsor shall provide the Proposal Trustee with an amount necessary to satisfy the Administrative Fees and Expenses, including a reserve in respect of the reasonably estimated additional Administrative Fees and Expenses anticipated to be incurred in connection with the administration of Distributions, resolution of any Disputed Claims, and the Proposal Trustee's discharge;
- (e) title to the Property shall be registered in the name of the Proposal Sponsor, or its nominee, together with any charges applicable to security held by the lenders to the Proposal Sponsor in respect of the purchase of the Property and construction of the Project;
- (f) the assumption of the Assumed Contracts by the Proposal Sponsor, or its nominee, shall become effective;
- (g) all Affected Creditor Claims (including without limitation all Convenience Creditor Claims) shall, and shall be deemed to be, irrevocably and finally extinguished and the Affected Creditors shall have no further right, title or interest in and to their respective Affected Creditor Claims;
- (h) subject to Section 7.01, all Equity Claims shall, and shall be deemed to be, irrevocably and finally extinguished and all Existing Equityholders shall have no further right, title or interest in and to their respective Equity Claims; and
- (i) the releases in respect of Affected Creditor Claims referred to in Section 7.01 shall become effective.

ARTICLE VII **RELEASES**

7.01 Release of Released Parties

At the applicable time pursuant to Section 6.01(b), in the case of Secured Claims, and Section 6.01(i), in respect of Affected Creditor Claims, each of the Released Parties shall be released and discharged from all present and future actions, causes of action, damages, judgments, executions,

obligations, liabilities and Claims of any kind or nature whatsoever arising on or prior to the Proposal Implementation Date, including without limitation in connection with this Proposal and any proceedings commenced with respect to or in connection with this Proposal, the Project, the transactions contemplated hereunder, and any other actions or matters related directly or indirectly to the foregoing, provided that nothing in this paragraph shall release or discharge (i) any of the Released Parties from or in respect of their respective obligations under this Proposal or any order issue by the Court in connection with this Proposal or any document ancillary to any of the foregoing, (ii) any Released Party from liabilities or claims which cannot be released pursuant to s. 50(14) of the BIA, as determined by the final, non-appealable judgment of the Court, or (iii) any Released Party from any Secured Claim of Timbercreek. The foregoing release shall not be construed to prohibit a party in interest from seeking to enforce the terms of this Proposal, including with respect to Distributions, or any contract or agreement entered into pursuant to, in connection with or contemplated by this Proposal. Notwithstanding the foregoing, the directors and officers of the Company shall not be released in respect of any Equity Claim as defined in section 2 of the BIA or any analogous claim in respect of a partnership interest.

7.02 Injunctions

All Persons are permanently and forever barred, estopped, stayed and enjoined, on and after the Proposal Implementation Date, with respect to any and all Released Claims, from (i) commencing, conducting or continuing in any manner, directly or indirectly, any action, suits, demands or other proceedings of any nature or kind whatsoever of any Person against the Released Parties, as applicable; (ii) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, guarantee, decree or order against the Released Parties; (iii) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any lien or encumbrance of any kind against the Released Parties or their property; or (iv) taking any actions to interfere with the implementation or consummation of this Proposal or the transactions contemplated hereunder; provided, however, that the foregoing shall not apply to the enforcement of any obligations under this Proposal or any document, instrument or agreement executed to implement this Proposal.

ARTICLE VIII CONDITIONS PRECEDENT

8.01 Confirmation of Proposal

Provided that the Proposal is approved by the Required Majority, the Proposal Trustee shall apply for the Approval Order no later than five (5) days following the Creditors' Meeting.

8.02 Conditions Precedent

This Proposal will take effect on the Proposal Implementation Date. The Implementation of this Proposal on the Proposal Implementation Date is subject to the satisfaction of the following conditions precedent (collectively, the "**Conditions Precedent**"):

- (a) the Proposal is approved by the Required Majority;

- (b) the Approval Order, in form and substance satisfactory to the Proposal Sponsor, has been issued, has not been stayed and no appeal therefrom is outstanding;
- (c) there shall not be in effect any preliminary or final decision, order or decree by a Governmental Authority, no application shall have been made to any Governmental Authority, and no action or investigation shall have been announced, threatened or commenced by any Governmental Authority, in consequence or in connection with the Proposal or the Project that restrains, impedes or prohibits (or if granted could reasonably be expected to restrain, impede or inhibit), the Proposal or any part thereof or the Project or any part thereof or requires or purports to require a variation of the Proposal or the Project;
- (d) registrations in respect of all encumbrances, including without limitation any registrations in respect of Construction Lien Claims, but excluding the Permitted Encumbrances, shall have been deleted from title to the Property, provided that, should the Implementation of the Proposal not occur following the deletion of an Affected Creditor's encumbrance pursuant to this provision, such Affected Creditor shall have the right to renew such registration;
- (e) the Proposal Sponsor, or its nominee, shall have entered into assignment and assumption agreements in respect of all Assumed Contracts, or an assignment order pursuant to section 84.1 of the BIA shall have been issued, in each case in form and substance satisfactory to the Proposal Sponsor, provided that it shall be a condition of the assumption of each Assumed Contract that the written agreements set out in the list of Assumed Contracts provided by the Proposal Sponsor (as amended from time to time) represent the totality of the contractual arrangements between the Company and each applicable counterparty, and no verbal or extra-contractual arrangements will be recognized by the Proposal Sponsor;
- (f) sufficient financing for the acquisition of the Property and completion of construction of the Project by the Proposal Sponsor, or its nominee, shall have been provided by Otera Capital Inc., on terms satisfactory to the Proposal Sponsor, and all material conditions precedent to such financing shall be capable of completion by the Proposal Sponsor prior to the Proposal Implementation Date;
- (g) the Proposal Implementation Date shall occur on June 30, 2021, or such other date prior to the Outside Date as may be agreed by the Proposal Sponsor;
- (h) any required resolutions authorizing the Company to file this Proposal and any amendments thereto will have been approved by the board of directors of the Company;
- (i) the Proposal Sponsor Agreement shall not have been terminated by the Proposal Sponsor; and
- (j) the Company shall have delivered a certificate to the Proposal Trustee that the conditions precedent to the Implementation of the Proposal have been satisfied or waived (the "**Implementation Certificate**").

Upon written confirmation of receipt from the Proposal Trustee of the Implementation Certificate, the Implementation of the Proposal shall have been deemed to have occurred and all actions deemed to occur upon Implementation of the Proposal shall occur without the delivery or execution of any further documentation, agreement or instrument.

ARTICLE IX **EFFECT OF PROPOSAL**

9.01 Binding Effect of Proposal

After the issuance of the Approval Order by the Court, subject to satisfaction of the Conditions Precedent, the Proposal shall be implemented by the Company and shall be fully effective and binding on the Company and all Persons affected by the Proposal. Without limitation, the treatment of Affected Creditor Claims under the Proposal shall be final and binding on the Company, the Affected Creditors, and all Persons affected by the Proposal and their respective heirs, executors, administrators, legal representatives, successors, and assigns. For greater certainty, this Proposal shall have no effect upon Unaffected Creditors.

9.02 Amendments to Agreements and Paramountcy of Proposal

Notwithstanding the terms and conditions of all agreements or other arrangements with Affected Creditors entered into before the Filing Date, for so long as an event of default under this Proposal has not occurred, all such agreements or other arrangements will be deemed to be amended to the extent necessary to give effect to all the terms and conditions of this Proposal. In the event of any conflict or inconsistency between the terms of such agreements or arrangements and the terms of this Proposal, the terms of this Proposal will govern and be paramount.

9.03 Deemed Consents and Authorizations of Affected Creditors

At the Effective Time each Affected Creditor shall be deemed to have:

- (a) executed and delivered to the Company all consents, releases, assignments, and waivers, statutory or otherwise, required to implement and carry out this Proposal in its entirety;
- (b) waived any default by the Company in any provision, express or implied, in any agreement or other arrangement, written or oral, existing between such Affected Creditor and the Company that has occurred on or prior to the Proposal Implementation Date; and
- (c) agreed, in the event that there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing between such Affected Creditor and the Company as at the date and time of Court approval of the Proposal (other than those entered into by the Company on, or with effect from, such date and time) and the provisions of this Proposal, that the provisions of this Proposal shall take precedence and priority and the provisions of such agreement or other arrangement shall be amended accordingly.

ARTICLE X
ADMINISTRATIVE FEES AND EXPENSES

10.01 Administrative Fees and Expenses

Administrative Fees and Expenses will be paid in cash by the Company on the Proposal Implementation Date together with a reserve in respect of the discharge of the Proposal Trustee.

ARTICLE XI
INDEMNIFICATION

11.01 Indemnification of Proposal Trustee

The Proposal Trustee shall be indemnified in full by the Company for all personal liability arising from fulfilling any duties or exercising any powers or duties conferred upon it by this Proposal or under the BIA, except for any willful misconduct or gross negligence.

ARTICLE XII
POST FILING GOODS AND SERVICES

12.01 Payment of Payroll Deductions and Post Filing Claims

The following shall continue to be paid in the ordinary course by the Company prior to and after the Court Approval Date and shall not constitute Distributions or payments under this Proposal:

- (a) all Persons, who may advance monies, or provide goods or services to the Company after the Filing Date shall be paid by the Company in the ordinary course of business;
- (b) current source deductions and other amounts payable pursuant to Section 60(1.2) of the BIA, if applicable, shall be paid to Her Majesty in Right of Canada in full by the Company as and when due; and
- (c) current goods and services tax (GST), and all amounts owing on account of provincial sales taxes, if applicable, shall be paid in full by the Company as and when due.

ARTICLE XIII
TRUSTEE, CERTIFICATE OF COMPLETION, AND DISCHARGE OF TRUSTEE

13.01 Proposal Trustee

KSV Restructuring Inc. shall be the Proposal Trustee pursuant to this Proposal and upon the making of the Distributions and the payment of any other amounts provided for in this Proposal, the Proposal Trustee will be entitled to be discharged from its obligations under the terms of this Proposal. The Proposal Trustee is acting in its capacity as Proposal Trustee under this Proposal,

and not in its personal capacity and shall not incur any liabilities or obligations in connection with this Proposal or in respect of the business, liabilities or obligations of the Company, whether existing as at the Filing Date or incurred subsequent thereto.

The Proposal Trustee shall not incur, and is hereby released from, any liability as a result of carrying out any provisions of this Proposal and any actions related or incidental thereto, save and except for any gross negligence or willful misconduct on its part (as determined by a final, non-appealable judgment of the Court).

13.02 Certificate of Completion and Discharge of Proposal Trustee

Upon the Proposal Trustee receiving confirmation in writing from the Company that the transactions contemplated in Section 6.01 have been completed in the order and manner contemplated therein, and all Distributions to Affected Creditors have been administered in accordance with Article IV, the terms of the Proposal shall be deemed to be fully performed and the Proposal Trustee shall provide a certificate to the Company, the Proposal Sponsor and to the Official Receiver pursuant to Section 65.3 of the BIA and the Proposal Trustee shall be entitled to be discharged.

ARTICLE XIV GENERAL

14.01 Valuation

For purposes of voting and Distributions, all Claims shall be valued as at the Filing Date.

14.02 Preferences, Transfers at Undervalue

In conformity with Section 101.1 of the BIA, Sections 95-101 of the BIA and any provincial statute related to preference, fraudulent conveyance, transfer at undervalue, or the like shall not apply to this Proposal. As a result, all of the rights, remedies, recourses and Claims described therein:

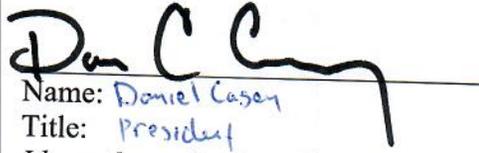
- (a) all such rights, remedies and recourses and any Claims based thereon shall be completely unavailable to the Proposal Trustee or any Affected Creditors against the Company, the Property, or any other Person whatsoever; and
- (b) the Proposal Trustee and all of the Affected Creditors shall be deemed, for all purposes whatsoever, to have irrevocably and unconditionally waived and renounced such rights, remedies and recourses and any Claims based thereon against the Company, the Property any other Person.

14.03 Governing Law

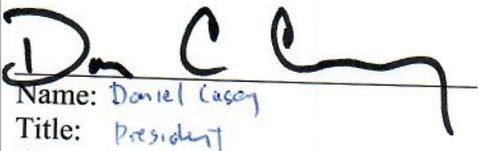
The Proposal shall be governed by and construed in accordance with the laws of Ontario and the federal laws of Canada applicable therein. Any disputes as to the interpretation or application of the Proposal and all proceedings taken in connection with the Proposal shall be subject to the exclusive jurisdiction of the Court.

Dated at Toronto, this 26th day of May, 2021.

YSL RESIDENCES INC.

Per: 
Name: Daniel Casey
Title: President
I have the authority to bind the Corporation.

**YG LIMITED PARTNERSHIP, by its
general partner 9615334 CANADA INC.**

Per: 
Name: Daniel Casey
Title: President
I have the authority to bind the Corporation.

SCHEDULE A

PERMITTED ENCUMBRANCES

<u>Instrument Number</u>	<u>Description</u>
EP138153	- Canopy Agreement with the City of Toronto
EP146970	- Encroachment Agreement with the City of Toronto
CT114131	- Encroachment Agreement with the City of Toronto
CT169812	- Canopy Agreement with the City of Toronto
CA11215	- Development Agreement with the City of Toronto
CA231470	- Encroachment Agreement with the City of Toronto
AT5142530	- Heritage Easement Agreement with the City of Toronto
AT5154721	- Heritage By-Law
AT5154722	- Heritage By-Law
AT5157423	- Heritage By-Law
AT5157424	- Heritage By-Law
AT5246455	- Section 37 Agreement
AT5473163	- Application to Register a Court Order (Equitable Mortgage)

SCHEDULE B

CONVENIENCE CREDITOR ELECTION FORM

TO: KSV RESTRUCTURING INC., in its capacity as Proposal Trustee of YG Limited Partnership and YSL Residences Inc. (collectively, "YSL")

In connection with the Proposal of YSL pursuant to the *Bankruptcy and Insolvency Act* (Canada) dated May 26, 2021 (as amended, restated, modified and/or supplemented from time to time, the "**Proposal**"), the undersigned hereby irrevocably elects to be treated for all purposes under the Proposal as a Convenience Creditor and thereby to receive the lesser of (i) \$15,000, and (ii) the amount of its Proven Claim in full and final satisfaction of the Proven Claim(s) of the undersigned, and hereby acknowledges that the undersigned shall be deemed to vote the full amount of its Proven Claim(s) in favour of the Proposal at the Creditors' Meeting.

For the purposes of this election, capitalized terms not defined herein shall have the meanings ascribed thereto in the Proposal.

DATED at _____ this ____ day of _____, 2021.

AFFECTED CREDITOR'S SIGNATURE:

(Print Legal Name of Affected Creditor)

(Print Legal Name of Assignee, if applicable)

(Signature of the Affected Creditor/Assignee or an
Authorized Signing Officer of the Affected
Creditor/Assignee)

(Print Name and Title of Authorized Signing Officer of
the Affected Creditor/Assignee, if applicable)

(Mailing Address of the Affected Creditor/Assignee)

(Telephone Number and E-mail of the Affected
Creditor/Assignee or Authorized Signing Officer of the
Affected Creditor/Assignee)

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE PROPOSAL OF YG LIMITED PARTNERSHIP
AND YSL RESIDENCES INC. PURSUANT TO THE
BANKRUPTCY AND INSOLVENCY ACT

AMENDED PROPOSAL

WHEREAS, pursuant to Notices of Intention to Make a Proposal dated April 30, 2021, YSL Residences Inc. and YG Limited Partnership (collectively, "YSL" or the "**Company**") initiated proceedings under the *Bankruptcy and Insolvency Act* (Canada) R.S.C. 1985, B-3 as amended (the "**BIA**"), pursuant to Section 50(1) thereof;

AND WHEREAS a creditor proposal was filed in accordance with section 50(2) of the BIA on May 27, 2021 (the "**Original Proposal**");

AND WHEREAS the Company and the Proposal Sponsor wish to amend the Original Proposal on the terms and conditions set out herein;

NOW THEREFORE the Company hereby submits the following amended proposal under the BIA to its creditors (the "**Amended Proposal**").

ARTICLE I
DEFINITIONS

1.01 Definitions

In this Proposal:

"**Administrative Fees and Expenses**" means the fees, expenses and disbursements incurred by or on behalf of the Proposal Trustee, the solicitors for the Proposal Trustee, the solicitors of the Company both before and after the Filing Date;

"**Affected Creditor Claim**" means a Proven Claim, other than an Unaffected Claim;

"**Affected Creditor Share**" means, subject to section 2.02(a)(i), the amount that is equal to 58% of the face value of an Affected Creditor Claim, subject to the Maximum Proposal Claims Amount which, if exceeded shall result in Affected Creditors receiving the Affected Creditor Pro Rata Share;

"**Affected Creditor Pro Rata Share**" means, in respect of an Affected Creditor Claim, (i) the face value of the Affected Creditor Claim, multiplied by (ii) the formula: $0.58 \times (X/Y)$ where "X" = the Maximum Proposal Claims Amount and "Y" = the aggregate total amount of Proven Claims;

"**Affected Creditors**" means all Persons having Affected Creditor Claims, but only with respect to and to the extent of such Affected Creditor Claims;

"**Affected Creditors Class**" means the class consisting of the Affected Creditors established under and for the purposes of this Proposal, including voting in respect thereof;

"**Amended Proposal**" has the meaning ascribed to it in the recitals;

"**Approval Order**" means an order of the Court, among other things, approving the Proposal;

"**Assumed Contracts**" means, subject to section 8.02(e), those written contracts entered into by or on behalf of the Company in respect of the Project to be identified by the Proposal Sponsor prior to the Creditors' Meeting, which are to be assumed by the Proposal Sponsor upon Implementation with the consent of the applicable counterparty or otherwise pursuant to an order issued in pursuant to section 84.1 of the BIA;

"**BIA**" has the meaning ascribed to it in the recitals;

"**Business Day**" means a day, other than a Saturday or Sunday, on which banks are generally open for business in Toronto, Ontario;

"**Claim**" means any right or claim of any Person against the Company in connection with any indebtedness, liability, or obligation of any kind whatsoever in existence on the Filing Date (or which has arisen after the Filing Date as a result of the disclaimer or repudiation by the Company on or after the Filing Date of any lease or executory contract), and any interest accrued thereon to and including the Filing Date and costs payable in respect thereof, including by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including any legal, statutory, equitable or fiduciary duty) or by reason of any right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and whether or not such indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any right or ability of any Person to advance a claim for contribution or indemnity or otherwise against the Company with respect to any matter, cause or chose in action, but subject to any counterclaim, set-off or right of compensation in favour of the Company which may exist, whether existing at present or commenced in the future, which indebtedness, liability or obligation (A) is based in whole or in part on facts that existed prior to the Filing Date, (B) relates to a period of time prior to the Filing Date, or (C) is a right or claim of any kind that would be a claim provable in bankruptcy within the meaning of the BIA;

"**Company**" has the meaning ascribed to it in the recitals;

"**Conditional Claim**" means any Claim of an Affected Creditor that is not a Proven Claim as at the Filing Date because one or more conditions precedent to establish such Affected Creditor's entitlement to payment by the Company had not been completed in accordance with any applicable

contractual terms as at the Filing Date, and such Affected Creditor has indicated in its proof of claim that the Claim should be treated as a Conditional Claim;

"Conditional Claim Completion Deadline" means 5:00pm (Toronto time) on September 13, 2021;

"Conditional Claim Condition" has the meaning ascribed to it in Section 2.03(a);

"Conditions Precedent" shall have the meaning given to such term in section 8.02 hereof;

"Condo Purchase Agreement" means an agreement of purchase and sale in respect of a residential condominium unit in the Project between the Company and a Condo Purchaser;

"Condo Purchaser" means a purchaser of a residential condominium unit in the Project pursuant to a Condo Purchase Agreement;

"Condo Purchaser Claim" means any Claim of a Condo Purchaser in respect of its Condo Purchase Agreement;

"Construction Lien Claim" means any Proven Claim in respect of amounts secured by a perfected lien registered against title to the Property and are valid in accordance with the *Construction Act* (Ontario);

"Convenience Creditor" means an Affected Creditor with a Convenience Creditor Claim;

"Convenience Creditor Claim" means (a) any Proven Claims of an Affected Creditor in an amount less than or equal to \$15,000, and (b) any Proven Claim of an Affected Creditor in an amount greater than \$15,000 if the relevant Creditor has made a valid election for the purposes of this Proposal in accordance with this Proposal prior to the Convenience Creditor Election Deadline;

"Convenience Creditor Consideration" has the meaning ascribed to it in Section 3.04;

"Convenience Creditor Election Deadline" means 5:00 p.m. (Toronto time) on June 14, 2021;

"Convenience Creditor Election Form" means the form, substantially in the form attached hereto as Schedule "B", pursuant to which an Affected Creditor that is not a Convenience Creditor may elect to be treated as a Convenience Creditor, in accordance with Section 3.04 herein;

"Court" means the Ontario Superior Court of Justice (Commercial List);

"Court Approval Date" means the date upon which the Court makes the Approval Order;

"Creditors' Meeting" means the meeting of the Affected Creditors called for the purpose of considering and voting upon the Proposal;

"Creditors' Meeting Date" means such date and time for the Creditors' Meeting as may be called by the Proposal Trustee, but in any event shall be no later than twenty-one (21) days following the filing of this Proposal with the Official Receiver;

"**Crown**" means Her Majesty in Right of Canada or of any Province of Canada and their agents;

"**Crown Claims**" means the Claims of the Crown set out in Section 60(1.1) of the BIA outstanding as at the Filing Date against the Company, if any, payment of which will be made in priority to the payment of the Preferred Claims and to distributions in respect of the Ordinary Claims, and specifically excludes any other claims of the Crown;

"**Disputed Claim**" means any Claim which has not been finally resolved as a Proven Claim in accordance with the BIA as at the Proposal Implementation Date;

"**Distributions**" means a distribution of funds made by the Proposal Trustee from the Proposal Fund to Affected Creditors in respect of Affected Creditor Claims, in accordance with Article V;

"**Effective Time**" means 12:00 p.m. (Toronto time) on the Proposal Implementation Date;

"**Equity Claim**" has the meaning ascribed to it in Section 2 of the BIA;

"**Existing Equity**" means the limited partnership units of YG LP;

"**Existing Equityholders**" means the holders of the Existing Equity immediately prior to the Effective Time;

"**Filing Date**" means April 30, 2021, being the date upon which Notices of Intention to Make a Proposal were filed by the Company with the Official Receiver in accordance with the BIA;

"**Governmental Authority**" means any government, regulatory authority, governmental department, agency, commission, bureau, official, minister, Crown corporation, court, board, tribunal or dispute settlement panel or other law, rule or regulation-making organization or entity: (i) having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any other geographic or political subdivision of any of them; or (ii) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power;

"**Implementation**" means the completion and implementation of the transactions contemplated by this Proposal;

"**Implementation Certificate**" has the meaning ascribed to it in Section 8.02(j);

"**Maximum Proposal Claims Amount**" means \$65,000,000;

"**Maximum Proposal Fund Amount**" means the amount necessary to pay each Affected Creditor its Affected Creditor Pro Rata Share;

"**Official Receiver**" shall have the meaning ascribed thereto in the BIA;

"**Original Proposal**" has the meaning ascribed to it in the recitals;

"**Outside Date**" means July 31, 2021;

"Permitted Encumbrances" means those encumbrances on the Property listed in Schedule "A" hereto;

"Person" means any individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, Governmental Authority and a natural person in such person's capacity as trustee, executor, administrator or other legal representative;

"Preferred Claim" means a Claim enumerated in Section 136(1) of the BIA outstanding as at the Filing Date against the Company, if any, the payment of which will be made in priority to distributions in respect of Affected Creditor Claims;

"Project" means the mixed-used office, retail and residential condominium development to be constructed on the Property currently consisting of approximately 1,100 residential condominium units and 170 parking units and known as Yonge Street Living Residences;

"Property" means the real property owned by the Company and municipally known as 363-391 Yonge Street and 3 Gerrard Street East, Toronto, Ontario, and legally described by PIN numbers 21101-0042 (LT) to 21101-0049 (LT), inclusive;

"Proposal" means this Amended Proposal of the Company, and any amendments, modifications and/or supplements hereto made in accordance with the terms hereof;

"Proposal Fund" means the fund established by the Proposal Sponsor pursuant to and as described in Section 5.01;

"Proposal Fund Amount" means the amount necessary to pay each Affected Creditor its Affected Creditor Share;

"Proposal Implementation Date" means the date on which Implementation occurs, which shall occur following the satisfaction of the Conditions Precedent, and no later than the Outside Date;

"Proposal Sponsor" means Concord Properties Development Corp.;

"Proposal Sponsor Agreement" means that agreement entered into among the Proposal Sponsor and the Company as of April 30, 2021, as amended from time to time;

"Proposal Trustee" means KSV Restructuring Inc. in its capacity as trustee in respect of this Proposal, or its duly appointed successor;

"Proposal Trustee's Website" means the following website: www.ksvadvisory.com/insolvency-cases/case/yg-limited-partnership;

"Proven Claim" means in respect of an Affected Creditor, the amount of a Claim as finally determined in accordance with the provisions of the BIA, provided that the Proven Claim of an Affected Creditor with a Claim in excess of \$15,000 that has elected to be a Convenience Creditor by submitting a Convenience Creditor Election Form shall be valued for voting purposes as \$15,000;

"Released Claims" means, collectively, the matters that are subject to release and discharge pursuant to Section 7.01;

"Released Parties" means, collectively, (i) the Company, (ii) each affiliate or subsidiary of the Company; (iii) the Proposal Sponsor, (iv) the Proposal Trustee, and (v) subject to section 7.01, each of the foregoing Persons' respective former and current officers, directors, principals, members, affiliates, limited partners, general partners, managed accounts or funds, fund advisors, employees, financial and other advisors, legal counsel, and agents, each in their capacity as such;

"Required Majority" means an affirmative vote of a majority in number and two-thirds in value of all Proven Claims in the Affected Creditors Class entitled to vote, who are present and voting at the Creditors' Meeting (whether online, in-person, by proxy or by voting letter) in accordance with the voting procedures established by this Proposal and the BIA;

"Secured Claims" means:

- (a) The Claim of Timbercreek which is secured by, among other things a mortgage, charge, lien or other security validly charging or encumbering the Property;
- (b) The Claim of 2576725 Ontario Inc. which is secured by, among other things, a mortgage, charge, lien or other security validly charging or encumbering the Property;
- (c) All Construction Lien Claims but only to the extent of such Construction Lien Claims;

"Secured Creditor" means a Person holding a Secured Claim, with respect to, and to the extent of such Secured Claim;

"Superintendent's Levy" means the levy payable to the Superintendent of Bankruptcy pursuant to sections 60(4) and 147 of the BIA;

"Timbercreek" means, collectively, Timbercreek Mortgage Servicing Inc. and 2292912 Ontario Inc.;

"Unaffected Claim" means:

- (a) the Administrative Fees and Expenses;
- (b) the Claims of Timbercreek;
- (c) the Claim of Westmount Guarantee Services Inc. which is secured by, among other things, a mortgage, charge, lien or other security validly charging or encumbering the Property;
- (d) the Claim of 2576725 Ontario Inc., which is secured by, among other things, an equitable mortgage encumbering the Property;

- (e) any Claim of the City of Toronto;
- (f) all Condo Purchaser Claims;
- (g) all Construction Lien Claims, but only to the extent such Claims are valid in accordance with the *Construction Act* (Ontario) and have been perfected by the Proposal Implementation Date; and
- (h) such other Claims as the Company and Proposal Sponsor may agree with the consent of the Proposal Trustee;

"**Unaffected Creditor**" means a creditor holding an Unaffected Claim, with respect to and to the extent of such Unaffected Claim;

"**Undeliverable Distributions**" has the meaning ascribed to it in Section 5.04; and

"YSL" has the meaning ascribed to it in the recitals.

1.02 Intent of Proposal

This Proposal is intended to provide all Affected Creditors a greater recovery than they would otherwise receive if the Company were to become bankrupt under the BIA. More specifically, the Proposal will provide for a payment in full of Secured Claims and will provide a significant recovery in respect of Affected Creditor Claims. While the exact recovery cannot be determined until all Claims have been determined, the Company expects Affected Creditors to receive a significant, albeit not a full recovery, on their Claims and, in any event, a greater recovery than would occur if the Company were to become a bankrupt under the BIA.

In consideration for, among other things, its sponsorship of this Proposal, including the satisfaction of all Secured Claims, Preferred Claims and the establishment of the Proposal Fund, on the Proposal Implementation Date, title to the Property, subject only to the Permitted Encumbrances, as well as the Company's interests and obligations under the Assumed Contracts and Condo Purchase Agreements shall be acquired by the Proposal Sponsor, or its nominee in accordance with the terms hereof.

1.03 Date for Any Action

In the event that any date on which any action is required to be taken under this Proposal by any of the parties is not a Business Day, such action will be required to be taken on the next succeeding day which is a Business Day.

1.04 Time

All times expressed in this Proposal are local time in Toronto, Ontario, Canada unless otherwise stipulated. Time is of the essence in this Proposal.

1.05 Statutory References

Except as otherwise provided herein, any reference in this Proposal to a statute includes all regulations made thereunder, all amendments to such statute or regulation(s) in force from time to time, and any statute or regulation that supplements or supersedes such statute or regulation(s).

1.06 Successors and Assigns

The Proposal will be binding upon and will enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors, and assigns of any Person named or referred to in the Proposal.

1.07 Currency

Unless otherwise stated herein, all references to currency and to "\$" in the Proposal are to lawful money of Canada.

1.08 Articles of Reference

The terms "hereof", "hereunder", "herein" and similar expressions refer to the Proposal and not to any particular article, section, subsection, clause or paragraph of the Proposal and include any agreements supplemental hereto. In the Proposal, a reference to an article, section, subsection, clause or paragraph will, unless otherwise stated, refer to an article, section, subsection, clause or paragraph of the Proposal.

1.09 Interpretation Not Affected by Headings

The division of the Proposal into articles, sections, subsections, clauses or paragraphs and the insertion of a table of contents and headings are for convenience of reference only and will not affect the construction or interpretation of this Proposal.

1.10 Numbers

In this Proposal, where the context requires, a word importing the singular number will include the plural and *vice versa* and a word or words importing gender will include all genders.

ARTICLE II CLASSIFICATION AND TREATMENT OF AFFECTED PARTIES

2.01 Classes of Creditors

For the purposes of voting on the Proposal, there will only be one class of creditors, being the Affected Creditors Class. For the purposes of voting on the Proposal, each Convenience Creditor shall be deemed to be in and shall be deemed to vote in and as part of, the Affected Creditors Class.

2.02 Treatment of Affected Creditors

- (a) As soon practicable after the Proposal Implementation Date, and after taking an adequate reserve in respect of any Disputed Claims and Conditional Claims:
 - (i) all Affected Creditor Claims (other than Convenience Creditors and Affected Creditors holding Conditional Claims where one or more Conditional Claim Conditions have not been completed) shall receive, in respect of such Affected Creditor Claim, its Affected Creditor Share, net of the Superintendent's Levy, made by the Proposal Trustee from the Proposal Fund from time to time in accordance with Article V hereof; provided, however if the aggregate Affected Creditor Share amount payable to all Affected Creditors exceeds the Maximum Proposal Claims Amount, then Affected Creditors with Proven Claims shall receive, in respect of such Proven Claim, its Affected Creditor Pro Rata Share; and
 - (ii) all Convenience Creditors shall receive in respect of such Convenience Creditor Claims, the Convenience Creditor Consideration, net of the Superintendent's Levy;
- (b) Subject to Section 2.03, on the Proposal Implementation Date, each Affected Creditor Claim shall, and shall be deemed to have been irrevocably and finally extinguished, discharged and released, and each Affected Creditor shall have no further right, title or interest in or to its Affected Creditor Claim.

2.03 Conditional Claims Protocol

If an Affected Creditor submits a proof of claim to the Proposal Trustee indicating that its Claim against the Company is a Conditional Claim due to the fact that one or more pre-conditions to such Affected Creditor's right to payment by the Company had not been satisfied as at the Filing Date due to the acts or omissions of such Affected Creditor, then:

- (a) such Affected Creditor shall have until the Conditional Claim Completion Deadline to complete or otherwise satisfy all outstanding pre-conditions to payment in accordance with the terms of the applicable agreement between such Affected Creditor and the Company (all such conditions, "**Conditional Claim Conditions**"), and provide notice of such completion to the Proposal Trustee along with reasonable proof thereof;
- (b) if such Affected Creditor provides the Proposal Trustee with proof of the completion of all applicable Conditional Claim Conditions prior to the Conditional Claim Completion Deadline, then, subject to the Proposal Trustee's confirmation of same, such Affected Creditor's Conditional Claim shall be deemed to be a Proven Claim, and such Affected Creditor shall be entitled to a distribution in accordance with Section 2.02(a)(i), and, effective immediately upon issuance of such distribution to the Affected Creditor by the Proposal Trustee, the releases set out in Section 7.01 shall become effective; and

- (c) if such Affected Creditor has not satisfied one or more Conditional Claim Conditions by the Conditional Claim Completion Deadline, then, effective immediately upon the Conditional Claim Completion Deadline, such Affected Creditor's Conditional Claim shall be irrevocably and finally extinguished and such Affected Creditor shall have no further right, title or interest in and to its Conditional Claim and the releases set out in Section 7.01 shall become effective in respect of such Conditional Claim.

2.04 Existing Equityholders and Holders of Equity Claims

Holders of Equity Claims shall not be entitled to vote in respect of their Equity Claims at the Creditors Meeting and shall not receive any distribution under this Proposal on account of their Equity Claims. Subject to Section 7.01, all Equity Claims shall be fully, finally and irrevocably and forever compromised, released, discharged, cancelled, extinguished and barred for no consideration on the Proposal Implementation Date in accordance with Section 6.01(h).

2.05 Application of Proposal Distributions

All amounts paid or payable hereunder on account of the Affected Creditor Claims (including, for greater certainty, any securities received hereunder) shall be applied as follows: (i) first, in respect of the principal amount of the Affected Creditor Claim, and (ii) second, in respect of the accrued but unpaid interest on the Affected Creditor Claim.

2.06 Full Satisfaction of All Affected Creditor Claims

All Affected Creditors shall accept the consideration set out in Section 2.02 hereof in full and complete satisfaction of their Affected Creditor Claims, and all liens, certificates of pending litigation, executions, or other similar charges or actions or proceedings in respect of such Affected Creditor Claims will have no effect in law or in equity against the Property, or other assets and undertaking of the Company. Upon the Implementation of the Proposal, any and all such registered liens, certificates of pending litigation, executions or other similar charges or actions brought, made or claimed by Affected Creditors will be and will be deemed to have been discharged, dismissed or vacated without cost to the Company and the Company will be released from any and all Affected Creditor Claims of Affected Creditors, subject only to the right of Affected Creditors to receive Distributions as and when made pursuant to this Proposal.

2.07 Undeliverable Distributions

Undeliverable Distributions shall be dealt with and treated in the manner provided for in the BIA and the directives promulgated pursuant thereto.

ARTICLE III
MEETING OF AFFECTED CREDITORS

3.01 Meeting of Affected Creditors

On the Creditors' Meeting Date, the Company shall hold the Creditors' Meeting in order for the Affected Creditors to consider and vote upon the Proposal.

3.02 Time and Means of Creditors' Meeting

The Creditors' Meeting shall take place at 2:00 p.m. (Toronto time) on June 15, 2021. Due to COVID-19, the Creditors' Meeting shall be held online and may be accessed at the following website:

<https://zoom.us/j/93541423177?pwd=eU1oQkh5a3o5QWtWbzhhM0IzaDYyUT09>

Meeting ID: 935 4142 3177

Passcode: 912017

3.03 Quorum and Conduct of Creditors' Meeting

A quorum shall be constituted for the Creditors' Meeting or any adjournment thereof if there is one Affected Creditor, entitled to vote, present in person (virtually) or by proxy, or if one Affected Creditor, entitled to vote, has submitted a voting letter in accordance with the provisions of the BIA and this Proposal. If the requisite quorum is not present at the Creditors' Meeting or if the Creditors' Meeting has to be postponed for any reason, then the Creditors' Meeting shall be adjourned by the Proposal Trustee to such date, time and place or online meeting platform as determined by the Proposal Trustee. For greater certainty, the Creditors' Meeting may be adjourned one or more times.

3.04 Voting at the Meeting

Each Affected Creditor will be required to submit a proof of claim to the Proposal Trustee. Each Affected Creditor shall be entitled to a single vote valued in the full amount of its Proven Claim. In order to vote at the Creditors' Meeting, the proof of claim must be submitted to the Proposal Trustee no later than 5:00 p.m. (Toronto time) on the day that is one (1) Business Day prior to the commencement of the Creditors' Meeting. Any Person asserting a Construction Lien Claim that has not been perfected in accordance with the *Construction Act* (Ontario) is required to file a proof of claim in accordance with this paragraph.

The only Persons entitled to attend and speak at the Creditors' Meeting are representatives of the Company and its legal counsel and advisors, the Proposal Sponsor and its legal counsel and advisors, the Proposal Trustee and its legal counsel and advisors, and all other Persons entitled to vote at the Creditors' Meeting and their respective legal counsel and advisors. Any other Person may be admitted to the Creditors' Meeting on invitation of the Proposal Trustee.

The provisions of section 135 of the BIA will apply to all proofs of claim submitted by Affected Creditors, including in respect of Disputed Claims. In the event that a duly submitted proof of claim has been disallowed or revised for voting purposes by the Proposal Trustee, and such disallowance has been disputed by the applicable Affected Creditor in accordance with Section 135(4) of the BIA, or in the case of any Claim that is a Conditional Claim as at the time of the Creditors' Meeting, then the dollar value for voting purposes at the Creditors' Meeting shall be the dollar amount of such disputed claim or Conditional Claim, as the case may be, set out in the proof of claim submitted by such Affected Creditor, without prejudice to the determination of the dollar value of such Affected Creditor's disputed claim or Conditional Claim for distribution purposes.

Notwithstanding the foregoing, each Convenience Creditor with a Proven Claim of \$15,000 or less is irrevocably deemed to have voted the full amount of its Proven Claims in favour of the approval of the Proposal without requirement for such Convenience Creditor to file a proxy to vote in favour of the Proposal, in consideration for the Proposal providing for the full payment of their Proven Claim. An Affected Creditor with a Proven Claim in excess of \$15,000 that wishes to be treated as a Convenience Creditor under the Proposal must deliver a duly completed and executed Convenience Creditor Election Form to the Proposal Trustee by no later than the Convenience Creditor Election Deadline, and upon doing so such Affected Creditor: (i) is irrevocably deemed to have voted the full amount of its Proven Claim in favour of the Proposal as a member of the Affected Creditors Class; and (ii) shall be treated as a Convenience Creditor for all purposes and shall receive the lesser of (x) \$15,000, and (y) the amount of its Proven Claim (either (x) or (y), being the applicable “**Convenience Creditor Consideration**”).

Except as expressly provided herein, the Proposal Trustee's determination of claims pursuant to this Proposal and the BIA shall only apply for the purposes of this Proposal, and such determination shall be without prejudice to a Creditor's right to submit a revised proof of claim in subsequent proceedings in respect of the Company should this Proposal not be implemented.

3.05 Approval by Affected Creditors

In order to be approved, this Proposal must receive the affirmative votes of the Required Majority.

3.06 Modification to Proposal

Subject to the consent of the Proposal Trustee and the Proposal Sponsor, the Company reserves the right at any time prior to the Creditors' Meeting to file any modification of, amendment or supplement to the Proposal by way of supplementary proposal. Any such amended or supplementary proposal shall forthwith be posted on the Proposal Trustee's Website and filed with the Official Receiver as soon as practicable, in which case any such amended or supplementary proposal or proposals shall, for all purposes, be and be deemed to be a part of and incorporated in to this Proposal. At the Creditors' Meeting, the Company and/or the Proposal Trustee shall provide all Affected Creditors in attendance with details of any modifications or amendments prior to the vote being taken to approve the Proposal. Subject to the provisions of the BIA, after the Creditors' Meeting (and both prior to and subsequent to the Approval Order) and subject to the consent of the Proposal Trustee and the Proposal Sponsor, the Company may at any time and from time to time vary, amend, modify or supplement the Proposal.

ARTICLE IV
PREFERRED CLAIMS AND MANDATORY PAYMENTS

4.01 Crown Claims

Within thirty (30) Business Days following the granting of the Approval Order, the Crown Claims, if any, will be paid by the Proposal Trustee, in full with related interest and penalties as prescribed by the applicable laws, regulations and decrees.

4.02 Preferred Claims

Within thirty (30) Business Days following the granting of the Approval Order, the Preferred Claims, if any, will be paid in full by the Proposal Trustee.

ARTICLE V
ESTABLISHMENT OF PROPOSAL FUND AND DISTRIBUTIONS

5.01 Establishment of Proposal Fund

On the Plan Implementation Date, in accordance with the sequence set out in section 6.01 hereof, the Proposal Sponsor shall transfer to the Proposal Trustee, in trust, the Proposal Fund Amount, provided that such amount shall not exceed the Maximum Proposal Fund Amount, which funds shall be held in a specific trust account by the Proposal Trustee and used for the specific purposes set out in this Proposal, plus a reasonable reserve on account of Administrative Fees and Expenses, and, subject to section 5.03, a reserve in respect of Disputed Claims and Conditional Claims (if any). All such cash transferred to the Proposal Trustee shall be held in trust by the Proposal Trustee in the Proposal Fund for the benefit of such Persons who are entitled to receive Distributions (including all Affected Creditors to the extent of their Proven Claims) pursuant to this Proposal. Any excess funds remaining in the Proposal Fund following the distribution of all amounts contemplated by the Proposal to those parties entitled to such disbursements shall be remitted directly to the Proposal Sponsor, or as it may direct.

5.02 Distributions

As soon as possible after the Proposal Implementation Date and the payments contemplated by Sections 4.01 and 4.02, the Proposal Trustee shall make a Distribution to Affected Creditors with Proven Claims as follows:

- (a) If the aggregate amount necessary to satisfy the Affected Creditor Share payable to all Affected Creditors with Proven Claims does not exceed the Maximum Proposal Fund Amount, the Proposal Trustee shall make a Distribution to each Affected Creditor with a Proven Claim in the amount of its Affected Creditor Share, net of the Superintendent's Levy; or
- (b) If the aggregate amount necessary to satisfy the Affected Creditor Share payable to all Affected Creditors with Proven claims exceeds the Maximum Proposal Fund Amount, then, after reserving an amount necessary in respect of unresolved

Disputed Claims in accordance with Section 5.03, the Proposal Trustee shall make a Distribution of all funds available for distribution in the Proposal Fund to each Affected Creditor with a Proven Claim in the amount of its Affected Creditor Pro Rata Share, net of the Superintendent's Levy. The Proposal Trustee may make more than one distribution to Affected Creditors of the Affected Creditor Pro Rata Share amount as Disputed Claims are resolved.

5.03 Reserves for Unresolved Claims

Prior to making any Distribution to Affected Creditors pursuant to Section 5.02, the Proposal Trustee shall set aside in the Proposal Fund sufficient funds to pay all Affected Creditors with Disputed Claims or Conditional Claims the amounts such Affected Creditors would be entitled to receive in respect of that particular Distribution pursuant to this Proposal, in each case as if their Disputed Claim or Conditional Claim, as the case may be, had been a Proven Claim at the time of such Distribution. Upon the resolution of each Disputed Claim in accordance with the BIA, or upon final resolution of any Conditional Claim, any funds which have been reserved by the Proposal Trustee to deal with such Disputed Claim or such Conditional Claim, as applicable, but which are not required to be paid to the Affected Creditor shall remain in the Proposal Fund and become available for further Distributions to Affected Creditors in respect of their Proven Claims.

5.04 Method of Distributions

Unless otherwise agreed to by the Proposal Trustee and an Affected Creditor, all Distributions made by the Proposal Trustee pursuant to this Proposal shall be made by cheque mailed to the address shown on the proof of claim filed by such Affected Creditor or, where an Affected Creditor has provided the Trustee with written notice of a change of address, to such address set out in that notice. If any delivery or distribution to be made pursuant to Article IV hereof in respect of an Affected Creditor Claim is returned as undeliverable, or in the case of a distribution made by cheque, the cheque remains uncashed (each an "**Undeliverable Distribution**"), no other crediting or delivery will be required unless and until the Proposal Trustee is notified of the Affected Creditor's then current address. The Proposal Trustee's obligations to the Affected Creditor relating to any Undeliverable Distribution will expire six months following the date of delivery or mailing of the cheque or other distribution, after which date the Proposal Trustee's obligations under this Proposal in respect of such Undeliverable Distribution will be forever discharged and extinguished, and the amount that the Affected Creditor was entitled to be paid under the Proposal shall be distributed to the Proposal Sponsor.

5.05 Residue After All Distributions Made

Residual funds, if any, in the Proposal Fund which are not required for Distribution under this Proposal shall be returned to the Proposal Sponsor, or as it may direct, by the Proposal Trustee immediately prior to the filing of the certificate by the Proposal Trustee referenced in section 13.02 hereof.

ARTICLE VI
IMPLEMENTATION

6.01 Proposal Implementation Date Transactions

Commencing at the Effective Time, the following events or transactions will occur, or be deemed to have occurred and be taken and effected, in the following order in five minute increments (unless otherwise indicated) and at the times and in the order set out in this Section 6.01 (or in such other manner or order or at such other time or times as the Company and the Proposal Sponsor may agree, each acting reasonably), without any further act or formality required on the part of any Person, except as may be expressly provided herein:

- (a) Either the Proposal Sponsor will, at its election, but subject to obtaining the consent of the applicable Secured Creditor, assume the Secured Claims, or on behalf of the Company, the Proposal Sponsor will make payment in full to Secured Creditors in respect of their Secured Claims;
- (b) the releases in respect of Secured Claims referenced in section 7.01 shall become effective, and any registrations on title to the Property in respect of such Secured Claims shall be discharged from title to the Property;
- (c) the Proposal Sponsor shall provide the Proposal Fund Amount to the Proposal Trustee in accordance with section 5.01 in full and final settlement of all Affected Creditor Claims;
- (d) the Proposal Sponsor shall provide the Proposal Trustee with an amount necessary to satisfy the Administrative Fees and Expenses, including a reserve in respect of the reasonably estimated additional Administrative Fees and Expenses anticipated to be incurred in connection with the administration of Distributions, resolution of any Disputed Claims, and the Proposal Trustee's discharge;
- (e) title to the Property shall be registered in the name of the Proposal Sponsor, or its nominee, together with any charges applicable to security held by the lenders to the Proposal Sponsor in respect of the purchase of the Property and construction of the Project;
- (f) the assumption of the Assumed Contracts by the Proposal Sponsor, or its nominee, shall become effective;
- (g) all Affected Creditor Claims (including without limitation all Convenience Creditor Claims) shall, and shall be deemed to be, irrevocably and finally extinguished and the Affected Creditors shall have no further right, title or interest in and to their respective Affected Creditor Claims, except with respect to their right to receive a Distribution, if applicable, and in such case, only to the extent of such Distribution;
- (h) subject to Section 7.01, all Equity Claims shall, and shall be deemed to be, irrevocably and finally extinguished and all Existing Equityholders shall have no further right, title or interest in and to their respective Equity Claims; and

- (i) the releases in respect of Affected Creditor Claims (other than Conditional Claims with Conditional Claim Conditions not satisfied as at the Effective Time) referred to in Section 7.01 shall become effective.

ARTICLE VII **RELEASES**

7.01 Release of Released Parties

At the applicable time pursuant to Section 6.01(b), in the case of Secured Claims, and Section 6.01(i), in respect of Affected Creditor Claims, each of the Released Parties shall be released and discharged from all present and future actions, causes of action, damages, judgments, executions, obligations, liabilities and Claims of any kind or nature whatsoever arising on or prior to the Proposal Implementation Date, including without limitation in connection with this Proposal and any proceedings commenced with respect to or in connection with this Proposal, the Project, the transactions contemplated hereunder, and any other actions or matters related directly or indirectly to the foregoing, provided that nothing in this paragraph shall release or discharge (i) any of the Released Parties from or in respect of their respective obligations under this Proposal or any order issue by the Court in connection with this Proposal or any document ancillary to any of the foregoing, (ii) any Released Party from liabilities or claims which cannot be released pursuant to s. 50(14) of the BIA, as determined by the final, non-appealable judgment of the Court, or (iii) any Released Party from any Secured Claim of Timbercreek. The foregoing release shall not be construed to prohibit a party in interest from seeking to enforce the terms of this Proposal, including with respect to Distributions, or any contract or agreement entered into pursuant to, in connection with or contemplated by this Proposal. Notwithstanding the foregoing, the directors and officers of the Company shall not be released in respect of any Equity Claim as defined in section 2 of the BIA or any analogous claim in respect of a partnership interest.

7.02 Injunctions

All Persons are permanently and forever barred, estopped, stayed and enjoined, on and after the Proposal Implementation Date, with respect to any and all Released Claims, from (i) commencing, conducting or continuing in any manner, directly or indirectly, any action, suits, demands or other proceedings of any nature or kind whatsoever of any Person against the Released Parties, as applicable; (ii) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, guarantee, decree or order against the Released Parties; (iii) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any lien or encumbrance of any kind against the Released Parties or their property; or (iv) taking any actions to interfere with the implementation or consummation of this Proposal or the transactions contemplated hereunder; provided, however, that the foregoing shall not apply to the enforcement of any obligations under this Proposal or any document, instrument or agreement executed to implement this Proposal.

ARTICLE VIII
CONDITIONS PRECEDENT

8.01 Confirmation of Proposal

Provided that the Proposal is approved by the Required Majority, the Proposal Trustee shall apply for the Approval Order no later than five (5) days following the Creditors' Meeting.

8.02 Conditions Precedent

This Proposal will take effect on the Proposal Implementation Date. The Implementation of this Proposal on the Proposal Implementation Date is subject to the satisfaction of the following conditions precedent (collectively, the "**Conditions Precedent**"):

- (a) the Proposal is approved by the Required Majority;
- (b) the Approval Order, in form and substance satisfactory to the Proposal Sponsor, has been issued, has not been stayed and no appeal therefrom is outstanding;
- (c) there shall not be in effect any preliminary or final decision, order or decree by a Governmental Authority, no application shall have been made to any Governmental Authority, and no action or investigation shall have been announced, threatened or commenced by any Governmental Authority, in consequence or in connection with the Proposal or the Project that restrains, impedes or prohibits (or if granted could reasonably be expected to restrain, impede or inhibit), the Proposal or any part thereof or the Project or any part thereof or requires or purports to require a variation of the Proposal or the Project;
- (d) registrations in respect of all encumbrances, including without limitation any registrations in respect of Construction Lien Claims, but excluding the Permitted Encumbrances, shall have been deleted from title to the Property, provided that, should the Implementation of the Proposal not occur following the deletion of an Affected Creditor's encumbrance pursuant to this provision, such Affected Creditor shall have the right to renew such registration;
- (e) the Proposal Sponsor, or its nominee, shall have entered into assignment and assumption agreements in respect of all Assumed Contracts, or an assignment order pursuant to section 84.1 of the BIA shall have been issued, in each case in form and substance satisfactory to the Proposal Sponsor, provided that it shall be a condition of the assumption of each Assumed Contract that the written agreements set out in the list of Assumed Contracts provided by the Proposal Sponsor (as amended from time to time) represent the totality of the contractual arrangements between the Company and each applicable counterparty, and no verbal or extra-contractual arrangements will be recognized by the Proposal Sponsor;
- (f) sufficient financing for the acquisition of the Property by the Proposal Sponsor, or its nominee, shall have been provided by Otera Capital Inc., on terms satisfactory to the Proposal Sponsor, and all material conditions precedent to such financing

shall be capable of completion by the Proposal Sponsor prior to the Proposal Implementation Date;

- (g) the Proposal Implementation Date shall occur on June 30, 2021, or such other date prior to the Outside Date as may be agreed by the Proposal Sponsor;
- (h) any required resolutions authorizing the Company to file this Proposal and any amendments thereto will have been approved by the board of directors of the Company;
- (i) the Proposal Sponsor Agreement shall not have been terminated by the Proposal Sponsor; and
- (j) the Company shall have delivered a certificate to the Proposal Trustee that the conditions precedent to the Implementation of the Proposal have been satisfied or waived (the "**Implementation Certificate**").

Upon written confirmation of receipt from the Proposal Trustee of the Implementation Certificate, the Implementation of the Proposal shall have been deemed to have occurred and all actions deemed to occur upon Implementation of the Proposal shall occur without the delivery or execution of any further documentation, agreement or instrument.

ARTICLE IX **EFFECT OF PROPOSAL**

9.01 Binding Effect of Proposal

After the issuance of the Approval Order by the Court, subject to satisfaction of the Conditions Precedent, the Proposal shall be implemented by the Company and shall be fully effective and binding on the Company and all Persons affected by the Proposal. Without limitation, the treatment of Affected Creditor Claims under the Proposal shall be final and binding on the Company, the Affected Creditors, and all Persons affected by the Proposal and their respective heirs, executors, administrators, legal representatives, successors, and assigns. For greater certainty, this Proposal shall have no effect upon Unaffected Creditors.

9.02 Amendments to Agreements and Paramountcy of Proposal

Notwithstanding the terms and conditions of all agreements or other arrangements with Affected Creditors entered into before the Filing Date, for so long as an event of default under this Proposal has not occurred, all such agreements or other arrangements will be deemed to be amended to the extent necessary to give effect to all the terms and conditions of this Proposal. In the event of any conflict or inconsistency between the terms of such agreements or arrangements and the terms of this Proposal, the terms of this Proposal will govern and be paramount.

9.03 Deemed Consents and Authorizations of Affected Creditors

At the Effective Time each Affected Creditor shall be deemed to have:

- (a) executed and delivered to the Company all consents, releases, assignments, and waivers, statutory or otherwise, required to implement and carry out this Proposal in its entirety;
- (b) waived any default by the Company in any provision, express or implied, in any agreement or other arrangement, written or oral, existing between such Affected Creditor and the Company that has occurred on or prior to the Proposal Implementation Date; and
- (c) agreed, in the event that there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing between such Affected Creditor and the Company as at the date and time of Court approval of the Proposal (other than those entered into by the Company on, or with effect from, such date and time) and the provisions of this Proposal, that the provisions of this Proposal shall take precedence and priority and the provisions of such agreement or other arrangement shall be amended accordingly.

ARTICLE X
ADMINISTRATIVE FEES AND EXPENSES

10.01 Administrative Fees and Expenses

Administrative Fees and Expenses will be paid in cash by the Company on the Proposal Implementation Date together with a reserve in respect of the discharge of the Proposal Trustee.

ARTICLE XI
INDEMNIFICATION

11.01 Indemnification of Proposal Trustee

The Proposal Trustee shall be indemnified in full by the Company for all personal liability arising from fulfilling any duties or exercising any powers or duties conferred upon it by this Proposal or under the BIA, except for any willful misconduct or gross negligence.

ARTICLE XII
POST FILING GOODS AND SERVICES

12.01 Payment of Payroll Deductions and Post Filing Claims

The following shall continue to be paid in the ordinary course by the Company prior to and after the Court Approval Date and shall not constitute Distributions or payments under this Proposal:

- (a) all Persons, who may advance monies, or provide goods or services to the Company after the Filing Date shall be paid by the Company in the ordinary course of business;

- (b) current source deductions and other amounts payable pursuant to Section 60(1.2) of the BIA, if applicable, shall be paid to Her Majesty in Right of Canada in full by the Company as and when due; and
- (c) current goods and services tax (GST), and all amounts owing on account of provincial sales taxes, if applicable, shall be paid in full by the Company as and when due.

ARTICLE XIII

TRUSTEE, CERTIFICATE OF COMPLETION, AND DISCHARGE OF TRUSTEE

13.01 Proposal Trustee

KSV Restructuring Inc. shall be the Proposal Trustee pursuant to this Proposal and upon the making of the Distributions and the payment of any other amounts provided for in this Proposal, the Proposal Trustee will be entitled to be discharged from its obligations under the terms of this Proposal. The Proposal Trustee is acting in its capacity as Proposal Trustee under this Proposal, and not in its personal capacity and shall not incur any liabilities or obligations in connection with this Proposal or in respect of the business, liabilities or obligations of the Company, whether existing as at the Filing Date or incurred subsequent thereto.

The Proposal Trustee shall not incur, and is hereby released from, any liability as a result of carrying out any provisions of this Proposal and any actions related or incidental thereto, save and except for any gross negligence or willful misconduct on its part (as determined by a final, non-appealable judgment of the Court).

13.02 Certificate of Completion and Discharge of Proposal Trustee

Upon the Proposal Trustee receiving confirmation in writing from the Company that the transactions contemplated in Section 6.01 have been completed in the order and manner contemplated therein, and all Distributions to Affected Creditors have been administered in accordance with Article IV, the terms of the Proposal shall be deemed to be fully performed and the Proposal Trustee shall provide a certificate to the Company, the Proposal Sponsor and to the Official Receiver pursuant to Section 65.3 of the BIA and the Proposal Trustee shall be entitled to be discharged.

ARTICLE XIV **GENERAL**

14.01 Valuation

For purposes of voting and Distributions, all Claims shall be valued as at the Filing Date.

14.02 Preferences, Transfers at Undervalue

In conformity with Section 101.1 of the BIA, Sections 95-101 of the BIA and any provincial statute related to preference, fraudulent conveyance, transfer at undervalue, or the like shall not apply to this Proposal. As a result, all of the rights, remedies, recourses and Claims described therein:

- (a) all such rights, remedies and recourses and any Claims based thereon shall be completely unavailable to the Proposal Trustee or any Affected Creditors against the Company, the Property, or any other Person whatsoever; and
- (b) the Proposal Trustee and all of the Affected Creditors shall be deemed, for all purposes whatsoever, to have irrevocably and unconditionally waived and renounced such rights, remedies and recourses and any Claims based thereon against the Company, the Property any other Person.

14.03 Governing Law

The Proposal shall be governed by and construed in accordance with the laws of Ontario and the federal laws of Canada applicable therein. Any disputes as to the interpretation or application of the Proposal and all proceedings taken in connection with the Proposal shall be subject to the exclusive jurisdiction of the Court.

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Dated at Toronto, this 3rd day of June, 2021.

YSL RESIDENCES INC.

Per: 

Name: Daniel Casey

Title: Resident

I have the authority to bind the Corporation.

**YG LIMITED PARTNERSHIP, by its
general partner 9615334 CANADA INC.**

Per: 

Name: Daniel Casey

Title: President

I have the authority to bind the Corporation.

SCHEDULE A

PERMITTED ENCUMBRANCES

<u>Instrument Number</u>	<u>Description</u>
EP138153	- Canopy Agreement with the City of Toronto
EP146970	- Encroachment Agreement with the City of Toronto
CT114131	- Encroachment Agreement with the City of Toronto
CT169812	- Canopy Agreement with the City of Toronto
CA11215	- Development Agreement with the City of Toronto
CA231470	- Encroachment Agreement with the City of Toronto
AT5142530	- Heritage Easement Agreement with the City of Toronto
AT5154721	- Heritage By-Law
AT5154722	- Heritage By-Law
AT5157423	- Heritage By-Law
AT5157424	- Heritage By-Law
AT5246455	- Section 37 Agreement
AT5473163	- Application to Register a Court Order (Equitable Mortgage)

SCHEDULE B

CONVENIENCE CREDITOR ELECTION FORM

TO: KSV RESTRUCTURING INC., in its capacity as Proposal Trustee of YG Limited Partnership and YSL Residences Inc. (collectively, "YSL")

In connection with the Amended Proposal of YSL pursuant to the *Bankruptcy and Insolvency Act* (Canada) dated June 3, 2021 (as amended, restated, modified and/or supplemented from time to time, the "**Proposal**"), the undersigned hereby irrevocably elects to be treated for all purposes under the Proposal as a Convenience Creditor and thereby to receive the lesser of (i) \$15,000, and (ii) the amount of its Proven Claim in full and final satisfaction of the Proven Claim(s) of the undersigned, and hereby acknowledges that the undersigned shall be deemed to vote the full amount of its Proven Claim(s) in favour of the Proposal at the Creditors' Meeting.

For the purposes of this election, capitalized terms not defined herein shall have the meanings ascribed thereto in the Proposal.

DATED at _____ this ____ day of _____, 2021.

AFFECTED CREDITOR'S SIGNATURE:

(Print Legal Name of Affected Creditor)

(Print Legal Name of Assignee, if applicable)

(Signature of the Affected Creditor/Assignee or an
Authorized Signing Officer of the Affected
Creditor/Assignee)

(Print Name and Title of Authorized Signing Officer of
the Affected Creditor/Assignee, if applicable)

(Mailing Address of the Affected Creditor/Assignee)

(Telephone Number and E-mail of the Affected
Creditor/Assignee or Authorized Signing Officer of the
Affected Creditor/Assignee)

Exhibit “J”

This is **Exhibit “J”** referred to in the

Affidavit of **David Mann**

Sworn before me this 4th day of June, 2021

A handwritten signature in blue ink, appearing to read "Harry Fiegel". The signature is written in a cursive style with a large, stylized initial "H".

A Commissioner for taking affidavits

Daphne Porter

From: Harry Fogul
Sent: March 1, 2021 12:58 PM
To: Sapna Thakker; Shaun Laubman; mgottlieb@lolg.ca; Alexander Soutter
Subject: FW: YSL Residences Inc.
Attachments: 2021 03 01-Letter to H. Fogul.PDF

We wish to do a preliminary response to your attached letter. The General Partner is not in breach of the Partnership Agreement.

Section 10.14(a) provides that a Special Resolution is only required when “ approving or disapproving the sale or exchange of all or substantially all of the business or assets of the Partnership”.

The sale of the Yonge Street properties do not represent all or substantially all of the Partnership assets.

Accordingly a Special Resolution was not required.

Further details on the sale of the Yonge Street properties including the reasons for it and the marketing of the properties, including competing offers will provided in the next few days.

Harry Fogul
Aird & Berlis LLP

T 416.865.7773
E hfogul@airdberlis.com

This email is intended only for the individual or entity named in the message. Please let us know if you have received this email in error.
If you did receive this email in error, the information in this email may be confidential and must not be disclosed to anyone.

From: Sapna Thakker <sthakker@lolg.ca>
Sent: March 1, 2021 12:06 PM
To: Harry Fogul <hfogul@airdberlis.com>
Cc: Matt Gottlieb <mgottlieb@lolg.ca>; Shaun Laubman <slaubman@lolg.ca>
Subject: YSL Residences Inc.

CAUTION -- EXTERNAL E-MAIL - Do not click links or open attachments unless you recognize the sender.

Harry,

See attached correspondence of today's date.

Thanks,
Sapna

Sapna Thakker
Direct 416 642 3132
Cell 437 213 3408
sthakker@lolg.ca

Lax O'Sullivan Lisus Gottlieb LLP



Suite 2750, 145 King St W
Toronto ON M5H 1J8 Canada
T 416 598 1744 F 416 598 3730
www.lolg.ca

This e-mail message is confidential, may be privileged and is intended for the exclusive use of the addressee. Any other person is strictly prohibited from disclosing, distributing or reproducing it. If the addressee cannot be reached or is unknown to you, please inform us immediately by telephone at 416 598 1744 at our expense and delete this e-mail message and destroy all copies. Thank you.

Sapna Thakker

Direct 416 642 3132
sthakker@lolg.ca

Lax O'Sullivan Lisus Gottlieb LLP
Suite 2750, 145 King St W
Toronto ON M5H 1J8 Canada
T 416 598 1744 F 416 598 3730
www.lolg.ca

The logo for Lax O'Sullivan Lisus Gottlieb is a dark blue square containing the firm's name in white, stacked vertically: "Lax", "O'Sullivan", "Lisus", and "Gottlieb".

Lax
O'Sullivan
Lisus
Gottlieb

March 1, 2021

BY EMAIL

Mr. Harry Fogul
Aird & Berlis LLP
Barristers & Solicitors
Brookfield Place
181 Bay Street
Suite 1800
Toronto ON M5J 2T9

Dear Mr. Fogul:

YSL Residences Inc.

It has come to our attention that Cresford has recently sold a significant parcel of land owned by YSL Residences Inc. to a Concord-related entity at a price significantly below market-value without the approval of, or even without informing the, Limited Partners. This new information has left us extremely concerned about the “behind the scenes” negotiations that have been occurring with Concord and Cresford. We are disappointed with the General Partner’s actions.

In particular, we have been advised that 357 A and 357 ½ Yonge St. was sold on December 21, 2020 to 2769742 Ontario Inc., an entity that we believe is affiliated with Concord for \$7,600,000. This is well-below market value. We were not kept informed with respect to the rationale behind this deal and, further, we have no understanding of how these funds were used. This is particularly concerning as the transfer was completed prior to the motion in mid-January in which the Limited Partners were successful in seeking disclosure of the affairs of the Project from the General Partner.

The General Partner is in breach of the Partnership Agreement as it failed to seek approval from the Limited Partners to sell these assets pursuant to section 10.14(a) of the Partnership Agreement. Please provide an explanation of the General Partner’s breach. In any event, we intend to commence proceedings to replace the General Partner immediately.

In addition, please provide all documents and information related to the "Concord Transaction" documents. We have not received this information yet.

Yours truly,

A handwritten signature in blue ink, appearing to read "Sapna Thakker". The signature is fluid and cursive, with the first name "Sapna" and the last name "Thakker" clearly distinguishable.

Sapna Thakker

ST/ab

Exhibit “K”

This is **Exhibit “K”** referred to in the

Affidavit of **David Mann**

Sworn before me this 4th day of June, 2021

A handwritten signature in blue ink, appearing to read "Nancy Fogel". The signature is written in a cursive style with a large, decorative flourish at the end.

A Commissioner for taking affidavits

Cassels

October 19, 2020

jdietrich@cassels.com
tel: +1 416-860-5223
file # 45109-85

Delivered by Fax, Courier and Email

YSL Residences Inc.
c/o Cresford Developments
59 Hayden Street, Suite 200
Toronto, Ontario M4Y 0E7

YSL Residences Inc.
c/o Cresford Developments
214 Merton Street
Toronto, Ontario M4S 1A6

Attention: Daniel C. Casey
Email: dcasey@cresford.com

Attention: Ted Dowbiggin
Email: tdowbiggin@cresford.com

Dear Sirs:

Re: YSL Residences Inc. (“YSL Residences” or the “Borrower”) Loan (the “Loan”) from Timbercreek Mortgage Servicing Inc. (the “Lender”)

And Re: YSL Residences Mortgage (the “Mortgage”) to Computershare Trust Company of Canada (“Computershare”) and assigned by Computershare to 2292912 Ontario Inc. (“2292912”) in connection with 357.5 and 357A Yonge Street, Toronto, Ontario (the “Real Property”)

We are the solicitors for the Lender and 2292912. Computershare assigned the Mortgage and all of the other security listed on Schedule A hereto (collectively, the “**Security**”) and the transaction documents, being the Commitment Letter (as defined in Schedule A), the Security and all documents, instruments or other agreements executed or delivered in connection with any of the foregoing by any one or more of YSL Residences, YG Limited Partnership (“**YG LP**”), as beneficial owner of the Real Property or Cresford (Rosedale) Developments Inc., as guarantor (the

“Guarantor”) (collectively, the **“Transaction Documents”**), relating to the Loan to 2292912 on October 13, 2020. The Loan owing by the Borrower is in default as a result of construction liens being registered on title to the Real Property prior to April 29, 2020.

On behalf of the Lender, we hereby demand payment in full to the Lender of all amounts owing to the Lender by the Borrower, YG LP and the Guarantor pursuant to the Transaction Documents, including the principal, all interest due and accruing due, and all fees and expenses incurred by the Lender (including without limitation all legal fees and disbursements) (collectively, the **“Obligations”**), to the date of repayment in full (and for certainty, including without limitation all interest which accrues to such date of full payment and all additional legal fees and disbursements incurred by the Lender to such date of full payment). The amount of the Obligations as at October 19, 2020 is \$7,418,972.70 (the **“Outstanding Amount”**) (which amount includes interest to and including October 19, 2020 and legal costs and expenses which have been incurred to September 30, 2020). Interest continues to accrue under the Transaction Documents in accordance with each of their terms, and the Lender is also entitled to payment of all costs and expenses (including legal costs) previously or hereafter incurred by the Lender to the date of payment in full. The exact amount owing by the Borrower may be obtained at any time by the Borrower contacting the Lender.

Failure by the Borrower to pay all Obligations including without limitation additional interest which accrues and all present and future fees, legal expenses and disbursements will result in enforcement action by the Lender and 2292912 pursuant to the Mortgage and the other Security and Transaction Documents entered into or delivered by the Borrower, YG LP and the Guarantor.

In this regard, we enclose and serve the Borrower with a Notice of Intention to Enforce Security, pursuant to the *Bankruptcy and Insolvency Act* (Canada).

The Lender expressly reserves all rights, remedies and claims in their entirety, any of which may be exercised or pursued at any time and from time to time and without further notice, in the sole discretion of the Lender in accordance with the applicable Security and Transaction Documents or at law or in equity.

Yours truly,

Cassels Brock & Blackwell LLP

Jeremy Bornstein
For: 
Jane Dietrich
Partner

Schedule A
Transaction Documents

1. commitment letter dated August 20, 2019 to “Cresford Developments” for on behalf of the Borrower for a mortgage loan for certain real property municipally known as 357.5 an 357A Yonge Street, Toronto, Ontario (such commitment letter as same has been amended, restated or supplemented prior to the date hereof and as same may hereafter be amended, restated or supplemented is collectively called the “**Commitment Letter**”).

Security

2. charge and direction by YG LP and the Borrower dated September 6, 2019;
3. mortgage by the Borrower registered in the land registry office for Toronto in the Province of Ontario as Instrument No. AT5231287 on September 6, 2019;
4. notice of assignment of rents-general by the Borrower and registered in the Toronto Registry Office as Instrument No. AT5231288 on September 6, 2019;
5. general assignment of rents and leases by the Borrower dated September 6, 2019;
6. general security agreement by the Borrower and YG LP dated September 6, 2019;
7. environmental warranties and indemnities by the Borrower and the Guarantor dated September 6, 2019;
8. guarantee and indemnity by the Guarantor dated September 6, 2019; and
9. all additional security and ancillary and supplemental documents delivered or entered into by any one or more of the Borrower, YG LP and the Guarantor.

NOTICE OF INTENTION TO ENFORCE SECURITY

TO: YSL Residences Inc., an insolvent person (the “Debtor”)
59 Hayden Street, Suite 200
Toronto, Ontario M4Y 0E7

YSL Residences Inc., an insolvent person
214 Merton Street
Toronto, Ontario M4S 1A6

Attention: Daniel C. Casey
Email: dcasey@cresford.com

Attention: Ted Dowbiggin
Email: tdowbiggin@cresford.com

TAKE NOTICE THAT:

1. Under section 244(1) of the *Bankruptcy and Insolvency Act* (Canada), 2292912 Ontario Inc. (the “**Secured Party**”) intends to enforce its security on the property of the Debtor including without limitation, as described below:
 - a. The lands and premises municipally known as 357.5 and 357A Yonge Street, Toronto, Ontario, and legally described as:

357 1/2 Yonge Street, Toronto, Ontario
Part of Lot 29, East Side of Yonge Street, Plan 22A, Toronto as in CT853134; TW CT853134; City of Toronto, PIN 21101-0053 (LT)

357A Yonge Street, Toronto, Ontario
Part of Lot 29, East Side of Yonge Street, Plan 22A, Toronto as in CT891553, City of Toronto, PIN 21101-0052 (LT)

(collectively, the “**Real Property**”, and as such legal description is more particularly set forth in the Mortgage (as that term is defined below)); and
 - b. All present and after acquired personal property of the Debtor relating to, located upon or used in connection with the Real Property and in all proceeds and renewals thereof, accretions thereto and substitutions therefor.
2. The security that is to be enforced was assigned to the Secured Party by Computershare Trust Company of Canada on October 13, 2020 and is in the form of:
 - a. a charge and direction by the Debtor and YG Limited Partnership (“**YG LP**”) dated September 6, 2019
 - b. a mortgage registered in the land registry office for Toronto in the Province of Ontario as Instrument No. AT5231287 on September 6, 2019 (the “**Mortgage**”);
 - c. a notice of assignment of rents-general registered in the land registry office for Toronto in the Province of Ontario as Instrument No. AT5231288 on September 6, 2019;

- d. a general assignment of rents and leases by the Debtor dated September 6, 2019;
 - e. a general security agreement by the Debtor and YG LP dated September 6, 2019;
 - f. environmental warranties and indemnities executed by the Debtor and Cresford (Rosedale) Developments Inc. dated September 6, 2019; and
 - g. all other security delivered by the Debtor to Computershare and assigned by Computershare to the Secured Party, and all ancillary and supplemental documents thereto.
3. As of October 19, 2020, the total amount of indebtedness secured by the security (including (i) interest to and including October 19, 2020 and (ii) legal fees to and including September 30, 2020) is \$7,418,972.70.

Additional interest has accrued from and after October 20, 2020 and will continue to accrue until the date of payment in full and additional legal fees and disbursements have been incurred from and after October 1, 2020 and will continue to be incurred until the date of payment in full, and all such additional amounts are and will be secured by the security.

4. The Secured Party will not have the right to enforce the security until after the expiry of the ten-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement by returning to the Secured Party an executed copy of the attached consent.

[Remainder of page intentionally left blank]

DATED at Toronto, the 19th day of October, 2020.

2292912 ONTARIO INC.

By its Solicitors:

CASELS BROCK & BLACKWELL LLP

Suite 2100, Scotia Plaza

40 King St. W.

Toronto, Ontario M5H 3C2

Jeremy Bornstein
For:

Per:



Jane Dietrich

**CONSENT TO EARLIER ENFORCEMENT OF SECURITY UNDER SECTION 244(2) OF
THE BANKRUPTCY AND INSOLVENCY ACT (CANADA)**

TO: 2292912 Ontario Inc. (the "**Secured Party**")

RE: Notice of Intention to Enforce Security under Section 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**Act**"), dated October 19, 2020 from the Secured Party (the "**Notice**")

Capitalized terms used in this consent and waiver and not otherwise defined have meanings given to them in the Notice.

The undersigned hereby acknowledges that it has received the Notice and, in accordance with section 244(2) of the Act, it consents to earlier enforcement by the Secured Party of its Security on the Collateral.

Dated October __, 2020.

YSL RESIDENCES INC.

By: _____
Name:
Title:

Cassels

October 19, 2020

jdietrich@cassels.com
tel: +1 416-860-5223
file # 45109-85

Delivered by Fax, Courier and Email

Cresford (Rosedale) Developments Inc.
c/o Cresford Developments
59 Hayden Street, Suite 200
Toronto, Ontario M4Y 0E7

Cresford (Rosedale) Developments Inc.
c/o Cresford Developments
214 Merton Street
Toronto, Ontario M4S 1A6

YG Limited Partnership
c/o Cresford Developments
59 Hayden Street, Suite 200
Toronto, Ontario M4Y 0E7

YG Limited Partnership
c/o Cresford Developments
214 Merton Street
Toronto, Ontario M4S 1A6

Attention: Daniel C. Casey
Email: dcasey@cresford.com

Attention: Ted Dowbiggin
Email: tdowbiggin@cresford.com

Dear Sirs:

Re: YSL Residences Inc. (“YSL Residences” or the “Borrower”) Loan (the “Loan”) from Timbercreek Mortgage Servicing Inc. (the “Lender”)

And Re: YSL Residences Mortgage (the “Mortgage”) to Computershare Trust Company of Canada (“Computershare”) and assigned by Computershare to

2292912 Ontario Inc. (“2292912”) in connection with 357.5 and 357A Yonge Street, Toronto, Ontario (the “Real Property”)

And Re: Guarantee and Indemnity by Cresford (Rosedale) Developments Inc. (“Cresford” or the “Guarantor”) in favour of Computershare dated September 6, 2019 (the “Guarantee”)

And Re: Charge and Direction by YG Limited Partnership (“YG LP”) and YSL Residences in favour of Computershare dated September 6, 2019 (the “Charge and Direction”)

We are the solicitors for the Lender and 2292912. Computershare assigned the Mortgage and all of the other security listed on Schedule A hereto (collectively, the “**Security**”) and the transaction documents, being the Commitment Letter (as defined in Schedule A), the Security and all documents, instruments or other agreements executed or delivered in connection with any of the foregoing by any one or more of YSL Residences, YG Limited Partnership (“**YG LP**”), as beneficial owner of the Real Property or Cresford, as guarantor (collectively, the “**Transaction Documents**”), relating to the Loan to 2292912 on October 13, 2020. The Loan owing by the Borrower is in default as a result of construction liens being registered on title to the Real Property prior to April 29, 2020.

Enclosed is a copy of the demand letter and Notice of Intention to Enforce Security under the *Bankruptcy and Insolvency Act* (Canada) that we have sent on behalf of the Lender to YSL Residences. We refer to the Guarantee in respect of the amounts owing by YSL Residences under the Commitment Letter and all Security delivered in connection therewith including without limitation the Mortgage and the Charge and Direction in respect of the Real Property.

The amounts owing to the Lender by the YSL Residences, YG LP and Cresford pursuant to the Transaction Documents, including the principal, all interest due and accruing due, and all fees and expenses incurred by the Lender (including without limitation all legal fees and disbursements) (collectively, the “**Obligations**”) as at October 19, 2020 is \$7,418,972.70 (the “**Outstanding Amount**”) (which amount includes interest to and including October 19, 2020 and legal costs and expenses which have been incurred to September 30, 2020). Interest continues to accrue on the Obligations owing by the Guarantor to the Lender under the Transaction Documents in accordance with each of their terms, and the Lender is also entitled to payment of all costs and expenses (including legal costs) previously or hereafter incurred by the Lender to the date of payment in full.

On behalf of the Lender, we hereby demand payment from the Guarantor to the Lender under the Guarantee of all the Obligations owing by YSL Residences and/or YG LP under the Transaction Documents and the other Security to the date of payment in full. The exact amount owing by the Guarantor under the Guarantee may be obtained at any time by the Guarantor contacting the Lender.

Failure by the Guarantor to pay all amounts owing to the Lender under the Guarantee including without limitation additional interest which accrues and all present and future fees, legal expenses

and disbursements will result in enforcement action by the Lender and 2292912 including under the Guarantee and the other Security and Transaction Documents entered into or delivered by YSL Residences, YG LP and Cresford.

In this regard, we enclose and serve YG LP and the Guarantor with Notices of Intention to Enforce Security, pursuant to the *Bankruptcy and Insolvency Act* (Canada).

The Lender expressly reserves all rights, remedies and claims in their entirety, any of which may be exercised or pursued at any time and from time to time and without further notice, in the sole discretion of the Lender in accordance with the applicable Security and Transaction Documents or at law or in equity.

Yours truly,

Cassels Brock & Blackwell LLP

Jeremy Bornstein
For:



Jane Dietrich
Partner

Schedule A

Transaction Documents

1. commitment letter dated August 20, 2019 to “Cresford Developments” for on behalf of the Borrower for a mortgage loan for certain real property municipally known as 357.5 an 357A Yonge Street, Toronto, Ontario (such commitment letter as same has been amended, restated or supplemented prior to the date hereof and as same may hereafter be amended, restated or supplemented is collectively called the “**Commitment Letter**”).

Security

2. charge and direction by YG LP and the Borrower dated September 6, 2019;
3. mortgage by the Borrower registered in the land registry office for Toronto in the Province of Ontario as Instrument No. AT5231287 on September 6, 2019;
4. notice of assignment of rents-general by the Borrower and registered in the Toronto Registry Office as Instrument No. AT5231288 on September 6, 2019;
5. general assignment of rents and leases by the Borrower dated September 6, 2019;
6. general security agreement by the Borrower and YG LP dated September 6, 2019;
7. environmental warranties and indemnities by the Borrower and the Guarantor dated September 6, 2019;
8. guarantee and indemnity by the Guarantor dated September 6, 2019; and
9. all additional security and ancillary and supplemental documents delivered or entered into by any one or more of the Borrower, YG LP and the Guarantor.

NOTICE OF INTENTION TO ENFORCE SECURITY

TO: YG Limited Partnership, an insolvent person (the “**Debtor**”)
59 Hayden Street, Suite 200
Toronto, Ontario M4Y 0E7

YG Limited Partnership, an insolvent person
214 Merton Street
Toronto, Ontario M4S 1A6

Attention: Daniel C. Casey
Email: dcasey@cresford.com

Attention: Ted Dowbiggin
Email: tdowbiggin@cresford.com

TAKE NOTICE THAT:

1. Under section 244(1) of the *Bankruptcy and Insolvency Act* (Canada), 2292912 Ontario Inc. (the “**Secured Party**”) intends to enforce its security on the property of the Debtor including without limitation, as described below:
 - a. The lands and premises municipally known as 357.5 and 357A Yonge Street, Toronto, Ontario, and legally described as:

357 1/2 Yonge Street, Toronto, Ontario
Part of Lot 29, East Side of Yonge Street, Plan 22A, Toronto as in CT853134; T/W CT853134; City of Toronto, PIN 21101-0053 (LT)

357A Yonge Street, Toronto, Ontario
Part of Lot 29, East Side of Yonge Street, Plan 22A, Toronto as in CT891553, City of Toronto, PIN 21101-0052 (LT)

(collectively, the “**Real Property**”, and as such legal description is more particularly set forth in the Mortgage (as that term is defined below)); and
 - b. All present and after acquired personal property of the Debtor relating to, located upon or used in connection with the Real Property and in all proceeds and renewals thereof, accretions thereto and substitutions therefor.
2. The security that is to be enforced was assigned to the Secured Party by Computershare Trust Company of Canada on October 13, 2020 and is in the form of:
 - a. a charge and direction by the Debtor and YSL Residences Inc. (“**YSL Residences**”) dated September 6, 2019;
 - b. a mortgage registered in the land registry office for Toronto in the Province of Ontario as Instrument No. AT5231287 on September 6, 2019 (the “**Mortgage**”);

- c. a notice of assignment of rents-general registered in the land registry office for Toronto in the Province of Ontario as Instrument No. AT5231288 on September 6, 2019;
 - d. a general security agreement by the Debtor and YSL Residences dated September 6, 2019; and
 - e. all other security delivered by the Debtor to Computershare and assigned by Computershare to the Secured Party, and ancillary and supplemental documents thereto.
3. As of October 19, 2020, the total amount of indebtedness secured by the security (including (i) interest to and including October 19, 2020 and (ii) legal fees to and including September 30, 2020) is \$7,418,972.70.

Additional interest has accrued from and after October 20, 2020 and will continue to accrue until the date of payment in full and additional legal fees and disbursements have been incurred from and after October 1, 2020 and will continue to be incurred until the date of payment in full, and all such additional amounts are and will be secured by the security.

4. The Secured Party will not have the right to enforce the security until after the expiry of the ten-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement by returning to the Secured Party an executed copy of the attached consent.

[Remainder of page intentionally left blank]

DATED at Toronto, the 19th day of October, 2020.

2292912 ONTARIO INC.

By its Solicitors:

CASSELS BROCK & BLACKWELL LLP

Suite 2100, Scotia Plaza

40 King St. W.

Toronto, Ontario M5H 3C2

Jeremy Bornstein
For:

Per:



Jane Dietrich

**CONSENT TO EARLIER ENFORCEMENT OF SECURITY UNDER SECTION 244(2) OF
THE BANKRUPTCY AND INSOLVENCY ACT (CANADA)**

TO: 2292912 Ontario Inc. (the “**Secured Party**”)

RE: Notice of Intention to Enforce Security under Section 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (the “**Act**”), dated October 19, 2020 from the Secured Party (the “**Notice**”)

Capitalized terms used in this consent and waiver and not otherwise defined have meanings given to them in the Notice.

The undersigned hereby acknowledges that it has received the Notice and, in accordance with section 244(2) of the Act, it consents to earlier enforcement by the Secured Party of its Security on the Collateral.

Dated October __, 2020.

YG LIMITED PARTNERSHIP
by its general partner,
9615334 Canada Inc

By: _____
Name:
Title:

NOTICE OF INTENTION TO ENFORCE SECURITY

TO: Cresford (Rosedale) Developments Inc., an insolvent person (the “**Debtor**”)
59 Hayden Street, Suite 200
Toronto, Ontario M4Y 0E7

Cresford (Rosedale) Developments Inc., an insolvent person
214 Merton Street
Toronto, Ontario M4S 1A6

Attention: Daniel C. Casey
Email: dcasey@cresford.com

Attention: Ted Dowbiggin
Email: tdowbiggin@cresford.com

TAKE NOTICE THAT:

1. Under section 244(1) of the *Bankruptcy and Insolvency Act* (Canada), 2292912 Ontario Inc. (the “**Secured Party**”) intends to enforce its security on the debts and liabilities, present and future, of YSL Residences Inc. to the Debtor.
2. The security that is to be enforced was assigned to the Secured Party by Computershare Trust Company of Canada on October 13, 2020 and is in the form of:
 - a. a guarantee and indemnity by the Debtor in favour of Computershare Trust Company of Canada (“**Computershare**”) dated September 6, 2019, which contains an assignment to the Secured Party of all present and future amounts owing by YSL Residences Inc. to the Debtor; and
 - b. all other security delivered by the Debtor to Computershare and assigned by Computershare to the Secured Party, and ancillary and supplemental documents thereto.
3. As of October 19, 2020, the total amount of indebtedness secured by the security (including (i) interest to and including October 19, 2020 and (ii) legal fees to and including September 30, 2020) is \$7,418,972.70.

Additional interest has accrued from and after October 20, 2020 and will continue to accrue until the date of payment in full and additional legal fees and disbursements have been incurred from and after October 1, 2020 and will continue to be incurred until the date of payment in full, and all such additional amounts are and will be secured by the security.

4. The Secured Party will not have the right to enforce the security until after the expiry of the ten-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement by returning to the Secured Party an executed copy of the attached consent.

[Remainder of page intentionally left blank]

DATED at Toronto, the 19th day of October, 2020.

2292912 ONTARIO INC.

By its Solicitors:

CASELS BROCK & BLACKWELL LLP

Suite 2100, Scotia Plaza

40 King St. W.

Toronto, Ontario M5H 3C2

Jeremy Bornstein
For:

Per: _____



Jane Dietrich

**CONSENT TO EARLIER ENFORCEMENT OF SECURITY UNDER SECTION 244(2) OF
THE BANKRUPTCY AND INSOLVENCY ACT (CANADA)**

TO: 2292912 Ontario Inc. (the "**Secured Party**")

RE: Notice of Intention to Enforce Security under Section 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**Act**"), dated October 19, 2020 from the Secured Party (the "**Notice**")

Capitalized terms used in this consent and waiver and not otherwise defined have meanings given to them in the Notice.

The undersigned hereby acknowledges that it has received the Notice and, in accordance with section 244(2) of the Act, it consents to earlier enforcement by the Secured Party of its Security on the Collateral.

Dated October __, 2020.

**CRESFORD (ROSEDALE)
DEVELOPMENTS INC.**

By: _____

Name:

Title:

Cassels

October 19, 2020

jdietrich@cassels.com
tel: +1 416-860-5223
file # 45109-85

Delivered by Fax, Courier and Email

YSL Residences Inc.
c/o Cresford Developments
59 Hayden Street, Suite 200
Toronto, Ontario M4Y 0E7

YSL Residences Inc.
c/o Cresford Developments
214 Merton Street
Toronto, Ontario M4S 1A6

Attention: Daniel C. Casey
Email: dcasey@cresford.com

Attention: Ted Dowbiggin
Email: tdowbiggin@cresford.com

Dear Sirs:

Re: YSL Residences Inc. (“YSL Residences” or the “Borrower”) Loan (the “Loan”) from Timbercreek Mortgage Servicing Inc. (the “Lender”)

And Re: YSL Residences Mortgage (the “Mortgage”) to Computershare Trust Company of Canada (“Computershare”) and assigned by Computershare to 2292912 Ontario Inc. (“2292912”) in connection with 357.5 and 357A Yonge Street, Toronto, Ontario (the “Real Property”)

We are the solicitors for the Lender and 2292912. Computershare assigned the Mortgage and all of the other security listed on Schedule A hereto (collectively, the “**Security**”) and the transaction documents, being the Commitment Letter (as defined in Schedule A), the Security and all documents, instruments or other agreements executed or delivered in connection with any of the foregoing by any one or more of YSL Residences, YG Limited Partnership (“**YG LP**”), as beneficial owner of the Real Property or Cresford (Rosedale) Developments Inc., as guarantor (the

“Guarantor”) (collectively, the **“Transaction Documents”**), relating to the Loan to 2292912 on October 13, 2020. The Loan owing by the Borrower is in default as a result of construction liens being registered on title to the Real Property prior to April 29, 2020.

On behalf of the Lender, we hereby demand payment in full to the Lender of all amounts owing to the Lender by the Borrower, YG LP and the Guarantor pursuant to the Transaction Documents, including the principal, all interest due and accruing due, and all fees and expenses incurred by the Lender (including without limitation all legal fees and disbursements) (collectively, the **“Obligations”**), to the date of repayment in full (and for certainty, including without limitation all interest which accrues to such date of full payment and all additional legal fees and disbursements incurred by the Lender to such date of full payment). The amount of the Obligations as at October 19, 2020 is \$7,418,972.70 (the **“Outstanding Amount”**) (which amount includes interest to and including October 19, 2020 and legal costs and expenses which have been incurred to September 30, 2020). Interest continues to accrue under the Transaction Documents in accordance with each of their terms, and the Lender is also entitled to payment of all costs and expenses (including legal costs) previously or hereafter incurred by the Lender to the date of payment in full. The exact amount owing by the Borrower may be obtained at any time by the Borrower contacting the Lender.

Failure by the Borrower to pay all Obligations including without limitation additional interest which accrues and all present and future fees, legal expenses and disbursements will result in enforcement action by the Lender and 2292912 pursuant to the Mortgage and the other Security and Transaction Documents entered into or delivered by the Borrower, YG LP and the Guarantor.

In this regard, we enclose and serve the Borrower with a Notice of Intention to Enforce Security, pursuant to the *Bankruptcy and Insolvency Act* (Canada).

The Lender expressly reserves all rights, remedies and claims in their entirety, any of which may be exercised or pursued at any time and from time to time and without further notice, in the sole discretion of the Lender in accordance with the applicable Security and Transaction Documents or at law or in equity.

Yours truly,

Cassels Brock & Blackwell LLP

Jeremy Bornstein
For: 
Jane Dietrich
Partner

Schedule A
Transaction Documents

1. commitment letter dated August 20, 2019 to “Cresford Developments” for on behalf of the Borrower for a mortgage loan for certain real property municipally known as 357.5 an 357A Yonge Street, Toronto, Ontario (such commitment letter as same has been amended, restated or supplemented prior to the date hereof and as same may hereafter be amended, restated or supplemented is collectively called the “**Commitment Letter**”).

Security

2. charge and direction by YG LP and the Borrower dated September 6, 2019;
3. mortgage by the Borrower registered in the land registry office for Toronto in the Province of Ontario as Instrument No. AT5231287 on September 6, 2019;
4. notice of assignment of rents-general by the Borrower and registered in the Toronto Registry Office as Instrument No. AT5231288 on September 6, 2019;
5. general assignment of rents and leases by the Borrower dated September 6, 2019;
6. general security agreement by the Borrower and YG LP dated September 6, 2019;
7. environmental warranties and indemnities by the Borrower and the Guarantor dated September 6, 2019;
8. guarantee and indemnity by the Guarantor dated September 6, 2019; and
9. all additional security and ancillary and supplemental documents delivered or entered into by any one or more of the Borrower, YG LP and the Guarantor.

NOTICE OF INTENTION TO ENFORCE SECURITY

TO: YSL Residences Inc., an insolvent person (the “Debtor”)
59 Hayden Street, Suite 200
Toronto, Ontario M4Y 0E7

YSL Residences Inc., an insolvent person
214 Merton Street
Toronto, Ontario M4S 1A6

Attention: Daniel C. Casey
Email: dcasey@cresford.com

Attention: Ted Dowbiggin
Email: tdowbiggin@cresford.com

TAKE NOTICE THAT:

1. Under section 244(1) of the *Bankruptcy and Insolvency Act* (Canada), 2292912 Ontario Inc. (the “**Secured Party**”) intends to enforce its security on the property of the Debtor including without limitation, as described below:
 - a. The lands and premises municipally known as 357.5 and 357A Yonge Street, Toronto, Ontario, and legally described as:

357 1/2 Yonge Street, Toronto, Ontario
Part of Lot 29, East Side of Yonge Street, Plan 22A, Toronto as in CT853134; T/W CT853134; City of Toronto, PIN 21101-0053 (LT)

357A Yonge Street, Toronto, Ontario
Part of Lot 29, East Side of Yonge Street, Plan 22A, Toronto as in CT891553, City of Toronto, PIN 21101-0052 (LT)

(collectively, the “**Real Property**”, and as such legal description is more particularly set forth in the Mortgage (as that term is defined below)); and
 - b. All present and after acquired personal property of the Debtor relating to, located upon or used in connection with the Real Property and in all proceeds and renewals thereof, accretions thereto and substitutions therefor.
2. The security that is to be enforced was assigned to the Secured Party by Computershare Trust Company of Canada on October 13, 2020 and is in the form of:
 - a. a charge and direction by the Debtor and YG Limited Partnership (“**YG LP**”) dated September 6, 2019
 - b. a mortgage registered in the land registry office for Toronto in the Province of Ontario as Instrument No. AT5231287 on September 6, 2019 (the “**Mortgage**”);
 - c. a notice of assignment of rents-general registered in the land registry office for Toronto in the Province of Ontario as Instrument No. AT5231288 on September 6, 2019;

- d. a general assignment of rents and leases by the Debtor dated September 6, 2019;
 - e. a general security agreement by the Debtor and YG LP dated September 6, 2019;
 - f. environmental warranties and indemnities executed by the Debtor and Cresford (Rosedale) Developments Inc. dated September 6, 2019; and
 - g. all other security delivered by the Debtor to Computershare and assigned by Computershare to the Secured Party, and all ancillary and supplemental documents thereto.
3. As of October 19, 2020, the total amount of indebtedness secured by the security (including (i) interest to and including October 19, 2020 and (ii) legal fees to and including September 30, 2020) is \$7,418,972.70.

Additional interest has accrued from and after October 20, 2020 and will continue to accrue until the date of payment in full and additional legal fees and disbursements have been incurred from and after October 1, 2020 and will continue to be incurred until the date of payment in full, and all such additional amounts are and will be secured by the security.

4. The Secured Party will not have the right to enforce the security until after the expiry of the ten-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement by returning to the Secured Party an executed copy of the attached consent.

[Remainder of page intentionally left blank]

DATED at Toronto, the 19th day of October, 2020.

2292912 ONTARIO INC.

By its Solicitors:

CASELS BROCK & BLACKWELL LLP

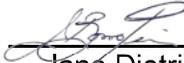
Suite 2100, Scotia Plaza

40 King St. W.

Toronto, Ontario M5H 3C2

Jeremy Bornstein
For:

Per:



Jane Dietrich

**CONSENT TO EARLIER ENFORCEMENT OF SECURITY UNDER SECTION 244(2) OF
THE BANKRUPTCY AND INSOLVENCY ACT (CANADA)**

TO: 2292912 Ontario Inc. (the "**Secured Party**")

RE: Notice of Intention to Enforce Security under Section 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**Act**"), dated October 19, 2020 from the Secured Party (the "**Notice**")

Capitalized terms used in this consent and waiver and not otherwise defined have meanings given to them in the Notice.

The undersigned hereby acknowledges that it has received the Notice and, in accordance with section 244(2) of the Act, it consents to earlier enforcement by the Secured Party of its Security on the Collateral.

Dated October __, 2020.

YSL RESIDENCES INC.

By: _____
Name:
Title:

Exhibit “L”

This is **Exhibit “L”** referred to in the

Affidavit of **David Mann**

Sworn before me this 4th day of June, 2021

A handwritten signature in blue ink, appearing to read "Mary Foy". The signature is written in a cursive style with a large, stylized initial 'M'.

A Commissioner for taking affidavits

Daphne Porter

From: Harry Fogul
Sent: March 3, 2021 12:27 PM
To: Sapna Thakker; Shaun Laubman; mgottlieb@lolg.ca; Alexander Soutter
Subject: 357A and 357.5 Yonge Street.
Attachments: 357 YONGE STREET PURCHASE changed & signed Yonge Queen Investments Inc._2355940_1.PDF

HISTORY

The Yonge Street properties were purchased in 2016 before the Limited Partners invested in the YG Limited Partnership. The Yonge Street properties were purchased to limit or block competing developments with the YSL Project. One property was leased and the other was used as a construction site office. The properties were subject to a mortgage in favour of Timbercreek. Early in 2020 Timbercreek was very concerned about their exposure on the Yonge Street properties. Timbercreek did not believe that there was sufficient coverage for their mortgage. They wanted a paydown on their mortgage. Accordingly the Yonge Street properties were listed for sale with RBC Realty for \$12 million. No offers were received and there was very little interest at that price. The listing expired in September 2020. (See below for continued sale efforts).

DEMAND

On October 19,2020 Timbercreek sent Demands for payment and along with the Demand Letters Notices of Intention to Enforce Security were attached. Copies of the Demand Letters and Notices are attached hereto. After the Demands and Notices were received negotiations were entered into with Timbercreek and its lawyers Cassels with respect to the demand for payment. Timbercreek was prepared to consider a forbearance agreement if the sum of \$850,000 was paid by November 26, 2020 and that a Consent to a Receivership Order was signed to be held by Cassels.

SALES PROCESS

After the RBC Realty listing expired, the Yonge Street properties were put up for sale in September 2020 with Newmark Brokerage and were listed on MLS on September 28, 2020 for \$9.9 million. The listing broker Newmark Brokerage undertook an e-mail marketing campaign sending property information to 7,304 recipients. 18 brokers/investors responded and 8 Confidentiality Agreements were signed to gain access to the due diligence material. The feedback from the brokers was that the price was too high without a stable income stream to

support an investment at the listing price. Due to the Covid pandemic there were numerous vacant properties and it would take 6 months or more to lease up the properties. Most of the broker/investors were focused on the cap rate as they were looking at the properties as an investment.

In light of these comments and having received no offers there was a price reduction to \$ 7.9 million on November 18, 2020.

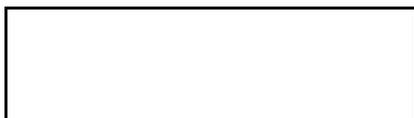
OFFERS

Three offers were received and are attached. The offer from a Concord affiliated company was accepted as it made sense to sell the properties to them in light of their interest in the YSL Project. Their offer also matched the highest offer of \$7.6 million. The sale closed on December 21, 2020. Since there was an offer dated November 22nd and further offers were expected, Timbercreek agreed to hold off to see if a sale could be completed before the end of the year which happened. Copies of the Statement of Adjustments and Statement of Funds are attached.

Harry Fogul

T 416.865.7773
F 416.863.1515
E hfogul@airdberlis.com

Aird & Berlis LLP | Lawyers
Brookfield Place, 181 Bay Street, Suite 1800
Toronto, Canada M5J 2T9 | airdberlis.com



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Exhibit “M”

This is **Exhibit “M”** referred to in the

Affidavit of **David Mann**

Sworn before me this 4th day of June, 2021

A handwritten signature in blue ink, appearing to read "Henry Joseph". The signature is written in a cursive style with a prominent loop at the end.

A Commissioner for taking affidavits

Daphne Porter

From: Sapna Thakker <sthakker@lolg.ca>
Sent: January 8, 2021 2:30 PM
To: Harry Fogul
Cc: Alexander Soutter; Shaun Laubman; Matt Gottlieb
Subject: RE: YG Partnership [IWOV-Client.FID106454]
Attachments: 2021 01 08 - Letter to H. Fogul re disclosure and motion.PDF

CAUTION -- EXTERNAL E-MAIL - Do not click links or open attachments unless you recognize the sender.

Harry,

Please find attached correspondence of today's date responding to your email below.

Thanks,
Sapna

Sapna Thakker

Direct 416 642 3132
Cell 437 213 3408
sthakker@lolg.ca

Lax O'Sullivan Lisus Gottlieb LLP

Suite 2750, 145 King St W
Toronto ON M5H 1J8 Canada
T 416 598 1744 F 416 598 3730
www.lolg.ca



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From: Harry Fogul <hfogul@airdberlis.com>
Sent: January-07-21 11:11 AM
To: Sapna Thakker <sthakker@lolg.ca>; Matt Gottlieb <mgottlieb@lolg.ca>; Shaun Laubman <slaubman@lolg.ca>; Alexander Soutter <ASoutter@tgf.ca>
Subject: YG Partnership

We wish to respond to Sapna Thakker's letter dated December 30, 2020. As I indicated to you in my previous e-mail the response was delayed because I underwent two medical procedures over the last two weeks. The additional information that you requested is set out below. If you proceed with the Motion next week, we agree that the material should be kept confidential. We have not had an opportunity to review your material so we may have other representations to make at the hearing with respect to whether the material should be sealed.

- a) We provided you with a copy of the Concord Term Sheet. As we previously advised you the Term Sheet was negotiated between representatives of Concord and the General Partner. The Term Sheet was negotiated verbally in multiple telephone calls.
- b) Concord has not satisfied the conditions set out in Forbearance Amendment#2 by December 31, 2020. Since Cresford was unable to come to terms with either Fei Han or the Limited Partners, the First Extension Election Notice was not sent.
- c) As we previously advised you Cresford has guaranteed the debts owing to Westmount/Aviva on various Cresford projects. There was no shortfall on the Clover or Halo projects with respect to Westmount/Aviva. However, a shortfall is expected with respect to the 33 Yorkville Project. The amount of the shortfall is unknown at this time as the agreement to purchase 33 Yorkville is subject to various conditions that have until January 29, 2021 to be complied with. Cresford had general discussions with Westmount/Aviva to make up some of the shortfall from prospective profits on the YSL Project. In order to generate a reasonable return for Cresford, it asked Fei Han and the Limited Partners to agree to a forgiveness of interest and the reduction of interest from 12.25% to 8% from January 1, 2021. In exchange Cresford was prepared to subordinate its \$38 million unsecured claim to the Limited Partners. There is no agreement with Westmount/Aviva, only discussions.
- d) Attached are appraisals from 2016 to 2019. The 2019 Appraisal was obtained when the Toronto economy was buoyant. That appraisal is not reflective of the project's current value. Cresford approached multiple builders across Canada in early 2020 in order to try to find an interested developer. The only interest was around \$250 million, which is the number we cited in our previous correspondence to you.
- e) Timbercreek was not provided with any written due diligence information or marketing material but was provided with verbal progress reports regarding the YSL Project.

Daphne Porter

Assistant to Harry Fogul & Sam Babe

T 416.863.1500 x3138

F 416.863.1515

E dporter@airdberlis.com

Aird & Berlis LLP | Lawyers

Brookfield Place, 181 Bay Street, Suite 1800

Toronto, Canada M5J 2T9 | airdberlis.com



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Sapna Thakker

Direct 416 642 3132
sthakker@lolg.ca

Lax O'Sullivan Lisus Gottlieb LLP
Suite 2750, 145 King St W
Toronto ON M5H 1J8 Canada
T 416 598 1744 F 416 598 3730
www.lolg.ca

The logo for Lax O'Sullivan Lisus Gottlieb is a dark blue square with the firm's name in white, stacked vertically: "Lax", "O'Sullivan", "Lisus", and "Gottlieb".

Lax
O'Sullivan
Lisus
Gottlieb

January 8, 2021

BY EMAIL

Mr. Harry Fogul
Aird & Berlis LLP
Barristers & Solicitors
Brookfield Place
181 Bay Street
Suite 1800
Toronto ON M5J 2T9

Dear Mr. Fogul:

Re: YG Limited Partnership

We are in receipt of your email of January 7, 2021, responding to our document requests and attaching all appraisals from 2016-2019.

There are outstanding requests for information that our clients are entitled to. Our clients require further information and clarification on the following:

1. Please provide all proof of Cresford's purported advance of \$38 million to the project including proof that funds were advanced to the partnership and what the funds were used for with supporting source documents.
2. Your email of January 7, 2021 states: "Concord has not satisfied the conditions set out in the Forbearance Amendment #2 by December 31, 2020." What obligations does Concord have under this agreement that you are referring to?
3. Cresford has represented that there are no other documents provided to Concord while negotiating the term sheet. Does this mean that there was no financial information, appraisals, forecasts and/or other information about the project provided in writing to Concord? Please confirm. If there was any such documentary information provided to Concord, please produce it.
4. Please confirm that Timbercreek has not received any written information or documents in connection with the extension or the forbearance agreements.

It is in the best interest of both parties if Cresford provides this information without our clients having to seek the Court's guidance. However, if we do not hear from you with respect to our requests by **Monday, January 11, 2021 at 10 am**, we will be forced to pursue the pending motion.

Finally, we expect to be kept fully apprised of any and all discussions and developments with both Timbercreek and Concord leading up to the receivership proceeding. We expect that Cresford will keep our clients informed through counsel as discussions are occurring without us having to repeatedly request status updates. Please confirm that this duty to keep the Limited Partners fully informed will be fulfilled by your client.

We look forward to hearing from you.

Yours truly,

A handwritten signature in blue ink, appearing to read "Sapna Thakker". The signature is fluid and cursive, with the first name "Sapna" written in a larger, more prominent script than the last name "Thakker".

Sapna Thakker

ST

cc: Alexander Soutter, *Thornton Grout Finnigan LLP*
Matthew Gottlieb, *Lax O'Sullivan Lisus Gottlieb LLP*
Shaun Laubman, *Lax O'Sullivan Lisus Gottlieb LLP*

Daphne Porter

From: Harry Fogul
Sent: January 10, 2021 2:06 PM
To: Sapna Thakker; Matt Gottlieb; Shaun Laubman; Alexander Soutter
Subject: YG Partnership
Attachments: LOI.YSL.(111823432.3).docx; Fully Executed Copy.pdf; 68 Indemnity Agreement.pdf; OTB loan discharge 13.1M.pdf; YSL Bank Jan to Sept 2020.pdf; YSL summary intercompany 2020.xlsx

We have reviewed your Notice of Motion and the requests made therein. We wish to reply to each request;

- a) (i) We asked Empire if we could release the Empire document and the response was absolutely not.
- (ii) A Letter of Intent was received from PJD Properties Inc. dated March 26, 2020. Although some discussions followed the matter never proceeded. A second Letter of Intent was received from PJD Properties Inc. dated May 15, 2020. There was a 7 day due diligence period during which PJD carried out their due diligence. The matter never proceeded. Copies of both Letters of Intent are attached.
- (iii) There is no agreement with Westmount/ Aviva. Cresford indemnified Westmount/Aviva with respect to the 33 Yorkville Project. A copy of the Indemnity is attached. It is expected Westmount/ Aviva will suffer a shortfall but the amount is unknown at this time. Cresford et al will be liable for the shortfall. Cresford was trying to cover part of this shortfall from the YSL Project as previously explained.
- (iv) Copies of all appraisals have been provided.
- (v) Answered in our previous correspondence.
- (vi) Concord was provided with due diligence material as outlined below.
- (vii) The limited Partners were previously provided with the following;
 - (a) Cost Ledger as of June 30, 2020;
 - (b) Trial balance as of June 30,2020;
 - (c) Accounts payable summary as of June 30, 2020;
 - (d) A Trial Balance as of December 31, 2019.

What additional documents do you require?

You subsequently sent a letter on Friday January 8, 2020 requesting additional information;

1. A summary of the \$38.1 million that is owing was previously provided to you. We have attached a more accurate breakdown of that amount. The \$21+ million figure includes the \$13+ million discharge of the OTB Mortgage. A copy of the OTB Discharge Statement is also attached. Also attached is a copy of the YSL Bank Statement From January to September 2020 which shows many of the payments funded by Cresford. We

appreciate you will want to see evidence of these payments including copies of cheques paid. Proof of these amounts will be provided at a later date as it involves a substantial time to locate and assemble the documents and Cresford has very few people on staff. The EDRP development and construction were vetted and approved by Altus.

2. The conditions that Concord had to meet by December 31, 2020 are set out in Section 2.2 of Forbearance Amendment #2 and include the payment of, property taxes to December 31, 2020, Interest on the Timbercreek Loan from January 1, 2021 to March 31, 2021, a Forbearance Fee, Timbercreek's legal costs to December 15,2020, the proposed Receiver's and its Counsel's fees. Concord was also to enter into an agreement with respect to the YSL Project and provide Timbercreek with a Guarantee. None of these conditions were met.
3. Concord was provided with due diligence materials referenced above as follows;
 - Sales listing
 - Purchaser sales files
 - Purchaser deposit schedules
 - Standard APS
 - Price Grid
 - Condominium documents
 - Parcel Registers
 - Construction Budget
 - Drawings
 - Tender schedule
 - Construction contracts
 - TTC Agreement
 - Tieback Agreement
 - Section 37 Agreement
 - By-laws and zoning material

The material was provided in a data room, access to which has expired so there may be some additional documents that were provided to Concord.
4. The General Partner does not recall providing Timbercreek with additional information with respect to the Forbearance extensions other than verbal updates and for Extension #2 the Concord Term Sheet.

There are ongoing discussions among Concord, Timbercreek, Westmount/Aviva and Cresford but no resolution of the outstanding conditions has occurred.

Harry Fogul

T 416.865.7773
F 416.863.1515
E hfogul@airdberlis.com

Aird & Berlis LLP | Lawyers
Brookfield Place, 181 Bay Street, Suite 1800
Toronto, Canada M5J 2T9 | airdberlis.com

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Exhibit “N”

This is **Exhibit “N”** referred to in the

Affidavit of **David Mann**

Sworn before me this 4th day of June, 2021

A handwritten signature in blue ink, appearing to read "Henry Fogel". The signature is written in a cursive style with a large initial "H" and a long, sweeping tail.

A Commissioner for taking affidavits

Daphne Porter

From: Harry Fogul
Sent: March 11, 2021 4:42 PM
To: Sapna Thakker
Cc: Shaun Laubman; Matt Gottlieb; Alexander Soutter
Subject: YSL Residences Inc.

You may find it difficult to believe that there are no draft agreements, proposals or other documents but I previously advised you that Otera does not want Cresford involved in the YSL Project to any extent if it is going to provide the construction financing. Accordingly there will be no documents to be signed unless Concord decides to proceed. It is not clear whether Concord intends to proceed with the Project. It needs to resolve issues with Otera and the holder of the \$20 million mortgage as I previously advised you.

With respect to Timbercreek, I understand that Timbercreek has been in direct contact with Concord. Cresford has not been part of those discussions. Accordingly, Timbercreek is getting updates from Concord directly.

With respect to the Yonge Street properties I asked you whether you received all the attachments to my original e-mail on March 3, 2020 and you replied YES. I will resend them, perhaps in more than one e-mail.

Harry Fogul
Aird & Berlis LLP

T 416.865.7773
E hfogul@airdberlis.com

This email is intended only for the individual or entity named in the message. Please let us know if you have received this email in error.
If you did receive this email in error, the information in this email may be confidential and must not be disclosed to anyone.

From: Sapna Thakker <sthakker@lolg.ca>
Sent: March 11, 2021 3:56 PM
To: Harry Fogul <hfogul@airdberlis.com>
Cc: Matt Gottlieb <mgottlieb@lolg.ca>; Shaun Laubman <slaubman@lolg.ca>
Subject: YSL Residences Inc.

CAUTION -- EXTERNAL E-MAIL - Do not click links or open attachments unless you recognize the sender.

Harry,

We find it difficult to understand how there can be no draft agreements, proposals or draft documentation regarding the "Concord Transactions" or written updates to Timbercreek regarding the status of any dealings with Concord. From what we understand, this is a significant transaction both in value and complexity and it is inconceivable that the parties would solely be negotiating terms verbally. Furthermore, the Forbearance Agreement refers to the requirement for Timbercreek to receive written updates and documents, agreements, etc. relating to the "Concord Pacific Transactions" (section 2.5), so it is difficult to understand how there wouldn't be more written information about the Concord Transactions.

Once again, please provide us with all relevant documents for the Concord Transactions. If you do not confirm that you will provide us with the requested information, **we will have no choice but to write to the Court tomorrow requesting judicial guidance on the matter.**

In addition, we have received your summary with respect to the sale of 357A and 357.5 Yonge Street and attachments. Needless to say, our clients are disappointed that the GP failed to disclose this sale or the fact that the properties were being listed. There are a number of documents that you refer to that were not attached to your email, including documentation relating to other offers, information about the marketing campaign, internal correspondence with respect to the offers, etc. Please provide us with all information with respect to the sale.

Thanks,
Sapna

Sapna Thakker

Direct 416 642 3132

Cell 437 213 3408

sthakker@lolg.ca

Lax O'Sullivan Lissus Gottlieb LLP

Suite 2750, 145 King St W

Toronto ON M5H 1J8 Canada

T 416 598 1744 F 416 598 3730

www.lolg.ca



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Exhibit “O”

This is **Exhibit “O”** referred to in the

Affidavit of **David Mann**

Sworn before me this 4th day of June, 2021

A handwritten signature in blue ink, appearing to read "Harry Fogel". The signature is written in a cursive style with a large, stylized initial 'H'.

A Commissioner for taking affidavits

YG Limited Partnership

Amounts payable to Cresford entities for funds loaned to YG Limited Partnership:

Cresford (Rosedale) Developments Inc.

Interest and fees paid to OTB by Cresford December, 2015 to April, 2019	9,949,166
Project costs paid prior to financing	671,036
Net cash transfers from Cresford to YG to April 30, 2021	<u>2,860,744 **</u>
	<u>13,480,946</u>

See attached backup:

GL detail of account 5200 - "Due to Cresford (Rosedale) Developments". The various entries are colour-coded in the three categories above.

OTB interest summary.

OTB interest as confirmed by OTB.

Backup for payment of \$13,100,000 to pay off OTB loan.

Bank statements of YG LP for the period January 2016 to April, 2021.

Oakleaf Consulting Ltd.

Net cash transfers to/from Oakleaf	<u>18,992,620 **</u>
------------------------------------	----------------------

Oakleaf Consulting Ltd. is the Cresford entity to which all profits earned in our projects are allocated. A significant portion of the profits earned on the CASA III (50 Charles) and VOX projects were loaned from Oakleaf to YG LP as the YSL project needed additional funds.

The backup for the above balance includes:

GL detail of account 5204 "Due to Oakleaf Consulting"

Details on the \$15,096,000 transferred from CASA III and used to pay off OTB loan.

Bank statements of YG LP for the period January 2016 to December 2020. Oakleaf transfers are highlighted in yellow.

East Downtown Redevelopment Partnership

Unpaid development, construction and marketing fees December 2017 to December 2018	2,760,000
Unpaid development and construction fees January 2020 to June 2020 (\$508,269 per month)	3,050,000

5,810,000

Total

38,283,566

** Cash transfers from Cresford group were used to pay the following:

Repayment of OTB equity loan

Timbercreek mortgage interest

Property taxes, prior to financing

Sales and marketing expenses

Other costs required to be paid in 2020 (mainly construction)

Exhibit “P”

This is **Exhibit "P"** referred to in the

Affidavit of **David Mann**

Sworn before me this 4th day of June, 2021

A handwritten signature in blue ink, appearing to read "Harry Fogel". The signature is written in a cursive style with a prominent flourish at the end.

A Commissioner for taking affidavits

Daphne Porter

From: Harry Fogul
Sent: December 2, 2020 4:01 PM
To: Matt Gottlieb; Alexander Soutter
Cc: Jeff.Larry@paliareroland.com; Sapna Thakker; D. J. Miller; Shaun Laubman; 2063_001_YSL Investor Group_E_Mail
Subject: RE: YG Limited Partnership

I will provide the requested information. I spoke to the Cresford employee who provided Mr. Larry with the information and in further reviewing the records he acknowledged that he gave Mr. Larry the incorrect information.

Harry Fogul
Aird & Berlis LLP

T 416.865.7773
E hfogul@airdberlis.com

This email is intended only for the individual or entity named in the message. Please let us know if you have received this email in error. If you did receive this email in error, the information in this email may be confidential and must not be disclosed to anyone.

From: Matt Gottlieb <mgottlieb@lolg.ca>
Sent: December 2, 2020 3:56 PM
To: Alexander Soutter <ASoutter@tgf.ca>
Cc: Jeff.Larry@paliareroland.com; Sapna Thakker <sthakker@lolg.ca>; D. J. Miller <DJMiller@tgf.ca>; Shaun Laubman <slaubman@lolg.ca>; Harry Fogul <hfogul@airdberlis.com>; 2063_001_YSL Investor Group_E_Mail <{F135853}.Client@dms.tgf.ca>
Subject: Re: YG Limited Partnership

CAUTION -- EXTERNAL E-MAIL - Do not click links or open attachments unless you recognize the sender.

Jeff, please consider that request to be on our behalf as well. In your email you say that we now know something but in fact we don't. All we know is that we have been told two different things by counsel to the same company. Take it as a given that when we read your letter we assumed that the information you were providing to us was accurate. We have no reason to believe it was not. We look forward to receiving the information promptly. Thanks.

Matthew Gottlieb
Lax O'Sullivan Lisus Gottlieb LLP
416 644 5353

On Dec 2, 2020, at 2:34 PM, Alexander Soutter <ASoutter@tgf.ca> wrote:

Good afternoon Jeff,

Section 3.6(b) of the LP Agreement prohibits the General Partner from entering into contracts with Related Parties other than on market terms. In order to satisfy ourselves as to compliance with that provision, and pursuant to our broad rights to disclosure under the LP Agreement and at law, please

provide us with a copy of all documents pertaining to the loan described below, and with evidence that the funds were advanced, and when.

Yours truly,



PLEASE NOTE:
TGF's office is undergoing renovations
and is not accepting personal deliveries.
Please forward all couriers to:
1 Yonge St. Suite 1801, Toronto, ON M5E 1W7

Alexander Soutter | Associate | ASoutter@tgf.ca | Direct Line +1 416-304-0595 | Suite 3200, TD West Tower, 100 Wellington Street West, P.O. Box 329, Toronto-Dominion Centre, Toronto, Ontario M5K 1K7 | 416-304-1616 | Fax: 416-304-1313 | www.tgf.ca

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From: Jeff.Larry@paliareroland.com [mailto:Jeff.Larry@paliareroland.com]
Sent: Wednesday, December 2, 2020 2:03 PM
To: sthakker@lolg.ca
Cc: mgottlieb@lolg.ca; Alexander Soutter <ASoutter@tgf.ca>; D. J. Miller <DJMiller@tgf.ca>; slaubman@lolg.ca; hfogul@airdberlis.com
Subject: YG Limited Partnership

Sapna

In my October 29, 2020 letter to you, I indicated that my client advised that the loan from Cresford (Rosedale) Developments Inc. to YG Limited Partnership ("YG") was subordinate to the limited partners' investment in YG.

In fact, and as I believe you are now aware, the loan (which is currently in amount of approximately \$36 million) is in priority to the limited partners' investment.

We confirm that the \$15 million of Class B Units held by Cresford (Yonge) Limited Partnership are, indeed, subordinate to the Class A Units held by the limited partners.

I trust this clarifies any concerns that have been raised about this issue.

Jeffrey Larry, LL.B, MBA
Paliare Roland Rosenberg Rothstein LLP
155 Wellington Street West, 35th Floor
Toronto, ON M5V 3H1
t: 416.646.4330
f: 416.646.4301
c: 416.553.2789
e: jeff.larry@paliareroland.com

**IN THE MATTER OF THE NOTICES OF INTENTION TO
MAKE A PROPOSAL OF YG LIMITED PARTNERSHIP AND
YSL RESIDENCES INC.**

Consolidated Court File No. 31-2734090

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)
COMMERCIAL LIST

Proceedings commenced at Toronto

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Harry Fogul (LSO # 151520)

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Email: hfogul@airdberlis.com

*Lawyers for the Respondents, YG Limited Partnership and
YSL Residences Inc*

Tab 2

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*,
R.S.C. 1985, c. B-3 AS AMENDED

**IN THE MATTER OF THE NOTICES OF INTENTION
TO MAKE A PROPOSAL OF
YG LIMITED PARTNERSHIP AND YSL RESIDENCES INC.**

SERVICE LIST
(as of June 7, 2021)

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<p>CHAITONS LLP 5000 Yonge Street, 10th Floor Toronto, ON M2N 7E9</p> <p><i>Lawyers for 2576725 Ontario Inc.</i></p>	<p>George Benchetrit Tel No. 416-218-1141 Email: george@chaitons.com</p>

**IN THE MATTER OF THE NOTICES OF INTENTION TO
MAKE A PROPOSAL OF YG LIMITED PARTNERSHIP AND
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Consolidated Court File No. 31-2734090

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