

**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***

**PROPOSED OFFER TO ALL EQUITYHOLDERS OF
YG LIMITED PARTNERSHIP**

(July 9, 2021)

Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Amended Proposal #3 of YG Limited Partnership ("YG LP") and YSL Residences Inc. dated July 8, 2021 (the "**Third Amended Proposal**").

This offer is hereby submitted by Concord Properties Developments Corp. (the "**Proposal Sponsor**") to all of the limited partners of YG LP as well as those entities deemed to hold equity interests in YG LP (together with all limited partners, all such entities, the "**Equityholders**") pursuant to the Amended Reasons for Interim Decision issued by the Court on July 2, 2021 (the "**Interim Decision**"), and is conditional upon the Third Amended Proposal being approved by the Court.

The terms set out in this offer letter are indicative in nature, and are subject to finalization in all respects pursuant to one or more definitive agreements (the "**Definitive Documentation**") to be entered into should the Third Amended Proposal be approved by the Court.

1. In order to monetize tax attributes, the Proposal Sponsor offers to buy from each Equityholder the shares of a holding company (each, a "**Holdco**"), organized to hold that Equityholder's interest in YG LP (whether such interest is in the form of a partnership unit of any class or as otherwise determined pursuant to the Interim Decision). It shall be a condition of such purchase, and the Definitive Documentation will contain a representation and warranty in favour of the Proposal Sponsor to the effect that each Holdco contains no other assets or liabilities other than the applicable Equityholder's interest in YG LP.
2. The purchase price will be 12.5% of the value of each Holdco's net equity interest in YG LP after accounting for recoveries and distributions to each Equityholder from surplus funds returned to YG LP under the Third Amended Proposal, if any.
3. This offer is made separately to each Equityholder, and acceptance is not conditional on the number of Equityholders accepting.
4. To the extent necessary, each Equityholder will have a period of time to be agreed upon by the parties, acting reasonably, to reorganize its current ownership structure so as to be able to deliver shares of a Holdco compliant with the condition set out in paragraph 1, above.

5. If the Third Amended Proposal is approved by the Court, the Proposal Sponsor and all agreeing Equityholders will work diligently to finalize the Definitive Documentation as soon as possible, and in any event no later than seven (7) business days from the date of approval of the Third Amended Proposal.

**CONCORD PROPERTIES
DEVELOPMENTS CORP.**

Per: _____ /s/