Court File No. CV-25-00744295-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

RIOCAN REAL ESTATE INVESTMENT TRUST, RIOCAN HOLDINGS INC., RIOCAN HOLDINGS (OAKVILLE PLACE) INC., RIOCAN PROPERTY SERVICES TRUST, RC HOLDINGS II LP, RC NA GP 2 TRUST and RIOCAN FINANCIAL SERVICES LIMITED

Applicants

-and-

2455034 ONTARIO LIMITED PARTNERSHIP, 2455034 ONTARIO INC., 2491815 ONTARIO LIMITED PARTNERSHIP, 2491815 ONTARIO INC., 2491816 ONTARIO LIMITED PARTNERSHIP, 2491816 ONTARIO INC., 2681842 ONTARIO LIMITED PARTNERSHIP, 2681845 ONTARIO INC., 2681842 ONTARIO INC.

Respondents

IN THE MATTER OF AN APPLICATION UNDER SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED; and SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED

MOTION RECORD
(Yorkdale Sublease)

October 11, 2025

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Court File No. CV-25-00744295-00CL

ONTARIO
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MOTION RECORD
(Yorkdale Sublease)

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TAB 1

Court File No. CV-25-00744295-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

RIOCAN REAL ESTATE INVESTMENT TRUST, RIOCAN HOLDINGS INC., RIOCAN HOLDINGS (OAKVILLE PLACE) INC., RIOCAN PROPERTY SERVICES TRUST, RC HOLDINGS II LP, RC NA GP 2 TRUST and RIOCAN FINANCIAL SERVICES LIMITED

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NOTICE OF MOTION
(Yorkdale Sublease)

FTI Consulting Canada Inc. ("**FTI**"), as court-appointed receiver and manager (in such capacity, the "**Receiver**") of the assets, undertakings and properties of, among others, 2491815 Ontario Limited Partnership ("**YSS 1**") and 2491815 Ontario Inc., will make a Motion before the Honourable Justice Osborne of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") on a date to be scheduled at 330 University Avenue, Toronto, Ontario.

THE MOTION IS FOR AN ORDER, among other things:

1. If necessary, abridging the time for service of this Notice of Motion and the Motion Record and dispensing with service on any person other than those served;

2. Approving the Sublease Agreement, dated August 12, 2025 (the "**New Sublease**") between the Receiver and Fairweather Ltd. ("**Fairweather**") for the premises located at Yorkdale Mall in Toronto, ("**Yorkdale**") formerly occupied by Hudson's Bay Company ULC ("**HBC**") pursuant to a sublease with YSS 1; and

3. Providing certain ancillary relief from the exercise of remedies by Yorkdale Shopping Centre Holdings Inc. (together with its affiliates, "**Oxford**"), as landlord, pursuant to a Lease Agreement with YSS 1, as tenant, dated September 26, 2002 (the "**Head Lease**"), as a result of any defaults arising from the appointment of the Receiver, the insolvency proceedings of HBC, or stemming from these receivership proceedings involving YSS 1.

THE GROUNDS FOR THE MOTION ARE:

4. On June 3, 2025, the Court granted an Order (the "**Appointment Order**") appointing FTI as the Receiver of all of the assets, undertakings and properties of YSS 1, among others, acquired for, or used in relation to a business carried on by YSS 1, including the rights of YSS 1 under the Head Lease;

Head Lease and HBC Sublease

5. Under the Head Lease, YSS 1 leases the Yorkdale premises from Oxford, as landlord;

6. YSS 1 subleased the Yorkdale premises to HBC pursuant to a sublease agreement (the "**HBC Sublease**") under which HBC's rent obligations exceeded the rental obligations under the Head Lease;

7. The difference between the HBC Sublease payments received by YSS 1 and the Head Lease payments by YSS 1 to Oxford resulted in a margin available to YSS 1 to satisfy its own obligations, including debt service, and generate a return;

8. The Head Lease is for a substantial term: an initial five-year term from 2002 to 2007, with further extensions at the option of YSS 1 for 27 additional consecutive five-year periods to the year 2142;

RBC Loan and Enforcement Rights

9. Pursuant to a Credit Agreement, dated January 26, 2024, Royal Bank of Canada loaned $75 million to YSS 1 secured against YSS 1's interest in the Head Lease (the "**RBC Loan**");

10. The RBC Loan is guaranteed by RioCan Real Estate Investment Trust ("**RioCan**");

11. To support any required security enforcement by Royal Bank of Canada (or RioCan as subrogated party), Royal Bank of Canada and Oxford, among others, entered into a Leasehold Lender Agreement (the "**Leasehold Lender Agreement**") that provided certain assurances to Royal Bank of Canada regarding the continuity of the Head Lease and the opportunity to protect and realize upon the Head Lease if needed;

12. The Head Lease is a valuable asset of YSS 1, as demonstrated by the substantial debt financing obtained against it, and for which all parties, including Oxford, sought to facilitate a future realization through the Leasehold Lender Agreement, if necessary;

13. Notably, the Leasehold Lender Agreement contemplates that Royal Bank of Canada may elect to retain the Head Lease for the balance of the term, and contemplates Royal Bank of Canada (or a receiver or nominee) selling or otherwise disposing of the Head Lease to a purchaser permitted under the Head Lease;

A New Subtenant Is Required To Preserve Value

14. As a result of the cessation of HBC's operations in June 2025, the Yorkdale premises

have been vacant since on or about June 15, 2025 when HBC stopped paying the HBC Sublease rent;

15. The Receiver has paid the Head Lease rent to Oxford from June 16, 2025 through financing provided by RioCan in order to preserve the value of the Head Lease;

16. Given (i) the extended long-term nature of the Head Lease; (ii) the below-market rent payable under the Head Lease; and (iii) the nature of the premises, being an approximately 301,000 square foot space located in Yorkdale Shopping Centre in Toronto, Ontario, the Head Lease is a material and significant asset of YSS 1 which should be preserved to maintain full flexibility to monetize this asset for the benefit of stakeholders;

17. Oxford was asked on multiple occasions by the Receiver and RioCan if they would be interested in acquiring YSS 1's interest in the Head Lease, but Oxford has declined to do so;

18. A new subtenant is the only remaining option available to preserve the value of the Head Lease;

19. The Head Lease permits a sublease of the Yorkdale premises with Oxford's consent, ***not to be unreasonably withheld***, to a tenant who is creditworthy, a suitable replacement tenant, and sufficiently experienced and competent in operating a business as required under the Head Lease;

20. The business required to be operated under the Head Lease is a single integrated traditional retail department store, with the parties expressly acknowledging the fluid and dynamic nature of department store operations and agreeing that the departments and types of merchandise and services typically featured in such an operation are subject to changes over time;

New Sublease

21. Since its appointment and in addition to the lease monetization process conducted in the CCAA proceedings of HBC, the Receiver has taken steps to identify suitable transactions for YSS 1's interest in Yorkdale, including pursuing a further marketing process during the receivership;

22. The marketing efforts for the Yorkdale premises were extensive and highly publicized in the preceding HBC CCAA proceedings, and supplemented by targeted efforts in this receivership;

23. In consultation with applicable stakeholders, the Receiver determined that the New Sublease with Fairweather was the highest and best offer;

24. Pursuant to the New Sublease, Fairweather would pay an agreed amount of sublease rent for an initial term of 25 years, subject to the parties' respective earlier termination rights, and would covenant to perform all of the obligations of the tenant under the Head Lease, unless expressly provided in the New Sublease, including without limitation compliance with the obligations of the tenant in respect of use and operation;

25. The New Sublease enables the preservation of the Head Lease as a material and significant asset of YSS 1, and facilitates the continuation of rental income, facilitating payment of rent to Oxford pursuant to the terms of the Head Lease;

26. The New Sublease also provides for up to $2.5 million of leasehold improvements to be funded by the Receiver (through borrowings from RioCan) for HVAC, electrical, elevator

and escalator work;

Fairweather

27. Fairweather is a reasonable and appropriate subtenant for the Yorkdale premises, with all relevant resources, experience, expertise, and specialized knowledge to operate a department store in compliance with the Head Lease;

Suitability

28. Fairweather intends to operate a single, integrated, traditional department store under the "Ailes" brand at Yorkdale that will feature multiple departments including men's apparel, women's apparel, children's apparel, footwear, accessories, housewares and home décor, and will carry well-known brands alongside private label and licensed brands;

29. Fairweather has identified Yorkdale as a beneficial location to launch this department store brand in Ontario;

30. The New Sublease requires the Yorkdale premises to be fully fixtured, stocked and staffed by not later than May 31, 2026, which is within the permitted twelve-month non-operating window under the Head Lease;

Sufficient Experience

31. Fairweather and its affiliates have over 100 existing retail locations across Canada and have been operating for over 25 years;

32. As a result of its existing operations, Fairweather has the necessary systems and business relationships in place to supply and manage a large-scale retail operation within the aforementioned timelines;

33. Fairweather's Chief Executive Officer, Isaac Benitah, has led Fairweather for the full duration of its existence, and has led a number of other recognized retail ventures;

Creditworthiness

34. Fairweather does not require any third-party funding to complete the proposed transaction or to fund its obligations under the New Sublease;

35. Fairweather is currently a tenant in properties owned and/or operated by various prominent commercial landlords including: Oxford, RioCan; Primaris; Westcliff; Morguard; Cushman Wakefield; BentallGreenOak; Cominar; Ivanhoe Cambridge; and First Capital;

36. Fairweather is currently a tenant under leases for three Oxford-owned and/or operated properties, and recently reached an agreement with Oxford to open a Designer Depot department store at Kingsway Garden shopping mall in Edmonton, Alberta, in premises previously occupied by HBC;

Future Performance of the Head Lease

37. Given its material economic interest in the Head Lease as a result of its guarantee of the RBC Loan, RioCan has committed to provide support for the Head Lease financial obligations;

38. The sole funded debt obligations of YSS 1 are those owing under the RBC Loan, which is secured by RioCan's guarantee;

39. The Receiver and RioCan are in ongoing discussions regarding alternatives to efficiently and effectively address the long-term holding of the Head Lease;

40. RioCan has reason to continue funding these arrangements both within and outside of

these proceedings due to its guarantee of the RBC Loan;

Other Grounds

41. The inherent and equitable jurisdiction of this Court;

42. Rules 1.04, 2.03, 3.02, 16, and 37 of the Ontario *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended;

43. Section 23(2) of the Ontario *Commercial Tenancies Act*, R.S.O 1990, c. L.7, as amended; and

44. Such further and other grounds as counsel may advise and this Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the Motion:

1. The Motion Record of the Receiver;

2. The Fifth Report of the Receiver dated October 11, 2025; and

3. Such further and other evidence as counsel may advise and this Court may permit.

October 11, 2025

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Counsel for FTI Consulting Canada Inc., as Receiver

TO: THE SERVICE LIST

RIOCAN REAL ESTATE INVESTMENT TRUST, et al, Applicants	AND	RIOCAN-HBC LIMITED PARTNERSHIP, et al. Respondents	Court File No. CV-25-00744295-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

NOTICE OF MOTION
(Yorkdale Sublease)

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TAB 2

Court File No. CV-25-00744295-00CL

2455034 ONTARIO LIMITED PARTNERSHIP
(formerly RioCan-HBC Limited Partnership)

2455034 ONTARIO INC.
(formerly RioCan-HBC General Partner Inc.)

2491815 ONTARIO LIMITED PARTNERSHIP
(formerly HBC YSS 1 Limited Partnership)

2491815 ONTARIO INC.
(formerly HBC YSS 1 LP Inc.)

2491816 ONTARIO LIMITED PARTNERSHIP
(formerly HBC YSS 2 Limited Partnership)

2491816 ONTARIO INC.
(formerly HBC YSS 2 LP Inc.)

2681842 ONTARIO LIMITED PARTNERSHIP
(formerly RioCan-HBC (Ottawa) Limited Partnership)

2681845 ONTARIO INC.,
(formerly RioCan-HBC (Ottawa) Holdings Inc.)

2681842 ONTARIO INC.
(formerly RioCan-HBC (Ottawa) GP, Inc.)

FIFTH REPORT OF FTI CONSULTING CANADA INC.,
IN ITS CAPACITY AS COURT-APPOINTED RECEIVER AND MANAGER

October 11th, 2025

Court File No.: CV-25-00744295-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN

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INTRODUCTION

1. Pursuant to the Order of the Honourable Mr. Justice Osborne (the "**Receivership Order**") of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated and effective June 3, 2025 (the "**Date of Appointment**"), FTI Consulting Canada Inc. was appointed as receiver and manager (the "**Receiver**") without security of all of the assets, undertakings and properties of RioCan-HBC Limited Partnership ("**RC-HBC LP**"), RioCan-HBC General Partner Inc., HBC YSS 1 Limited Partnership ("**YSS 1**"), HBC YSS 1 LP Inc., HBC YSS 2 Limited Partnership, HBC YSS 2 LP Inc., RioCan-HBC Ottawa Limited Partnership, RioCan-HBC (Ottawa) Holdings Inc., and RioCan-HBC (Ottawa) GP, Inc. (collectively, the "**JV Entities**", and each individually, a "**JV Entity**") acquired for, or used in relation to a business carried on by the JV Entities including, among other things, the head lease interest of YSS 1 in the premises formerly occupied by Hudson's Bay Company at Yorkdale shopping centre in Toronto (the "**Yorkdale Property**").[1]

2. A copy of the Receivership Order is attached as **Appendix "A"**.

3. The purpose of this Fifth Report of the Receiver (the "**Fifth Report**") is to provide the Court with information and the Receiver's comments and recommendations regarding the Receiver's motion for an Order approving a proposed sublease of the Yorkdale Property (the "**Fairweather Transaction**") to Fairweather Ltd. ("**Fairweather**"), and certain related relief.

[1] The names of the JV Entities have now changed to 2455034 Ontario Limited Partnership (formerly RioCan-HBC Limited Partnership), 2455034 Ontario Inc. (formerly RioCan-HBC General Partner Inc.), 2491815 Ontario Limited Partnership (formerly HBC YSS 1 Limited Partnership), 2491815 Ontario Inc. (formerly HBC YSS 1 LP Inc.) 2491816 Ontario Limited Partnership (formerly HBC YSS 2 Limited Partnership), 2491816 Ontario Inc. (formerly HBC YSS 2 LP Inc.), 2681842 Ontario Limited Partnership (formerly RioCan-HBC (Ottawa) Limited Partnership), 2681845 Ontario Inc. (formerly RioCan-HBC (Ottawa) Holdings Inc.), 2681842 Ontario Inc. (formerly RioCan-HBC (Ottawa) GP, Inc.)

TERMS OF REFERENCE AND DISCLAIMER

4. In preparing this Fifth Report, the Receiver has relied upon audited and unaudited financial information provided by the JV Entities, including their books and records, financial information, forecasts and analysis, and discussions with and information provided by various parties including the employees of Hudson's Bay Company ULC / Compagnie De La Baie D'Hudson SRI and related entities (collectively, "**HBC**") who managed the JV Entities, RioCan Real Estate Investment Trust (together with its affiliates, "**RioCan**") and its advisors, Fairweather and its advisors, Alvarez & Marsal Canada Inc. as court-appointed monitor of HBC (the "**CCAA Monitor**") in its proceedings under the *Companies' Creditors Arrangement Act* (the "**CCAA Proceedings**"), and HBC's legal and financial advisors (collectively, the "**Information**").

5. Except as otherwise described in the Fifth Report:

   (a) the Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Canadian Auditing Standards pursuant to the Chartered Professional Accountants of Canada Handbook (the "**Handbook**") and, accordingly, the Receiver expresses no opinion or other form of assurance in respect of the Information; and

   (b) the Receiver has not examined or reviewed any financial forecasts or projections referred to in the Fifth Report in a manner that would comply with the procedures described in the Handbook.

6. Future-oriented financial information reported in or relied on in preparing the Fifth Report is based on assumptions regarding future events. Actual results will vary from these forecasts and such variations may be material.

7. The Receiver has prepared the Fifth Report in connection with the stated purpose above, and should not be relied on for any other purpose.

8. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.

THE YORKDALE PROPERTY

9. YSS 1 holds a leasehold interest in the Yorkdale Property pursuant to a Lease (as amended or supplemented from time to time, the "**Head Lease**") dated September 26, 2002 with Yorkdale Shopping Centre Holdings Inc., as Landlord, which is an affiliate of Oxford Properties Group ("**Oxford**"). The Head Lease provides for an initial term of five years, which is extendable for an additional 27 consecutive periods of five years each at the option of YSS 1. The total term of the Head Lease runs to approximately the calendar year of 2142 based on the assumption of the full exercise of all extension periods. A copy of the Head Lease is attached as **Appendix "B"**.

10. Rent under the Head Lease is comprised of a favourable fixed annual basic rent amount and "Occupancy Payment", adjusted annually for consumer price index increases, plus a pass through of taxes, utilities, license fees and similar charges.

11. Prior to 2015, HBC was the tenant under the Head Lease. In 2015, HBC and RioCan entered into a joint venture, and HBC agreed to transfer various real estate assets to that joint venture, including the Head Lease. To effect this transfer, HBC proposed to assign the Head Lease to itself in its capacity as general partner of YSS 1 and then sublease the Yorkdale Property to itself in its own capacity. Oxford opposed that assignment and sublease.

12. On August 4, 2015, Justice Conway of this Court held that HBC did not require Oxford's consent for the assignment or sublease, thus allowing the Head Lease to be transferred to the joint venture. Oxford appealed that decision, which appeal was dismissed by the Court of Appeal on February 10, 2016. Copies of these decisions are attached as **Appendix "C" and "D"**, respectively.

13. As a result of the joint venture transaction, YSS 1 became the tenant under the Head Lease, with a sublease to HBC for the continued operation of the HBC store at the Yorkdale Property (the "**Yorkdale Sublease**"). A copy of the notice of assignment to

YSS 1 is attached as **Appendix "E"**. A copy of the Yorkdale Sublease is attached as **Appendix "F"**.

14. The Yorkdale Sublease is for a term that matched the Head Lease term. Rent payable under the Yorkdale Sublease is calculated differently from the Head Lease rent. The Yorkdale Sublease provides for rent payable by HBC to YSS 1 in an amount materially in excess of the Head Lease rent payable by YSS 1 to Oxford.

15. At this time, the Yorkdale Sublease has not been disclaimed, but HBC no longer occupies or pays rent under the Yorkdale Sublease. YSS 1 continues to pay rent to Oxford under the Head Lease through funding provided by RioCan.

16. No retail business has been conducted at the Yorkdale Property since June 2025. HBC exited the Yorkdale Property on June 16, 2025.

RBC FINANCING

17. Royal Bank of Canada ("**RBC**") provided a credit facility of approximately $75 million (the "**RBC Facility**") to YSS 1 pursuant to a Credit Agreement dated January 26, 2024 (the "**RBC Credit Agreement**"), secured by YSS 1's interest in the Yorkdale Property through the Head Lease. A copy of the RBC Credit Agreement is attached as **Appendix "G"**.

18. The RBC Facility is fully drawn. RioCan guaranteed the obligations of YSS 1 under the RBC Credit Agreement (the "**RioCan Guarantee**").

19. As the security for the RBC Credit Agreement relies upon RBC's ability to deal with the Yorkdale Property collateral, RBC and Oxford, among others, concurrently entered into a Leasehold Lender Agreement (the "**LLA**").

20. Among other things, the LLA contains provisions entitling RBC or its nominee to take possession of the Yorkdale Property pursuant to the Head Lease or a new lease in the event of certain breaches of the RBC Credit Agreement or the Head Lease. A copy of the LLA is attached as **Appendix "H"**.

MARKETING THE HEAD LEASE

21. The Head Lease is a significant asset. It offers below-market rent at a well-known shopping centre in Toronto. The Head Lease is long in terms of potential duration, with renewal options providing for extensions to approximately the calendar year of 2142.[2] Following formation of the HBC/RioCan joint venture in 2015, the Head Lease generated positive cash flow for YSS 1 due to the spread between the Head Lease rent and the Yorkdale Sublease rent.

22. Following its appointment, the Receiver took steps to identify potential transactions for the Yorkdale Property, in order to monetize the Head Lease for the benefit of creditors. These steps included the following:

    (a) discussions with the CCAA Monitor, Oberfeld, HBC, and Reflect Advisors regarding steps taken to market these assets in the sale process conducted in the CCAA Proceedings (collectively, the "**HBC Lease Monetization Process**");

    (b) reviewing the lists of parties solicited, level of interest received, and understanding of the most recent status of discussions held with potentially interested parties during the HBC Lease Monetization Process;

    (c) inquiries to Oxford to determine if it was interested in proposing a lease surrender transaction; and

    (d) identification and solicitation of tenants who may be interested in occupying this space.

23. RioCan's leasing team also contributed to the process by using its established connections within the industry to identify potential contracting counterparties for the Receiver to solicit.

[2] Initial 5-year term plus twenty-seven 5-year renewal options equals a maximum lease term of 140 years from the date the lease was entered into of September 26, 2002.

24. Recognizing that the Head Lease and Yorkdale Sublease were previously the subject of a global marketing process in the CCAA Proceedings and, given that occupancy costs continued to accrue on the Head Lease, the Receiver was of the view that a targeted and focused additional marketing approach was appropriate and reasonable in the circumstances.

25. On June 20, 2025, the Receiver contacted approximately 12 entities which the Receiver believed might reasonably be interested in occupying the Yorkdale Property, would be able to comply with the usage requirements of the Head Lease, and could complete a transaction. Offers were requested by July 16, 2025.

26. Further to the Receiver's marketing efforts and previous discussions between RioCan and Fairweather, Fairweather's legal counsel contacted the Receiver expressing Fairweather's interest in a potential transaction for the Yorkdale Property, among other properties.

27. The Receiver reviewed the responses received in connection with its canvassing of the market and concluded that the Fairweather opportunity was most likely to result in a value maximizing transaction for all parties. Accordingly, the Receiver commenced negotiations with Fairweather to finalize the terms of a sublease for the Yorkdale Property.

28. On August 13, 2025, the Receiver signed a sublease with Fairweather to give effect to the Fairweather Transaction, subject to court approval (the "**New Sublease**"). A copy of the New Sublease is attached as **Appendix "I".**

29. In the Receiver's Second Report, dated August 18, 2025, the Receiver disclosed that there was a proposed sublease arrangement with Fairweather for the Yorkdale Property.

30. As noted above and prior to signing the New Sublease, the Receiver approached Oxford regarding the opportunity for a lease surrender transaction, but Oxford did not convey any interest in concluding such a transaction. In the Receiver's experience, it is not uncommon for landlords to provide meaningful consideration in order to free themselves of long-term leases for large spaces. Doing so can allow the landlord to use

the space for other, more profitable purposes, including redevelopment. Indeed, such a lease surrender transaction has just recently been completed in these proceedings with Cadillac Fairview Corporation regarding two leases in Quebec.

31. Set out below are the details of a limited subset of such lease surrender transactions that the Receiver has identified from publicly available sources:

Tenant	Year	Landlord(s)	Location(s)	Consideration
Sears Canada Inc.	2013	Cadillac Fairview Corporation and Ivanhoe Cambridge	Five lease locations: - Eaton Centre, Toronto - Sherway Garders, Etobicoke - Markville Shopping Centre, Markham - Masonville Place, London - Richmond Centre, Richmond	$400 million
Target Canada Co., *et al*	2015	Ivanhoe Cambridge Inc. and Oxford Properties Corporation *et al*	Twelve lease locations: - Carrefour de L'estrie, Sherbrooke - Conestoga Mall, Waterloo - Hillcrest Mall, Richmond Hill - Kingsway Garden Mall, Edmonton - Les Galeries de la Capitale, Quebec City - Metropolis at Midtown, Vancouver - MicMac Mall, Halifax - Oakridge Centre, Vancouver - PLace Laurier, Quebec City - Square One, Mississauga, - Upper Canada Mall, Newmarket	Cash consideration before closing adjustments of approximately $138 million.
Target Canada Co., *et al*	2015	CF/Realty Holdings Inc., *et al*	Five lease locations: - Les Galeries d'Anjou - Masonville Place, London - Les Promenades St-Bruno, St-Bruno-de-Montarville - Market Mall, Calgary - Chinook Centre, Calgary	Cash consideration before closing adjustments of approximately $27 million

TERMS OF THE NEW SUBLEASE

32. Certain key terms of the New Sublease are set out below[3]:

(a) Tenant: Fairweather Ltd.

[3] This summary is for general information purposes only and is subject in all respects to the full terms of the New Sublease.

(b) Covenants: Fairweather is required to comply with the terms, covenants and conditions contained in the Head Lease.

(c) Fixturing Period: Fairweather will submit its plans for subtenant work to the Receiver in advance in writing for approval of the subtenant work. The subtenant work, which will include fixturing, must be complete within six months following the delivery of vacant possession to Fairweather in a condition suitable for the commencement of this work.

(d) Outside date for store opening: May 31, 2026.

(e) Term: Consistent with Head Lease.

(f) Rent: From the completion of the fixturing period until May 31, 2029 (the "**Gross Rent Period**"), a gross rent equal to the greater of $1,000,000 annually, (plus applicable taxes) and 12% of gross receipts from all business conducted at the Yorkdale Property (the "**Annual Combined Rent**"). After May 31, 2029, rent will equal the amounts payable by YSS 1 to Oxford, as head landlord under the Head Lease and utilities.

(g) Early Termination Rights:

(i) Fairweather may terminate the sublease effective May 31, 2029 by providing notice between 6-14 months in advance of that date. Upon receipt of such notice, YSS 1 may deliver a Rescission Notice, requiring Fairweather to continue with the lease, in which case Fairweather continues to pay the gross rent beyond the expiry of the Gross Rent Period, rather than rent equal to amounts under the Head Lease.

(ii) The New Sublease can be terminated by the Receiver, on behalf of YSS 1, on not less than nine months notice provided that a termination fee is paid to Fairweather. The termination fee covers out of pocket costs incurred by Fairweather as well as a percentage of the total consideration payable to YSS 1 under the alternative transaction YSS 1 proposes to enter into following such termination of the New Sublease.

(h) As is, where is: the Fairweather Transaction shall be subject to customary terms for a transaction of this type.

33. The Fairweather Transaction provides significant benefits to YSS 1 and to its stakeholders as a whole. YSS 1 is not currently able to pay the rent due under the Head Lease. Without a tenant to occupy the space or other beneficial transaction, YSS 1 may need to disclaim the Head Lease. This would result in YSS 1's stakeholders receiving no benefit from the Head Lease, despite its value. The Fairweather Transaction allows YSS 1 to keep the Head Lease in good standing. The New Sublease preserves the ability to derive value from the Head Lease in the future, whether due to an improved market for retail space or a transaction whereby Oxford pays to have YSS 1 relinquish the Head Lease. The New Sublease provides the Receiver with termination rights specifically so such opportunities remain available in the future.

34. In addition, the Fairweather Transaction will avoid a default under the RBC Facility. The RBC Facility is backed by the RioCan Guarantee, and the Receiver understands that RBC will look to be made whole by RioCan for any shortfall experienced by the RBC Facility. If the Head Lease is disclaimed or terminated, the Receiver expects that RBC will promptly look to the RioCan Guarantee for its recovery of the RBC Facility. Maintaining the Head Lease protects all interested parties against this outcome.

35. As a result, RioCan represents a primary priority economic stakeholder having a material interest in the outcome of the Receiver's motion. RioCan is supportive of the Yorkdale Transaction as it preserves the Head Lease, which has long term potential value. RioCan may be required to fund amounts on an annual or periodic basis should the annual rent from the New Sublease be insufficient to cover all annual operating and debt service costs.

36. In the Receiver's view, the Fairweather Transaction is the best path forward for the Yorkdale Property. It is the only option currently available that avoids a surrender of the Head Lease and loss of its substantial value.

COMPLIANCE WITH HEAD LEASE

37. The Head Lease contains provisions that govern transfers of YSS 1's interest in the lease, including by way of sublease. Pursuant to Article 21.00, Oxford's consent is required for any transfer, but Oxford may not unreasonably withhold that consent "so long as the transferee is creditworthy and a suitable replacement tenant and one who is sufficiently experienced and competent in operating a business of the type required to be operated in the Tenant Department Store."

38. These provisions include three separate factors for consideration on any assignment. The transferee should be: (i) creditworthy; (ii) a suitable replacement tenant; and (iii) sufficiently experienced and competent in operating a business of the type required to be operated in the Tenant Department Store.

39. Article 6.00 sets out the type of business required to be operated in the Tenant Department Store. It requires the Tenant to "operate in all or substantially all of the Tenant Department Store throughout the term as a single integrated traditional retail department store" (the "**Use Provision**").The Head Lease specifies that the types of store that were operated by Sears, Bloomingdale's, Macy's or Nordstrom at the time the Head Lease was signed are examples of single integrated traditional retail department stores. The Head Lease also acknowledges the "fluid and dynamic nature" of a department store operation such that departments and types of merchandise and services typically featured in such an operation were subject to change over time to better accommodate the operator's sense of its target market

40. Based on the Receiver's review of information provided by and discussions with Fairweather or its counsel, discussions with RioCan regarding their relationship with Fairweather, and the Receiver's own independent investigation, the Receiver believes: (i) Fairweather is creditworthy; (ii) Fairweather is a suitable replacement for HBC; and (iii) Fairweather is sufficiently experienced and competent in operating a retail department store.

41. Fairweather has represented to the Receiver and RioCan that it does not require any third-party funding to proceed with the proposed transaction. It already leases space in a large number of commercial buildings across the country, including shopping centres owned by Oxford. Oxford, RioCan and other major landlords have been sufficiently comfortable with Fairweather's creditworthiness to lease space to it. Therefore, the Receiver's view is that creditworthiness cannot be a reasonable basis for Oxford to oppose the sublease.

42. The Receiver is also of the view that Fairweather is a suitable replacement for HBC. It is an established operator of over 100 retail stores across the country. It is a Canadian company offering a range of clothing, fashion, and other products.

43. Finally, the Receiver's view is that Fairweather is sufficiently experienced and competent in operating a retail department store. It has been active in the retail market in Canada for over 25 years. It sells a wide range of apparel in a range of categories. Fairweather recently reached an agreement with Oxford to operate a department store under the Designer Depot brand in Edmonton's Kingsway Mall, which is an Oxford property.

44. The Receiver is informed that Fairweather intends to undertake business at the Yorkdale Property as a department store operator. Specifically, the store will be operated under Fairweather's "Ailes" brand, offering merchandise in a range of departments: men's apparel, women's apparel, children's apparel, footwear, accessories, housewares and home décor. In addition to third-party brands, it will also carry private label brands.

45. The "traditional department store" in Canada has seen significant decline in recent years. HBC, Sears, Eatons and Target are prominent examples of department stores that have ceased to operate in Canada. Fairweather's focus on apparel and its intention to include accessories, housewares and home décor in its store will position it as one of a very small number of "traditional department stores" in the country.

CONTINUITY OF HEAD LEASE

46. Should the New Sublease be approved by the Court, the Head Lease will initially continue to remain in place within the receivership proceedings on a near-term basis.

47. The Receiver is working with RioCan and counsel to identify long-term solutions for the Head Lease.

48. The Head Lease comprises the only material asset of YSS 1, accordingly the Receiver is of the view that confirming the New Sublease is a critical first step to determining future recoveries for YSS 1 from the Head Lease and a long-term plan for the Head Lease.

49. The Receiver will advise the Court in a future report on the alternatives considered and the recommended approach.

OXFORD'S RESPONSE

50. The Receiver provided a copy of the New Sublease to Oxford on August 19, 2025, shortly after its execution. A copy of this correspondence is attached as **Appendix "J"**.

51. On September 3, 2025, Oxford responded with a list of requests for documents and information. The requests included Fairweather's "corporate profile, articles of incorporation, and shareholder register", an organizational chart, a description of its business, audited financial statements and other financial information and details of Fairweather's experience as a department store operator. A copy of this correspondence is attached as **Appendix "K"**.

52. As noted above, Fairweather is already Oxford's tenant in multiple locations. The extensive list of requests was not consistent with the fact that Fairweather was well-known to Oxford with a history of paying rent for spaces in which it operated retail stores.

53. Fairweather was not willing to disclose the information requested by Oxford. Much of the information was highly confidential and sensitive. Fairweather advised the Receiver,

through counsel, that many of these information requests were not made in connection with Fairweather's other leases at Oxford properties.

54. Following this request, the Receiver came to understand that Oxford was not consenting to the proposed sublease. On October 1, 2025, the Receiver proposed a schedule for litigation to resolve the matter. A copy of this email is attached as **Appendix "L"**.

55. Oxford's counsel delivered a further letter on October 2, 2025, a copy of which is attached as **Appendix "M"**.

56. The Receiver's counsel responded by letter on October 9, 2025, a copy of which is attached as **Appendix "N"**.

RECOMMENDATION

57. In its evaluation of the New Sublease the Receiver has considered the following factors:

Sufficiency of Efforts to Obtain the Best Price

58. The process to solicit offers for the Yorkdale Property commenced through the HBC Lease Monetization Process in the CCAA Proceedings pursuant to an order of the Court dated March 21, 2025 (the "**Lease Monetization Order**"). A copy of the Lease Monetization Order is attached as **Appendix "O"**.

59. The CCAA Monitor reported that Oberfeld, as broker pursuant to the HBC Lease Monetization Process, delivered a teaser letter to approximately 60 potentially interested parties who were identified by Oberfeld based on its market expertise, with input from HBC and the CCAA Monitor. In addition, approximately 407 potentially interested parties were contacted regarding the assets of HBC generally, which included the Yorkdale Property. The CCAA Monitor further reported that approximately 31 parties executed a non-disclosure agreement in the HBC Lease Monetization Process, and approximately 54 parties executed a non-disclosure agreement in the HBC sale processes generally. All parties who signed a non-disclosure agreement were provided with access by HBC and its advisors to an electronic data room to conduct due diligence.

The Receiver understands that there were no offers received for the Yorkdale Property from the global marketing process initiated by HBC.

60. The solicitation processes conducted by Oberfeld and Reflect Advisors, with direct oversight from the CCAA Monitor were approved by the Court and executed accordingly. Given the nature of the Yorkdale Property and prior marketing efforts, the Receiver focused its efforts in its secondary marketing process by performing a targeted outreach to approximately 12 potentially interested parties including Oxford. The New Sublease was the result of that process.

61. The Receiver is of the view that the New Sublease represents the highest and best transaction available for the Yorkdale Property and maximizes value for stakeholders in the circumstances.

62. The Receiver believes parties with a potentially executable interest in the Yorkdale Property were provided with a reasonable opportunity to participate in the process, and sufficient due diligence information to submit an offer.

Interests Of All Stakeholders

63. The interests of all stakeholders are best protected by the New Sublease:

(a) RioCan / RBC: The continuation of the Head Lease ensures that the collateral of RBC, and indirectly RioCan through its guarantee, is preserved.

(b) Oxford: Oxford will have a viable replacement tenant for the Yorkdale Property that complies with the Head Lease and rental revenue from the Yorkdale Property, which would otherwise be vacant.

(c) Other Creditors: If value is ultimately generated from the Head Lease in excess of the obligations under the RBC Credit Facility, that value will flow to other creditors of YSS 1, such as Bank of Montreal whose credit facility with 2455034 Ontario Limited Partnership (formerly RioCan-HBC Limited Partnership) is guaranteed by YSS 1.

64. The New Sublease is particularly beneficial considering the limited universe of potentially viable counterparties interested in operating a retail department store business in Canada. To the extent there are differences between Fairweather's intended store and the former HBC store, the Head Lease accommodates a variety of different retail department store models and recognizes the fluid and dynamic nature of department store businesses, as evidenced by the differentiation of the businesses described as retail department stores, which included full-line non-luxury brands, such as Sears, as well as upmarket and more focused operators such as Bloomingdales, Macy's, and Nordstrom.

65. The New Sublease also preserves certain rights provided to the tenant under the Head Lease, including a minimum number of parking spaces, approval rights over certain occupants of the shopping centre, prohibits the Landlord from permitting certain types of businesses to operate in the shopping centre, restricts the Landlord's ability to expand or alter the shopping centre and creates a "No Build Area". The parking space provisions and No Build Area restrictions were amended in April 2014 by way of an Amending Agreement. A copy of the Amending Agreement is attached as **Appendix "P"**.

66. As noted earlier in this Report, the Head Lease is of significant value to YSS 1 and its stakeholders. This value can be preserved through approval of the New Sublease. For this reason and the reasons set out above, the Receiver requests and recommends that this Honourable Court approve the New Sublease.

The Receiver respectfully submits this, the Fifth Report, to the Court.

Dated this 11th day of October, 2025.

FTI Consulting Canada Inc.,
solely in its capacity as Court-appointed Receiver and Manager of
2455034 Ontario Limited Partnership, 2455034 Ontario Inc., 2491815 Ontario Limited Partnership, 2491815 Ontario Inc., 2491816 Ontario Limited Partnership, 2491816 Ontario Inc., 2681842 Ontario Limited Partnership, 2681845 Ontario Inc., 2681842 Ontario Inc., and not in its personal or corporate capacity

Per: _____

Jim Robinson
Senior Managing Director

Appendix "A"

Court File No. CV-25-00744295-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	TUESDAY, THE 3RD
	)	
JUSTICE OSBORNE	)	DAY OF JUNE, 2025

BETWEEN:

RIOCAN REAL ESTATE INVESTMENT TRUST, RIOCAN HOLDINGS INC., RIOCAN HOLDINGS (OAKVILLE PLACE) INC., RIOCAN PROPERTY SERVICES TRUST, RC HOLDINGS II LP, RC NA GP 2 TRUST and RIOCAN FINANCIAL SERVICES LIMITED

Applicants

- and -

RIOCAN-HBC LIMITED PARTNERSHIP, RIOCAN-HBC GENERAL PARTNER INC., HBC YSS 1 LIMITED PARTNERSHIP, HBC YSS 1 LP INC., HBC YSS 2 LIMITED PARTNERSHIP, HBC YSS 2 LP INC., RIOCAN-HBC OTTAWA LIMITED PARTNERSHIP, RIOCAN-HBC (OTTAWA) HOLDINGS INC., and RIOCAN-HBC (OTTAWA) GP, INC.

Respondents

IN THE MATTER OF AN APPLICATION UNDER SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED; and SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED

APPOINTMENT ORDER

THIS APPLICATION made by RioCan Real Estate Investment Trust, RioCan Holdings Inc., RioCan Holdings (Oakville Place) Inc., RioCan Property Services Trust and RC Holdings II LP, RC NA GP 2 Trust and RioCan Financial Services Limited (collectively, "**RioCan**") for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as

amended (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") appointing FTI Consulting Canada Inc. ("**FTI**"), as receiver and manager (in such capacity, the "**Receiver**") without security, of all of the assets, undertakings and properties of RioCan-HBC Limited Partnership, RioCan-HBC General Partner Inc., HBC YSS 1 Limited Partnership, HBC YSS 1 LP Inc. ("**YSS 1 LP**"), HBC YSS 2 Limited Partnership, HBC YSS 2 LP Inc. (together, with YSS 1 LP, the "**YSS Former Applicants**"), RioCan-HBC Ottawa Limited Partnership, RioCan-HBC (Ottawa) Holdings Inc., and RioCan-HBC (Ottawa) GP, Inc. (collectively, the "**JV Entities**" and each individually, a "**JV Entity**") acquired for, or used in relation to a business carried on by the JV Entities, including, without limitation, the Owned Real Properties, the Co-Ownership Interests, and the Leasehold Interests (each as defined below), was heard this day at 330 University Avenue, Toronto, Ontario and via videoconference.

ON READING the Notice of Application, the affidavit of Dennis Blasutti sworn May 29, 2025 and the Exhibits thereto (the "**Blasutti Affidavit**"), on being advised of the consent of Hudson's Bay Company ULC Compagnie de la Baie D'Hudson SRI ("**HBC**") and certain other applicants and non-applicants in the ongoing proceedings under the *Companies' Creditors Arrangement Act* bearing Court File No. CV-25-00738613-00CL (the "**HBC CCAA Proceedings**"), and Alvarez & Marsal Canada Inc., in its capacity as monitor in such proceedings (in such capacity, the "**Monitor**"), on hearing the submissions of counsel for RioCan, counsel to HBC, counsel to the Monitor, counsel the JV Secured Lenders (as defined below), counsel to Oxford Properties Group, counsel to Cadillac Fairview, and such other parties as listed on the Counsel Slip, with no one else appearing although duly served as appears from the certificate of service of Erik Axell dated May 30, 2025, and on reading the consent of FTI to act as the Receiver,

SERVICE AND DEFINED TERMS

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that capitalized terms used but not defined in this Order shall have the meanings given to them in the Blasutti Affidavit.

APPOINTMENT

3. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, FTI is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the JV Entities acquired for, or used in relation to a business carried on by the JV Entities, including all proceeds thereof (the "**Property**"). For greater certainty, the Property shall include, without limitation:

(a) the properties described in Part I of Schedule "A" hereto (collectively, the "**Owned Real Properties**");

(b) the undivided beneficial co-ownership interests of RioCan-HBC Limited Partnership (the "**Co-Ownership Interests**") in the properties described in Part II of Schedule "A" hereto (the "**Co-Owned Properties**"); and

(c) the head tenant and emphyteutic lessee interests (the "**Leasehold Interests**") in the properties described in Part III of Schedule "A" hereto (the "**Leasehold Properties**", and collectively with the Owned Real Properties and the Co-Owned Properties, the "**JV Properties**" and each individually, a "**JV Property**").

4. **THIS COURT ORDERS** that, notwithstanding any other provision hereof, the Receiver is not appointed receiver of or granted any rights of control over the Co-Owned Properties other than in its capacity as Receiver of the Co-Ownership Interests held by RioCan-HBC Limited Partnership. For greater certainty, and notwithstanding paragraph 5 of this Order, RioCan shall continue to manage the Co-Owned Properties pursuant to existing management arrangements between RioCan and RioCan-HBC Limited Partnership and the rights and powers conferred upon the Receiver by this Order shall only apply to the Receiver in its capacity as Receiver of the Co-Ownership Interests held by RioCan-HBC Limited Partnership.

RECEIVER'S POWERS

5. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, and subject to paragraph 6 of this Order, the Receiver is hereby expressly

empowered and authorized to do any of the following where the Receiver considers it necessary or desirable (subject to paragraph 4 in the case of the Co-Owned Properties):

(a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;

(b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

(c) to manage, operate, and carry on the business of the JV Entities, including the powers to (i) enter into any agreements, including, without limitation, any agreements to lease or sublease any JV Properties (subject to prior consultation with the applicable landlords of the Leasehold Properties), (ii) incur any obligations in the ordinary course of business, (iii) cease to carry on all or any part of the business, or (iv) cease to perform any contracts of the JV Entities;

(d) to engage brokers, agents, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;

(e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of any JV Entity or any part or parts thereof;

(f) subject to the stay of proceedings ordered by the Court in the HBC CCAA Proceedings (the "**CCAA Stay**"), as applicable, to receive and collect all monies and accounts now owed or hereafter owing to any JV Entity (with any such monies and accounts received and collected that are specific to a JV Property to be allocated by the Receiver to such JV Property) and to exercise all remedies of

any JV Entity in collecting such monies, including, without limitation, to enforce any security held by the JV Entities;

(g) subject to the CCAA Stay, to enforce all rights and remedies of the JV Entities against HBC, including any HBC obligations in respect of the inventory liquidation process, sale and investment solicitation process and lease monetization approved by the Court in the HBC CCAA Proceedings;

(h) to settle, extend or compromise any indebtedness owing to the JV Entities;

(i) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of any JV Entity (including, without limitation, subject to the CCAA Stay, as applicable, in order to instruct, authorize or direct any nominee, mandatory or prête-nom holding registered title to any JV Property), for any purpose pursuant to this Order;

(j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to any JV Entity, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

(k) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

(l) to sell, convey, transfer, lease or assign (each, a "**Disposition**") the Property or any part or parts thereof out of the ordinary course of business:

(i) without the approval of this Court in respect of any transaction not exceeding CA$500,000, provided that the aggregate consideration for all such transactions does not exceed CA$3 million; and

(ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act,* or section 31 of the Ontario *Mortgages Act*, as the case may be, or any similar legislation in any other province or territory providing for notice prior to disposition or sale, shall not apply, provided that any Disposition of a Leasehold Interest shall be in accordance with the applicable lease or, if not in accordance with the applicable lease, on consent of the applicable landlord or subject to further order of the Court;

(m) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

(n) to report to, meet with and discuss with such affected Persons (as defined below), including RioCan, HBC, any secured lenders of the JV Entities (such secured lenders, including RioCan in its capacity as secured lender and each JV Secured Lender, collectively, the "**Secured Lenders**") and the landlords of the Leasehold Properties, as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

(o) to report to, meet with and discuss with HBC and the Monitor and their respective representatives and advisors at such times and intervals as the Receiver may deem appropriate with respect to such matters relating to the receivership as the Receiver deems appropriate, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

(p) to coordinate with HBC and the Monitor and their respective representatives and advisors, as the Receiver may deem appropriate, to discuss any accounting, sale process and other matters relating to the JV Entities;

(q) to register a copy of this Order and any other Orders (including, without limitation, vesting Orders) in respect of the JV Properties against title to any of the JV Properties, and when submitted by the Receiver for registration, this Order and any such other Orders (including, without limitation, vesting Orders) shall be immediately accepted for registration by the applicable land titles registrar (or other applicable authority) in any province or territory and notwithstanding that the appeal period in respect of this Order has not elapsed, and the applicable land titles registrar (or other applicable authority) shall accept all Affidavits of Corporate Signing Authority submitted by the Receiver in its capacity as Receiver of the Property and not in its personal capacity, provided that all Orders registered on title (i) in respect of any of the Leasehold Interests at the Leasehold Properties (save and except for any vesting Order), and (ii) in respect of any JV Secured Lender Property (as defined below) subject to a Termination Certificate (as defined below) delivered pursuant to paragraph 46 of this Order, shall in each case be deleted from title by the Receiver prior to or upon the Receiver's discharge in respect of such JV Property;

(r) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of any JV Entity;

(s) to enter into agreements with any trustee in bankruptcy appointed in respect of any JV Entity, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by any JV Entity;

(t) to exercise any shareholder, partnership, joint venture, co-ownership, contractual, statutory or other rights which any of the JV Entities may have; and

(u) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the JV Entities, and without interference from any other Person.

6. **THIS COURT ORDERS** that, in exercising the powers conferred upon it by paragraph 5 of this Order in respect of any JV Properties, the Receiver shall, where determined to be reasonable and practicable by the Receiver, consult with RioCan, HBC, the Secured Lenders and the landlords of the applicable Leasehold Properties in respect of the exercise of such powers relating to the Leasehold Interests. Without limiting the generality of the foregoing, the exercise of the Receiver of the powers conferred by the following subparagraphs of this Order shall in each case require the consent of any Secured Lender holding a charge or other security interest against such relevant JV Property, or a further order of the Court: 5(c)(i) in connection with any agreements to lease or sublease any JV Properties, 5(c)(iii) in connection with ceasing to carry on all or part of any business which is conducted as of the date of this Order to the extent relating to any JV Property, 5(c)(iv) in connection with ceasing to perform any contracts of the JV Entities relating to any JV Property, 5(f) in connection with any enforcement proceedings or enforcement of security held by the JV Entities in respect of any JV Property, 5(h) in respect of settling, extending or compromising any indebtedness relating to any JV Property, 5(j) in respect of initiating, prosecuting and continuing the prosecution of any and all proceedings and defending all proceedings in respect of any JV Property, 5(k) in respect of any JV Property, 5(l) in respect of any JV Property, 5(s) in connection with any occupancy agreements for the JV Property and 5(t) in connection with any exercise of shareholder, partnership, joint venture, co-ownership, contractual, statutory or other rights in respect of any JV Property.

7. **THIS COURT ORDERS** that notwithstanding anything to the contrary in this Order, RioCan and HBC expressly reserve all rights with respect to any sale, transfer, lease, assignment or other disposition of the Property pursuant to the Third Amended and Restated Limited

Partnership Agreement in respect of RioCan-HBC Limited Partnership dated April 29, 2023, the Co-Owners' Agreement in respect of the Georgian Mall property dated July 9, 2015, and the Co-Owners' Agreement in respect of the Oakville Place property dated July 9, 2015.

8. **THIS COURT ORDERS** that until a real property lease to which any JV Entity is a party as lessee is subject to a completed Disposition in accordance with subparagraph 5(l) of this Order, or is rejected by the Receiver in accordance with paragraph 9 of this Order, or as otherwise agreed to by the applicable landlords or subject to further order of this Court, the Receiver shall pay all amounts constituting rent or payable as rent under such leases (including, for greater certainty, common area maintenance charges, utilities and any other amounts payable to the applicable landlord under such leases, but for greater certainty, excluding accelerated rent or penalties, fees or other charges arising as a result of the insolvency of the JV Entities or the making of this Order) (collectively, "**Rent**"), for the period commencing from and including the date of this Order, in advance and not in arrears.

9. **THIS COURT ORDERS** that notwithstanding any term of this Order:

(a) the Charges (as defined below) as applicable to the Leasehold Interests shall only be a charge in the JV Entities' interests in the Leasehold Interests and not a charge on the applicable landlord's interests in the Leasehold Interests or on the Leasehold Properties;

(b) except as expressly permitted by the terms of the leases, none of the leases relating to the Leasehold Interests shall be amended or varied without the prior written consent of the applicable landlord and any applicable Secured Lender, or without further Order of this Court;

(c) unless otherwise agreed by the relevant landlord, the Receiver shall provide such landlord with not less than thirty (30) days' prior written notice of the intention to reject a Leasehold Interest (the "**Rejection Notice Period**"); and

(d) if any notice of rejection is delivered by the Receiver to the applicable landlord in respect of a Leasehold Interest, then: (i) during the Rejection Notice Period, the landlord may show the affected leased premises to prospective tenants during

normal business hours on giving the Receiver forty-eight (48) hours' prior written notice (with the Receiver and its representatives having the option to attend any such showing of the relevant leased premises); and (ii) at the effective time of the rejection of the Leasehold Interest, the landlord shall be entitled to take possession of the applicable leased premises without waiver of or prejudice to any claims or rights such landlord may have against the JV Entities in respect of such lease or leased premises.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

10. **THIS COURT ORDERS** that (i) the JV Entities, (ii) all of their current and former directors, officers, employees, representatives, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control and, subject to the CCAA Stay, as applicable, shall grant immediate and continued access to the Property to the Receiver as the Receiver may request.

11. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the JV Entities, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and, subject to the CCAA Stay, as applicable, shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 11 or in paragraph 12 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

12. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

13. **THIS COURT ORDERS** that the Receiver shall provide each of the relevant landlords and lessors of the Leasehold Properties with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord or lessor shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord or lessor disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable Secured Lenders, such landlord or lessor and the Receiver, or by further Order of this Court upon application by the Receiver on at least four (4) days notice to such landlord or lessor and any such Secured Lender.

NO PROCEEDINGS AGAINST THE RECEIVER

14. **THIS COURT ORDERS** that, without limiting the rights of the Secured Lenders to issue demands and relevant notices, including default notices, no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE JV ENTITIES OR THE PROPERTY

15. **THIS COURT ORDERS** that no Proceeding against or in respect of the JV Entities or their Property (which includes, for greater certainty, any Proceeding against any nominee, mandatory or prête-nom holding registered title to any JV Property in respect of any JV Property) shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the JV Entities or the Property are hereby stayed and suspended pending further Order of this Court, provided that the stay of Proceedings in this paragraph 15 shall not apply to:

(a) The Toronto-Dominion Bank and The Canada Life Assurance Company, as first priority Secured Lender, and RioCan, as second priority Secured Lender, in respect of the Oakville Place property (collectively, the "**Oakville Secured Lenders**"); and

(b) Desjardins Financial Security Life Assurance Company, as first priority Secured Lender, and RioCan, as second priority Secured Lender, in respect of the Georgian Mall property (collectively, the "**Georgian Secured Lenders**"),

in each case, with respect to any Proceeding against or in respect of the Oakville Place property and the Georgian Mall property, as applicable.

NO EXERCISE OF RIGHTS OR REMEDIES

16. **THIS COURT ORDERS** that all rights and remedies against the JV Entities, the Receiver, or affecting the Property (which includes, for greater certainty, any rights and remedies against any nominee, mandatory or prête-nom holding registered title to any JV Property in respect of any JV Property), are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that (i) this stay and suspension does not apply (x) in respect of any "eligible financial contract" as defined in the BIA, and (y) to the Oakville Secured Lenders in respect of the Oakville Place property and the Georgian Secured Lenders in respect of the Georgian Mall property, and (ii) nothing in this paragraph shall:

(a) empower the Receiver or the JV Entities to carry on any business which the JV Entities are not lawfully entitled to carry on;

(b) prevent the filing of any registration to preserve or perfect a security interest;

(c) prevent the registration of a claim for lien, provided that in all cases any claim for lien affecting the Leasehold Properties shall be deleted from title by the Receiver prior to the Receiver's discharge or otherwise addressed by a further order of the Court discharging the Receiver;

(d) prevent the registration on title of any instrument in respect of RioCan's undivided beneficial interest in respect of the Co-Owned Properties;

(e) prevent the granting of unregistered, beneficial transfers in respect of RioCan's undivided beneficial interest in respect of the Co-Owned Properties; and

(f) exempt the Receiver or the JV Entities from compliance with statutory or regulatory provisions relating to health, safety or the environment.

NO INTERFERENCE WITH THE RECEIVER

17. **THIS COURT ORDERS** that no Person shall discontinue, suspend, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, servitude, lease, licence or permit in favour of, for the benefit of, or held by the JV Entities, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

18. **THIS COURT ORDERS** that all Persons having oral or written agreements with the JV Entities or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the JV Entities are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of their current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the JV Entities or

such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

19. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including, without limitation, the sale of all or any of the Property and the collection of any accounts receivable in whole or in part (including pursuant to the powers conferred upon the Receiver by paragraph 5(f) of this Order), whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into accounts to be opened by the Receiver in respect of each JV Property and a general account, as applicable (the "**Post Receivership Accounts**"). The Receiver shall maintain one or more Post Receivership Accounts for each of the JV Properties and shall ringfence the direct receipts and direct disbursements in respect of each JV Property so that no receipts from or in respect of any JV Property shall be used to pay the disbursements related to any other JV Property.

20. **THIS COURT ORDERS** that:

(a) with respect to any JV Property other than the Co-Owned Properties, to the extent there are amounts in the Post Receivership Accounts in respect of any such JV Property remaining after paying the direct disbursements and the Receivership Costs allocated to such JV Property, as determined by the Receiver in its sole and absolute discretion, the Receiver shall pay any debt service or other obligations to the relevant Secured Lenders in respect of such JV Property that may be due and owing at such time. Regarding the Co-Owned Properties, RioCan shall continue to manage debt service obligations in the normal course pursuant to management contracts between RioCan and RioCan-HBC Limited Partnership, including the payment of such debt service obligations;

(b) to the extent the Receiver incurs expenses which are general or administrative in nature and cannot be attributed to any individual JV Property, such expenses shall be funded from advances subject to the Receiver's Borrowings Charge and subject to allocation pursuant to paragraph 36; and

(c) to the extent the Receiver incurs expenses in relation to a specific JV Property for which there are insufficient funds in the relevant Post Receivership Account, such expenses shall be funded from Receiver's Borrowings and allocated to such property.

21. **THIS COURT ORDERS** that the Receiver shall, as soon as possible and in any event no later than within forty-five (45) days of the issuance of this Order, and no later than the tenth (10th) business day of each month thereafter, provide to RioCan and the Secured Lenders a 13-week cash flow report (the "**Cash Flow Report**"). The Cash Flow Report shall outline the anticipated weekly cash receipts, disbursements and Receiver's Borrowings on a JV Property by JV Property and general and administrative cost basis (including the proposed allocation of such general and administrative costs pursuant to paragraph 36 of this Order), and include a variance report comparing actual receipts, disbursements and Receiver's Borrowings to those included in the prior Cash Flow Report and reasons for any material variance (as applicable).

EMPLOYEES

22. **THIS COURT ORDERS** that all employees of the JV Entities shall remain the employees of the respective JV Entity until such time as the Receiver, on the applicable JV Entity's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA or otherwise, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

23. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall be permitted to disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the

Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the JV Entities, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

24. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

25. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

26. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts and subject to paragraph 36 of this Order.

27. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for the Receivership Costs (other than the Receiver's Borrowings, which shall be secured by the Receiver's Borrowings Charge (each as defined below)), incurred both before and after the making of this Order in respect of these proceedings. The Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts (including statutory, deemed and constructive trusts), liens, charges and encumbrances, statutory or otherwise (collectively, "**Encumbrances**"), in favour of any Person, but subject to (a) sections 14.06(7), 81.4(4), and 81.6(2) of the BIA, and provided further that (b) the Receiver's Charge shall be (i) subordinate to any security interest of the Oakville Secured Lenders and the Georgian Secured Lenders in respect of the Oakville Place and Georgian Mall Co-Owned Properties, respectively, (ii) subordinate to the JV Rent Charge (as defined in the Amended and Restated Initial Order granted by this Court in the HBC CCAA Proceedings dated March 21, 2025) in respect of the Property of the YSS Former Applicants, and (iii) subject to paragraph 31 of this Order.

28. **THIS COURT ORDERS** that the Receiver and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

29. **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

30. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow from RioCan, the relevant JV Secured Lender in the case of funding specific to the relevant JV Secured Lender Property and/or any other Persons, in each case as determined by the Receiver, with the consent of any relevant JV Secured Lender, by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed CA$20 million (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the business of the JV Entities (including, for greater certainty, the payment of Rent) or the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**" and, together with the Receiver's Charge, the "**Charges**") as security for the payment of the monies borrowed, together with interest and charges thereon (collectively, the "**Receiver's Borrowings**"), in priority to all Encumbrances in favour of any Person, provided that (a) the Receiver's Borrowings Charge shall be subordinate in priority to (i) the Receiver's Charge, (ii) the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA, (iii) any security interest of Oakville Secured Lenders and the Georgian Secured Lenders in respect of the Oakville Place and Georgian Mall Co-Owned Properties, respectively, and (iv) the JV Rent Charge (as defined in the Amended and Restated Initial Order granted by this Court in the HBC CCAA Proceedings dated March 21, 2025) in respect of the Property of the YSS Former Applicants, and (b) the Receiver's Borrowings Charge shall be subject to paragraph 31 of this Order.

31. **THIS COURT ORDERS** that:

(a) the amount of the Charges shall only apply against any JV Property in the amount allocated to such JV Property (save and except the amount of the Receiver's Borrowings Charge as against each of the BMO Secured Properties, which in each case shall be the total aggregate amount allocated to the BMO Secured Properties) in accordance with paragraph 36 of this Order;

(b) the amount of the Receiver's Borrowings Charge in respect of any Receiver's Borrowings borrowed from a JV Secured Lender, if any, shall only apply against the relevant JV Secured Lender Property; and

(c) the amount of the Charges as against each JV Secured Lender Property shall not secure an amount in excess of the amount for such JV Secured Lender Property shown on Schedule "B" in the column titled "Initial Maximum Permitted Amount of the Charges as Allocated to the Relevant JV Secured Property" without the prior written consent of the relevant JV Secured Lender or further order of the Court, as applicable.

32. **THIS COURT ORDERS** that, in the event that the consent of any JV Secured Lender to increase the amount of the Charges as against the relevant JV Secured Lender Property is not obtained, the Receiver may seek to terminate these receivership proceedings with respect to such JV Secured Lender Property on advance notice to the applicable JV Secured Lender.

33. **THIS COURT ORDERS** that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with the Receiver's Borrowings shall be enforced without leave of this Court.

34. **THIS COURT ORDERS** that the Receiver is at liberty to and shall issue certificates substantially in the form annexed as Schedule "C" hereto (the "**Receiver's Certificates**") for any Receiver's Borrowings pursuant to this Order.

35. **THIS COURT ORDERS** that until all obligations in respect of a particular Receiver's Certificate allocated to a particular JV Property (a "**Prior Issued Certificate**") shall have been repaid in full, the Receiver's Borrowings under any Receiver's Certificate issued subsequent in time to the Prior Issued Certificate and allocated to that same particular JV Property shall rank subordinate in priority to the obligations under the Prior Issued Certificate, unless otherwise agreed to by the holder of the Prior Issued Certificate.

ALLOCATION

36. **THIS COURT ORDERS** that the Receiver shall allocate the costs of these proceedings, including, without limitation, the reasonable fees and expenses of the Receiver and its counsel incurred both before and after the making of this Order in respect of these proceedings, the costs of RioCan pursuant to paragraph 45 of this Order, the Receiver's Borrowings, and any other reasonable general costs incurred (collectively, the "**Receivership Costs**"), against each of the JV Properties, in such amounts as the Receiver determines to be fair and reasonable, subject to the consent of RioCan and the Secured Lenders, or further order of this Court. Receivership Costs relating a particular JV Property shall be allocated to that JV Property, and costs which are general or administrative in nature and are not attributable to any individual JV Property and their proposed allocation shall be identified as part of the Receiver's reporting pursuant to this Order.

37. **THIS COURT ORDERS** that the Receiver shall, in addition to reporting on allocation as part of the Cash Flow Forecast reporting required pursuant to paragraph 21 of this Order, report to RioCan and the Secured Lenders and their respective representatives and advisors at such times and intervals as the Receiver may deem appropriate with respect to the current amount of the Receivership Costs and the proposed allocation thereof required by paragraph 36 of this Order.

38. **THIS COURT ORDERS** that, with respect to each of the Co-Owned Properties and any Receivership Costs allocated against such Co-Owned Properties pursuant to paragraph 36 of this Order, such Receivership Costs shall be paid from Receiver's Borrowings allocated to such Co-Owned Properties (with the Receiver's Borrowings Charge in respect of such Receiver's Borrowings, for greater certainty, being subordinate to any security interest of the Oakville Secured Lenders and the Georgian Secured Lenders in respect of the Oakville Place and Georgian Mall Co-Owned Properties pursuant to paragraph 30 of this Order, as applicable), and shall otherwise only be paid from sources other than Receiver's Borrowings (i), in the case of the Oakville Place property, after there has been payment in full of any and all obligations owing to the Oakville Secured Lenders in respect of the Oakville Place property, or with the prior written consent of the Oakville Secured Lenders, as applicable, and (ii) in the case of the Georgian Mall

property, after there has been payment in full of any and all obligations owing to the Georgian Secured Lenders, or with the prior written consent of the Georgian Secured Lenders, as applicable.

SERVICE AND NOTICE

39. **THIS COURT ORDERS** that the Guide Concerning Commercial List E-Service (the "**Guide**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Guide (which can be found on the Commercial List website at https://www.ontariocourts.ca/scj/practice/regional-practice-directions/eservice-commercial/) shall be valid and effective service. Subject to Rule 17.05 of the *Rules of Civil Procedure* (Ontario) (the "**Rules**"), this Order shall constitute an order for substituted service pursuant to Rule 16.04. Subject to Rule 3.01(d) of the Rules and paragraph 13 of the Guide, service of documents in accordance with the Guide will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Guide with the following URL: http://cfcanada.fticonsulting.com/riocanhbcjv.

40. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Guide is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic message to the JV Entities' creditors or other interested parties and their advisors at their respective addresses as last shown on the records of the JV Entities and that any such service or distribution by (i) electronic message or personal delivery shall be deemed to be received on the date of transmission or delivery, as applicable, (ii) courier shall be deemed to be received on the next business day following the date of forwarding thereof, or (iii) ordinary mail shall be deemed to be received on the third business day after mailing. For greater certainty, any such electronic distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

GENERAL

41. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

42. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of any JV Entity.

43. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or a jurisdiction outside Canada to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

44. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal or regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

45. **THIS COURT ORDERS** that RioCan shall have all of its reasonable legal costs of this Application, up to and including entry and service of this Order, and for any other matters requested by the Receiver or the Receiver's counsel to be completed by RioCan's counsel, Goodmans LLP, for the benefit of these receivership proceedings and where there is no conflict in RioCan's counsel doing so, be paid by the Receiver as Receivership Costs.

46. **THIS COURT ORDERS** that each Secured Lender in respect of the JV Property listed on Schedule "B" hereto (each a "**JV Secured Lender**" and such property, the "**JV Secured Lender Property**") may, at any time, serve on the Receiver, RioCan, the other JV Secured Lenders and HBC a certificate in the form attached as Schedule "D" hereto (the "**Termination Certificate**") advising that such JV Secured Lender wishes to terminate these receivership

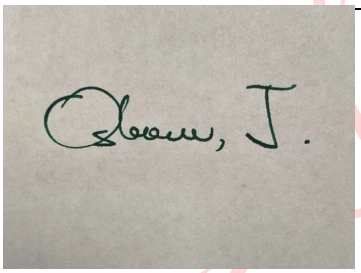
proceedings in respect of the relevant JV Secured Lender Property and other Property (collectively, the "**JV Secured Lender Collateral**") against which such JV Secured Lender holds priority security.

47. **THIS COURT ORDERS** that, subject to the payment by such JV Secured Lender to the Receiver of any Receivership Costs allocated to the relevant JV Secured Lender Property in accordance with paragraph 36 of this Order (or as the Receiver and the relevant JV Secured Lender may otherwise agree), the Receiver shall be discharged as Receiver of such relevant JV Secured Lender Collateral effective as of 12:01 a.m. (Toronto time) on the day that is seven (7) days after service of the Termination Certificate (the "**Termination Time**") or as otherwise agreed amongst the Receiver and the applicable JV Secured Lender, provided that notwithstanding any discharge of the Receiver as provided by this paragraph 47, (a) the Receiver shall remain the Receiver of the relevant JV Secured Lender Collateral for the performance of such incidental duties as may be required to complete the administration of the receivership provided by this Order; and (b) the Receiver shall continue to have the benefit of the provisions of this Order and any other Orders made in this proceedings, all approvals, protections and stays of proceedings in favour of the Receiver in its capacity as Receiver, including any action taken by the Receiver following the Termination Time. For certainty, no JV Secured Lender that delivers a Termination Certificate shall be restrained by the terms of this Order from exercising or enforcing any of its rights and remedies against its JV Secured Lender Collateral, including by seeking the appointment of a receiver, from and after the Termination Time.

48. **THIS COURT ORDERS** that, notwithstanding paragraph 47 of this Order, in the event that a JV Secured Lender in respect of the Co-Owned Properties delivers a Termination Certificate, in order for the Termination Time to occur, such JV Secured Lender shall not be required to pay (nor required to make other arrangements with the Receiver in respect of) any Receivership Costs allocated to the relevant Co-Owned Property in accordance with paragraph 36 of this Order, and instead the Charges shall continue to apply following the Termination Time to the relevant Co-Owned Property with the priority set out in this Order until such time as the Receiver has received payment in full of all Receivership Costs allocated to the applicable Co-Owned Property.

49. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver, RioCan and any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

50. **THIS COURT ORDERS** that this Order shall be effective as of 12:01 a.m. (Toronto time) on the date of this Order without the need for entry or filing of this Order.



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SCHEDULE "A"

REAL PROPERTY INTERESTS

PART I – Owned Real Properties

Location	Address	Nominee	Beneficiary
Downtown Montreal	585 Ste-Catherine St. W, Montreal, QC	HBC	RioCan-HBC Limited Partnership
Downtown Vancouver	674 Granville St., Vancouver, BC	HBC	RioCan-HBC Limited Partnership
Downtown Calgary	200 8th Avenue S.W., Calgary, AB	HBC	RioCan-HBC Limited Partnership
Devonshire Mall	3030 Howard Avenue, Windsor, ON	Snospmis Limited	RioCan-HBC Limited Partnership
Downtown Ottawa	73, 85 and 87 Rideau St., Ottawa, ON	RioCan-HBC (Ottawa) Holdings Inc.	RioCan-HBC Ottawa Limited Partnership

PART II – Co-Ownership Interests

Location	Address	Nominee	Beneficiary
Oakville Place	240 Leighland Avenue, Oakville, ON	RioCan Holdings (Oakville Place) Inc., as nominee for both co-owners	RioCan-HBC Limited Partnership
Georgian Mall	509 and 545-547 Bayfield St., Barrie, ON	RioCan Holdings Inc., as nominee for both co-owners	RioCan-HBC Limited Partnership

PART III – Leasehold Interests

Location	Landlord	Nominee	Beneficiary
Yorkdale Shopping Centre	Yorkdale Shopping Centre Holdings Inc.	HBC	HBC YSS 1 Limited Partnership
Scarborough Town Centre	Scarborough Town Centre Holdings Inc.	HBC	HBC YSS 1 Limited Partnership

Location	Landlord	Nominee	Beneficiary
Square One Shopping Centre	Square One Property Corporation	HBC	HBC YSS 2 Limited Partnership
Carrefour Laval	Ontrea Inc.	2472598 Ontario Inc.	RioCan-HBC Limited Partnership
Promenades St. Bruno	Ontrea Inc.	2472596 Ontario Inc.	RioCan-HBC Limited Partnership
Certain leasehold interests related to the upper floor entrance to the Downtown Calgary property.			
Certain leasehold interests related to a loading facility in respect of the Downtown Montreal property.			
Certain leasehold interests related to the Downtown Ottawa property.			
Certain leasehold interests related to a parking area in respect of the Devonshire Mall property.			

SCHEDULE "B"

JV Secured Lender	JV Secured Property	Initial Maximum Permitted Amount of the Charges as Allocated to the Relevant JV Secured Property
Royal Bank of Canada in respect of the Montreal RBC First Priority Financing.	Downtown Montreal, 585 Ste-Catherine St. W, Montreal, QC	$2 million
Royal Bank of Canada (formerly HSBC Bank Canada) as administrative agent for itself and certain other lenders in respect of the Vancouver HSBC First Mortgage Financing.	Downtown Vancouver, 674 Granville St., Vancouver, BC	$2 million
Bank of Montreal as administrative agent for itself and certain other lenders in respect of the BMO First Mortgage Financing.	Downtown Calgary, 200 8th Avenue S.W., Calgary, AB Carrefour Laval, 3045 Boulevard Le Carrefour, Laval, QC Promenades St. Bruno, Boulevard des Promenades, St. Bruno, QC	$2 million $2 million $2 million
Desjardins Financial Security Life Assurance Company in respect of the Ottawa First Mortgage Financing.	Downtown Ottawa, 73, 85, and 87 Rideau St., Ottawa, ON	$2 million
The Toronto-Dominion Bank and The Canada Life Assurance Company in respect of the Oakville First Mortgage Financing.	Oakville Place, 240 Leighland Avenue, Oakville, ON	No maximum.
Desjardins Financial Security Life Assurance Company in respect of the Georgian Mall First Mortgage Financing.	Georgian Mall, 509 and 545-547 Bayfield St., Barrie, ON	No maximum.

JV Secured Lender	JV Secured Property	Initial Maximum Permitted Amount of the Charges as Allocated to the Relevant JV Secured Property
Royal Bank of Canada as administrative agent for itself and certain other lenders in respect of the Yorkdale RBC Financing.	Yorkdale Shopping Centre, 3401 Dufferin St., Toronto, ON	$2 million

SCHEDULE "C"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT CA$_____

1. THIS IS TO CERTIFY that FTI Consulting Canada Inc., the receiver (the "**Receiver**") of the assets, undertakings and properties of RioCan-HBC Limited Partnership, RioCan-HBC General Partner Inc., HBC YSS 1 Limited Partnership, HBC YSS 1 LP Inc., HBC YSS 2 Limited Partnership, HBC YSS 2 LP Inc., RioCan-HBC Ottawa Limited Partnership, RioCan-HBC (Ottawa) Holdings Inc., and RioCan-HBC (Ottawa) GP, Inc. (collectively, the "**JV Entities**" and each individually, a "**JV Entity**") acquired for, or used in relation to a business carried on by the JV Entities, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated June 3, 2025 (the "**Appointment Order**") made in the proceedings having Court File Number CV-25-00744295-00CL, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of CA$_____, being part of the total principal sum of CA$_____ which the Receiver is authorized to borrow under and pursuant to the Appointment Order. Unless otherwise indicated herein, capitalized terms used herein and not otherwise defined have the meanings set out in the Appointment Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Appointment Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Appointment Order or to any further order of the Court, a charge upon the whole of the Property (defined in the Appointment Order as the "**Receiver's Borrowings Charge**"), in priority to the security interests of any other person, subject to (a) the priority of the charges set out in the Appointment Order and in the *Bankruptcy and Insolvency Act*, (b) the allocation of the costs of the receivership proceedings against the JV Properties and the amount

of the Receiver's Borrowings Charge only applying to any JV Property in the amount allocated to such JV Property, in each case pursuant to the Appointment Order, and (c) the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Appointment Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Appointment Order.

DATED the _____ day of _____, 20__.

FTI Consulting Canada Inc., solely in its capacity as Receiver of the Property, and not in its personal capacity

Per: _____

Name:

Title:

SCHEDULE "D"

FORM OF TERMINATION CERTIFICATE

Court File No. CV-25-00744295-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

B E T W E E N :

RIOCAN REAL ESTATE INVESTMENT TRUST, RIOCAN HOLDINGS INC., RIOCAN HOLDINGS (OAKVILLE PLACE) INC., RIOCAN PROPERTY SERVICES TRUST, RC HOLDINGS II LP, RC NA GP 2 TRUST and RIOCAN FINANCIAL SERVICES LIMITED

Applicants

- and -

RIOCAN-HBC LIMITED PARTNERSHIP, RIOCAN-HBC GENERAL PARTNER INC., HBC YSS 1 LIMITED PARTNERSHIP, HBC YSS 1 LP INC., HBC YSS 2 LIMITED PARTNERSHIP, HBC YSS 2 LP INC., RIOCAN-HBC OTTAWA LIMITED PARTNERSHIP, RIOCAN-HBC (OTTAWA) HOLDINGS INC., and RIOCAN-HBC (OTTAWA) GP, INC.

Respondents

IN THE MATTER OF AN APPLICATION UNDER SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED; and SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED

TERMINATION CERTIFICATE

RECITALS

A. Pursuant to the Order of the Honourable Justice Osborne of the Ontario Superior Court of Justice (Commercial List) dated June 3, 2025 (the "**Appointment Order**"), FTI Consulting Canada Inc. ("**FTI**") was appointed as the Receiver in the within proceedings.

B. Pursuant and subject to the terms of paragraph 46 of the Appointment Order, any JV Secured Lender may terminate the within receivership proceedings in respect of the

JV Secured Lender Collateral against which it holds priority security, effective as at the Termination Time, by serving this Termination Certificate on the Receiver, RioCan, the other Secured Lenders and HBC, subject to the terms of the Appointment Order.

C. Unless otherwise indicated herein, capitalized terms used herein and not otherwise defined have the meanings set out in the Appointment Order.

NOW, FURTHER TO THE FOREGOING, the below-referenced JV Secured Lender hereby gives notice to the Receiver, RioCan, the other Secured Lenders and HBC that it wishes to terminate the within receivership proceedings in respect of the JV Secured Lender Collateral related to: **[INSERT DESCRIPTION OF APPLICABLE JV SECURED LENDER PROPERTY].**

DATED this _____ day of _____, 2025.

[INSERT NAME OF JV SECURED LENDER]

Per: _____

Name:

Title:

RIOCAN REAL ESTATE INVESTMENT TRUST, et al.	- and -	**RIOCAN-HBC LIMITED PARTNERSHIP, et al.**
Applicants		Respondents

Court File No. CV-25-00744295-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

APPOINTMENT ORDER

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Lawyers for RioCan Real Estate Investment Trust

Appendix "B"

LEASE AGREEMENT

amongst

YORKDALE SHOPPING CENTRE HOLDINGS INC.

and

HUDSON'S BAY COMPANY

And

OMERS REALTY CORPORATION
OMERS REALTY HOLDINGS (YORKDALE) INC. and
1331430 ONTARIO INC.

for

YORKDALE SHOPPING CENTRE

HUDSON'S BAY DEPARTMENT STORE LEASE

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No Build Area	*-outlined in GREEN (Clause 20.01)*
Second Department Store	*-outlined in BLUE*
Shopping Centre Lands	*-outlined in ORANGE*
HBC Lands	*-outlined in BROWN*
Approved Pads	*-shaded in YELLOW*

Schedule Colours

Tenant Department Store	*-outlined in RED*
Tenant Ground Floor Level Expansion Area	*-outlined in BLUE*
Tenant Second Level Expansion Are	*-outlined in GREEN*
Truck Standing Area	*-shaded in BROWN*

L E A S E

THIS LEASE is made as of the 26th day of September, 2002.

AMONGST:

YORKDALE SHOPPING CENTRE HOLDINGS INC.
(hereinafter called the "Landlord")

OF THE FIRST PART

- AND -

HUDSON'S BAY COMPANY
(hereinafter called the "Tenant")

OF THE SECOND PART

-AND-

OMERS REALTY CORPORATION
OMERS REALTY HOLDINGS (YORKDALE) INC. and
1331430 ONTARIO INC.
(hereinafter called the "Owners")

OF THE THIRD PART

WHEREAS:

(A) The Owners are the registered and beneficial owners in fee simple of the Shopping Centre Lands;

(B) The Landlord is tenant of the Shopping Centre pursuant to the Head Leases; and

(C) This Lease and the respective covenants and agreements of the parties hereto are entered into by the parties in consideration of the rents, covenants and agreements herein contained.

ARTICLE 1

DEFINITIONS, SCHEDULES AND LANDLORD'S WARRANTIES, REPREPRESENTATIONS AND COVENANTS

1.00 Definitions. In this Lease the terms defined in this clause 1.00 are used with the meanings so defined, as follows:

"Additional Charges" means all payments payable by the Tenant under this Lease;

"Affiliated Corporation" means a holding corporation, subsidiary corporation or affiliate of Tenant, as each of those terms is defined in the *Canada Business Corporations Act*;

"assignment" means any transaction whereby any rights of Tenant under this Lease are transferred to anyone (whether immediately, conditionally or contingently) and includes an assignment or specific or floating charge whereby the interest of tenant is mortgaged or pledged as security for any indebtedness or other obligation and includes an assignment by operation of law but excludes any subletting, licencing or concessioning expressly permitted under clause 21.00;

"Authority" means the federal, provincial, and municipal governments, the courts, administrative and quasi-judicial boards and tribunals and any other governmental organizations or entities with the lawful authority to regulate, or having a power or right conferred at law or by or under a statue over Landlord, Tenant, the Tenant Department Store, the Leased Premises or the Shopping Centre including the businesses carried on therein;

"Bay HVAC Facilities" means all facilities and equipment used for or in connection with the provision and supply of heating, ventilating and air conditioning to and for the Tenant Department Store as from time to time existing;

"Bay Mechanical Equipment" means all facilities and equipment for or related to all plumbing, electrical, water, gas, sewage, escalators, elevators, sprinklers, life safety, fire detection and suppression equipment, telephone, communications and electronic equipment and Utilities systems and equipment for the Tenant Department Store from time to time existing;

"Bay Operating Costs" means the total direct and indirect cost and expense incurred or to be incurred by Tenant to discharge its obligation under this Lease and with respect to the operation, condition, use, maintenance, improvement, cleaning, insuring, rebuilding, replacement and repair of the Tenant Department Store including the Bay HVAC Facilities, the Bay Mechanical Equipment, and all related installations and all Utilities and services to the extent serving the Tenant Department Store (each of which shall be separately metered to the extent permitted by the applicable Authority) and the Leasehold Improvements and the Tenant Property for the Tenant Department Store;

"change in control" means, in the case of any corporation or partnership, the transfer, by sale, assignment, operation of law, transmission on death, mortgage, trust, issuance from treasury, cancellation or redemption, or otherwise, of any shares, voting rights or interest, which will result in a change of the identity of the person exercising, or who might exercise, effective control of such corporation or partnership whether directly or indirectly, unless such change occurs as the result of trading in shares listed upon a recognized stock exchange but excludes a change in control resulting from bona fide estate planning transfers between the holders of control immediately prior to such transfers and members of their immediate families;

"Common Facilities" means all areas, improvements and facilities in the Shopping Centre, both interior and exterior as existing from time to time, which are appropriate and intended for common use by or benefit of the tenants and other occupants of the Shopping Centre (including the Landlord and the Tenant) and their employees, invitees, licensees and customers, including without limitation the Parking Facilities, common utilities and services, Mall and common utility distribution systems but excludes all of the following: Rentable Premises and portions thereof; all merchandising, display and service areas in the Mall and any other portions of Parking Facilities and the Mall while being used for retail selling and other private purposes; and all corridors, loading docks and truck receiving and delivery facilities and the Truck Standing Area, and electrical and mechanical vaults and rooms and facilities therein, which in each case are appropriate and intended predominantly for use only by one tenant or a limited group of tenants and its and their employees (except that the Utility distribution systems shall not be excluded if serving more than one tenant or occupant);

"Common Facilities Operating Costs" means all costs, charges and expenses incurred by the Landlord for and properly attributable to the supervision, operation, repair, replacement and maintenance of Common Facilities and the Shopping Centre;

"Contaminant" means any solid, liquid, or gaseous substance, any hazardous substance, any toxic substances, any odour, heat, sound, vibration, radiation or combination or any of them that may, if Discharged, have an adverse effect on the environment or on people, property or the normal conduct of business;

"CPI" means the Consumer Price Index (All Items - excluding food, for Ontario) or if there is no Consumer Price Index for Ontario, for the City of Toronto or any substitute index agreed upon by the parties, each acting reasonably, published by Statistics Canada or any other comparable Authority; if another index is substituted, the Landlord shall make all conversions necessary to ensure that the replacement index is comparable;

"Discharge" means any spill, release, escape, emission, discharge, leak or movement of a Contaminant into the environment, the indoor or outdoor air, into or onto the ground, into the surface water or ground water, into the sewers or any watercourse, or into, onto or from the Tenant Department Store, the HBC Lands or the Shopping Centre;

"Encumbrances" means the Permitted Encumbrances under the Purchase Agreement together with by-laws, regulations and statutes, prior registered easements, servitudes, agreements, covenants, restrictions, rights, leases, liens, privileges, mortgages, charges and encumbrances which do not materially adversely affect the Tenant's rights under this Lease including without limitation, its ability to operate the Tenant Department Store;

"Greater Toronto Area" means the City of Toronto and the Regional Municipalities of Halton, Peel, York and Durham;

"Gross Leasable Area" as applied to any Rentable Premises (including the Tenant Department Store) means the aggregate floor area thereof on each level expressed in square feet, calculated by measuring from the exterior face of all exterior walls, the centre line of all interior walls separating any leasable premises from adjoining leasable premises, and the exterior face of all other demising walls; but excluding all exterior vestibules (being vestibules outside the standard storefront line or exterior building line, as the case may be), mezzanines, mechanical penthouses, electrical and mechanical vaults and rooms and facilities and vertical transportation facilities (such as elevators, escalators, stairs and stairwells). No deductions shall be made for vestibules inside the standard storefront line or exterior building line, as the case may be, or for columns or similar projections within Rentable Premises;

"Head Lease I" means the lease dated the 29th day of March, 1993, originally entered into between Bramalea Inc. as landlord and the Landlord as tenant, under which the Landlord is the tenant of the Shopping Centre Lands for a term expiring on the 28th day of March, 2042;

"**Head Lease II"** means the lease dated the 26th day of September, 2002, entered into between, OMERS Realty Holdings (Yorkdale) Inc. and 1331430 Ontario Inc. as landlord and the Landlord as tenant, under which the Landlord is the tenant of the HBC Lands for a term expiring on the 28th day of March, 2042;

"Head Leases" means collectively, Head Lease I and Head Lease II, and "Head Lease" means either one of them.

"HBC Lands" means the lands which are the site of a portion of the Shopping Centre and are shown outlined in BROWN on the Site Plan (as such lands are more particularly described in Part 2 of Schedule A hereto);

"Landlord" means Yorkdale Shopping Centre Holdings Inc. and its successors and assigns;

"Lease" means this lease as from time to time amended;

"Leased Premises" means (a) those portions of the HBC Lands and the Shopping Centre Lands which are, on the date of this Lease, in direct physical contact from below with the Tenant Department Store, including any portion of such lands as are in direct physical contact from below with the structural pad, the subfloor, foundations, structural elements and supports forming part of the Tenant Department Store; (b) the air space actually occupied on the date of this Lease, by the Tenant Department Store and, (c) the area and air space occupied respectively by the Tenant's Ground Floor Level Expansion and Tenant's Second Level Expansion effective, respectively, from the date of substantial completion of each such expansion; but excluding and reserving to the Landlord, any air space above such lands in (a) above which is not actually occupied by any portion of the Tenant Department Store on the date of this Lease;

"Leasehold Improvements" means all fixtures, improvements, installations, alterations and additions from time to time made, constructed, erected or installed in, on or to the Tenant Department Store with the exception of Tenant Property, and shall also include all or any portion of the Bay HVAC Facilities, the Bay Mechanical Equipment and any other sewage, sprinkler, mechanical and electrical equipment and facilities and equipment for or in connection with the supply of Utilities wherever located, exclusively serving the Tenant Department Store;

"Letter Agreement" means the September 30, 1999 letter agreement between the Landlord and the Tenant concerning the Tenant Department Store and an expansion of the Shopping Centre;

"Mall" means the enclosed pedestrian concourses, courts and arcades, which are and from time to time may be constructed as part of the Shopping Centre, and being part of the Common Facilities, as from time to time altered, diminished, reconstructed or expanded in accordance with the provisions of this Lease;

"Mortgage" includes a mortgage, pledge, charge, hypothec, privilege, financing encumbrance or any other financing arrangement, and "Mortgagee" includes the holder of such mortgage.

"No Build Area" means that area shown outlined in GREEN on the Site Plan;

"Occupancy Payment" means the sum of $166,000.00 per annum for the first lease year. In each lease year after the first lease year the amount of the payment shall be increased over the prior year's payment amount by the same proportion as the increase in the CPI during such prior year, but in no event shall the payment amount be decreased;

"Opening Date" means the 26th day of September, 2002;

"Operating Agreement" means the agreement dated June 14, 1963 and registered on June 26, 1963 as Instrument No. NY410177 (B106441) between Triton Centres Limited, Simpsons Limited and The T. Eaton Company Limited as amended and supplemented to the date hereof;

"Owners" means individually OMERS Realty Corporation, OMERS Realty Holdings (Yorkdale) Inc. and 1331430 Ontario Inc. and their respective successors and assigns as owners of the HBC Lands and the Shopping Centre Lands;

"Parking Facilities" means that portion of the Common Facilities which is from time to time intended and available for the parking of motor vehicles, as from time to time altered, diminished, reconstructed or expanded in accordance with the provisions of this Lease, and includes all improvements on the Shopping Centre associated with parking from time to time such as all curbs, lighting facilities, pavement, signs, entrances, exits, roads, ramps and other means of access to parking;

"Prior Agreements" means any and all prior undertakings, agreements, rights and obligations of the Landlord and the Tenant and their respective predecessors affecting or relating to the Tenant Department Store and the Shopping Centre and entered into or

assumed prior to the date of this Lease including without limitation the Operating Agreement;

"Prior Conditions" means any defect, deficiency, state of disrepair, condition, substance, matter or thing including any Contaminant affecting the Tenant Department Store, the Leasehold Improvements, the Tenant Property, and the HBC Lands and existing or occurring on or prior to the Opening Date;

"Purchase Agreement" means the agreement of purchase and sale respecting the HBC Lands between the Tenant as vendor and the Owners as purchaser dated August 27, 2002;

"Real Property Taxes" means any and all real property, municipal, school or local improvement taxes (which includes rates, assessments, levies, charges and impositions), general or special, from time to time levied or imposed with respect to real property (including land, buildings, fixtures, and accessories and improvements to them) by municipal or other Authorities having jurisdiction, including without limitation such taxes levied or imposed for schools, public betterments, or any other tax, assessment or charge imposed upon or in respect of any real property from time to time by any Authority, but the following shall be excluded to the extent any such tax is not imposed in lieu of any tax, assessment or charge upon or in respect of real property or upon Landlord in respect thereof: namely, all interest, fines or penalties for non-payment, and all taxes which are of the nature of taxes on income, capital, or otherwise personal to the taxpayer, and not of the nature of taxes on real property. If, due to changes in the method of assessment, levying or collection of any tax, levy, rate or charge imposed upon immovable property, any new tax, levy, rate or charge is levied or imposed in lieu of or in addition to those contemplated by the above definition, the Landlord and the Tenant agree to negotiate in good faith an amendment or new provision to this Lease as is necessary to deal with such tax, levy, rate or charge in an equitable manner so as to obviate any injustice or inequity which shall have arisen, and should the Landlord and the Tenant fail to agree on such amendment or new provision the same shall be settled by arbitration as provided in this Lease;

"rent" means all amounts payable by the Tenant to the Landlord under this Lease;

"Rentable Premises" means all premises in the Shopping Centre designed, intended or available for use, and all premises used, by businesses which provide goods or services to the public either at wholesale or retail or otherwise used or intended for use to carry on a business, including, without limiting the foregoing, in addition to retail stores (including department stores, food supermarkets, kiosks, theatres and fitness and recreational facilities), chartered banks, trust companies, dry cleaners, barber shops and restaurants and snack bars and commercial offices;

"Retail Hours" means the business days and hours from time to time designated for the Shopping Centre by Landlord acting reasonably and in accordance with the provisions of this Lease;

"Sears" means Sears Canada Inc. and its successors and permitted assigns;

"Second Department Store" means the department store building which has been constructed on the HBC Lands and is shown outlined in BLUE on the Site Plan, as such building may from time to time be altered, diminished, reconstructed or expanded and which is presently being leased to Sears;

"Shopping Centre" means the Shopping Centre Lands and the HBC Lands and all the buildings and improvements from time to time erected thereon other than the Tenant Department Store, but including all Common Facilities and all other Rentable Premises thereon, as all of the foregoing may from time to time be altered, diminished, enlarged, reconstructed or expanded and the appurtenances thereto from time to time existing, together constituting the shopping centre known as "Yorkdale Shopping Centre" but excluding all improvements to Rentable Premises made or installed therein by or on behalf of any occupant of such premises, and further excludes all personal property owned by or for which any occupant of Rentable Premises is liable;

"Shopping Centre Lands" means the lands which are the site of a portion of the Shopping Centre and are shown outlined in ORANGE on the Site Plan (as such lands are more particularly described in Part 1 of Schedule A);

"Site Plan" means the site and location plan of the Shopping Centre and the improvements presently constructed thereon, and which is annexed as Schedule B to this Lease;

"sublease" includes any sublease and sub-sublease;

"Tenant" means Hudson's Bay Company and its successors and permitted assigns as tenant under this Lease;

"tenant" means any occupant of Rentable Premises pursuant to a lease or any other agreement with the Landlord other than the Tenant;

"Tenant Department Store" means the department store building which is owned by the Tenant including the structural pad, the subfloor, foundations, structural elements and supports, exterior walls, doors and windows, and, the roof and roof membrane located directly above all portions of such department store building which are shown outlined in RED on the Third Floor floor plan attached as part of Schedule C and the roof over the Tenant's Second Level Expansion Area and the roof over the Tenant's Ground Floor Level Expansion, when constructed, and all related improvements constructed upon and within the Leased Premises and including the Leasehold Improvements and which is presently operated as a Bay department store, comprising approximately 301,000 square feet of Gross Leasable Area on the basement and three above grade levels, as such building is shown approximately outlined in RED on the plans attached as Schedule C hereto, and as such building may from time to time be altered, diminished, reconstructed or expanded in compliance with the provisions of this Lease (and which building shall include for greater certainty the mechanical penthouse and any fixed improvements located from time to time on the roof above the third level thereof which are for the exclusive use of the Tenant) but excludes the Truck Standing Area;

"Tenant Ground Floor Level Expansion Area" means the area shown outlined in BLUE on the ground floor level floor plan attached as part of Schedule C hereto;

"Tenant Second Level Expansion Area" means the area shown outlined in GREEN on the second level floor plan attached as part of Schedule C hereto;

"Tenant's Ground Floor Level Expansion" means the expansion to the ground floor level of the Tenant Department Store which is carried out by the Tenant pursuant to Article 19;

"Tenant's Second Level Expansion" means the expansion to the second level of the Tenant Department Store which is carried out by the Tenant pursuant to Article 19;

"Tenant Property" means the trade fixtures, chattels, merchandise and personal property within the Tenant Department Store;

"Term" means the entire term of this Lease including the original term as described under clause 3.00, every extension of the term as described under clause 3.01 resulting from the exercise of any of the Tenant's options thereunder, and any period of overholding to which clause 3.02 applies;

"Transfer" means any assignment, sublease, licensing, concessioning, franchising, change in control, or parting with possession, or other transaction or occurrence (including an amalgamation, other than an amalgamation as part of a bona fide corporate reorganization, carried out while the Tenant is solvent, receivership or seizure by execution or other legal process) which has or might have the effect of changing the identity of Tenant or the persons controlling Tenant or changing the identity of the person having lawful use, occupancy or possession of the whole or any part of the Tenant Department Store, whether such change is or might be immediate, deferred, conditional, exclusive, non-exclusive, permanent or temporary;

"Truck Standing Area" means the truck standing, loading, unloading and garbage holding area which is part of the Common Facilities but for the exclusive use of the Tenant, shown shaded in BROWN on the basement level floor plan attached as part of Schedule C hereto;

"Unavoidable Delay" means any prevention, delay, stoppage or interruption in the performance of any obligation of the parties hereunder due to strike, lockout, labour dispute, act of God, or the occurrence of fire or other casualty, or any other condition or cause which is beyond the reasonable control of the party obligated to perform despite all reasonable efforts of such party to perform (but shall not include any inability to perform because of any lack of funds or any financial condition), not caused by the default or act of or omission by such party;

"Utilities" means water, gas, fuel, electricity, telephone, communication, waste disposal and other utilities or services or any combination thereof.

1.01 Schedules. The Schedules to this Lease form part hereof and are as follows:

Schedule A -	Legal Description of Shopping Centre in Parts 1 and 2
Schedule B -	Site Plan
Schedule C -	Tenant Department Store Floor Plans
Schedule D -	Rules and Regulations

1.02 Landlord's Warranties and Representations. The Landlord warrants and represents to the Tenant that at the date of this Lease and the date of execution and delivery of the Lease:

(1) Any Mortgages, charges and other similar encumbrances now or hereafter registered against and affecting the Shopping Centre other than the Encumbrances are, or, in regard to future ones, shall be, subordinate to this Lease and require, or, for future ones, will require, the holder, while in possession, to observe and perform the obligations of the Landlord, in each case in accordance with the terms of this Lease;

(2) The Owners collectively are the registered and beneficial owners of the Shopping Centre and their title thereto is good and marketable and subject to no encumbrances other than the Encumbrances;

(3) There are no restrictions imposed and binding upon Landlord by law or by private agreement and no exclusives in favour of other tenants, which materially adversely interfere with Landlord's ability to grant the rights granted by the Landlord to the Tenant under this Lease; and

(4) The Landlord is the holder of a good and marketable leasehold interest in the Shopping Centre pursuant to the Head Leases, and has full and complete authority to enter into this Lease and to provide to the Tenant the rights being granted to the Tenant hereunder.

The Tenant acknowledges that so far as the Tenant is aware, as at the date of this Lease there is no outstanding matter relating to the Landlord's foregoing warranties and representations which constitutes a failure of compliance with this section 1.02.

1.03 Covenant for Quiet Enjoyment.

(1) The Landlord hereby covenants with the Tenant that the Tenant paying the rent hereby reserved and performing the covenants herein on the Tenant's part contained, shall and may peaceably possess and enjoy the Leased Premises for the Term, in accordance with and subject to the provisions of this Lease, without any interruption or disturbance from the Landlord, or any other person or persons lawfully claiming by, from or under the Landlord.

(2) This Lease and all of the rights of the Tenant hereunder shall have priority over any and all Mortgages, trust deeds or other instruments of financing, refinancing or collateral financing from time to time in existence with respect to the Shopping Centre. The Tenant shall, at the Landlord's request, enter into such reasonable form or forms of agreement as the Landlord may require for the purpose of subordinating the Tenant's rights hereunder to

any and all such Mortgages, trust deeds or other instruments of financing, refinancing or collateral financing and, if requested, attorning to the holder(s) thereof on the terms and conditions of this Lease, for the remainder of the Term, provided that the Landlord shall first obtain from each holder of any Mortgages, trust deeds or other instruments of financing, refinancing or collateral financing from time to time in existence with respect to the Shopping Centre a non-disturbance agreement in favour of the Tenant, in form and content acceptable to all parties each acting reasonably, providing the Tenant with security of tenure and the right to remain in possession of the Leased Premises under the terms and conditions of this Lease until such time as the Lease shall expire, be surrendered or be terminated for default.

1.04 Condition of Leased Premises. The Tenant hereby acknowledges that it is taking possession of the Leased Premises in an "as is" condition and subject to the Prior Conditions which the Tenant accepts.

1.05 Net Lease. It is intended that this Lease be an absolutely net and carefree lease for the Landlord and that rent be received by Landlord free of any cost or obligation concerning the Leased Premises and the Tenant Department Store unless expressly otherwise specified in this Lease. Except as otherwise specifically provided in this Lease, the Leased Premises and the Tenant Department Store are at the sole risk of the Tenant throughout the Term and the Tenant shall be responsible for and shall pay the Bay Operating Costs and all other cost and expense arising with respect to the operation, condition, maintenance, repair, restoration, use and occupation of the Leased Premises and the Tenant Department Store.

1.06 Head Leases. The Landlord covenants to perform its obligations under the Head Leases in such manner as to avoid any material interference with the Tenant's enjoyment of its rights under this Lease.

ARTICLE 2

DEMISE AND GRANT OF RIGHTS

2.00 Demise of Leased Premises. The Landlord leases the Leased Premises to the Tenant and the Tenant leases and accepts the Leased Premises from the Landlord for the Term, upon and subject to the covenants and provisions expressed in this Lease, together with the benefit of all rights and privileges granted to the Tenant by this Lease.

2.01 Rights Regarding Tenant Department Store. The Landlord grants to the Tenant, upon and subject to the covenants and provisions expressed in this Lease, a right of access over those parts of the Shopping Centre Lands and the HBC Lands immediately adjacent to and under all portions of the Tenant Department Store to the extent necessary to carry out required repairs and maintenance, at all reasonable times and in such a manner as will cause minimum interference with the business operation of the Shopping Centre. The parties acknowledging that except in emergency situations, where any such entry would materially disrupt the operation of the Shopping Centre such entry shall be carried out during off peak business hours and seasons and, to the extent commercially reasonable to do so, at times when the Shopping Centre is closed for business.

2.02 Rights to Common Facilities. The Landlord grants to the Tenant, upon and subject to the covenants and provisions expressed in this Lease, including the rules and regulations imposed by the Landlord, in accordance with this Lease respecting such use, for non-exclusive use by the Tenant and its employees and those having lawful business with it including its customers and invitees and all others authorized by the Landlord, in common with the Landlord and other occupants of the Shopping Centre and their respective employees and those having lawful business with them including their customers, the right and license during the Term and, with respect to such rights related to the Mall, during the Retail Hours only, and not terminable by the Landlord during the Term, to use the Common Facilities for the purposes for which such Common Facilities are intended and provided; and in particular, without limiting the generality of the foregoing, such right and license of use shall include:

(1) The right to use the Parking Facilities (including the means of pedestrian and vehicular access and the entrances and exits to and from the Shopping Centre included therein) for the purpose of pedestrian and vehicular access to, from and within the Shopping Centre and the parking of vehicles in parking spaces provided therein;

(2) The right to pedestrian passage and re-passage through every portion of the Mall (excluding those portions thereof which are occupied by kiosks or merchandising, display and service areas not expressly prohibited under this Lease while so occupied) for the purpose of access to or from every portion of the Shopping Centre including the Tenant Department Store;

(3) The right to the use of Utilities and such other services as have been or may be provided by the Landlord, in accordance with the provisions of this Lease;

(4) The right to use the corridors, entrances to and exits from buildings, public washrooms and all other facilities provided for common use and enjoyment as part of the Common Facilities; and

(5) The exclusive right to use the Truck Standing Area which is adjacent to and is used in conjunction with the receiving facilities of the Tenant Department Store, for the purpose of the temporary standing of motor vehicles and trailers only while loading and unloading and placement of garbage compactors and bins, and the right of access to and from such Truck Standing Area.

2.03 Control of Common Facilities. Subject to the provisions of this Lease, all Common Facilities shall at all times be under the exclusive control and management of the Landlord. Subject to the provisions of Articles 7, 14 and 20, the Landlord shall be entitled to alter, construct, diminish, maintain, operate and supervise the Common Facilities, to change the area, location and arrangement thereof and may expand and alter the Shopping Centre and do and perform such other acts therein and with respect thereto as the Landlord, acting in its own interest as owner, shall determine to be advisable and may from time to time erect kiosks or other merchandising facilities in any part of the Shopping Centre in such location or locations as may be designated therefore by the Landlord. Subject to the provisions of Articles 7, 14 and 20, the Landlord shall also be entitled to use or permit the use of any part of the Common Facilities for special features and promotional, merchandising and other activities.

ARTICLE 3

TERM, EXTENSIONS AND RIGHT OF TERMINATION

3.00 Original Term. The original term shall be for five (5) years commencing on the Opening Date and ending on the 25th day of September, 2007.

3.01 Extensions. The Tenant shall have the option to extend the original term of this Lease for twenty-seven (27) consecutive periods of five (5) years each. Unless this Lease shall have been sooner terminated pursuant to clause 3.03, 3.05, 6.01, 12.00, or 24.00 or otherwise, each of the aforesaid options shall be deemed to have been exercised by the Tenant, without the need for any written notice of exercise or other notice or action by the Tenant, unless the Tenant gives notice to the Landlord that it does not desire to exercise such option to extend, which notice of non-exercise by the Tenant shall be given not later than twelve (12) months prior to the end of the original term in the case of the first of such options, or not later than twelve (12) months prior to the end of the then current extension period in the case of any of the twenty-six subsequent options to extend (and in which event only, such option shall be deemed not to have been exercised, the Term shall expire at the expiration of the original term or the then current extension period, as the case may be, and there shall be no further or other right of the Tenant to extend the Term).

All of the covenants, conditions and provisions of this Lease, including the stipulation as to rent and other payments and contributions by the Tenant hereunder, shall apply during

each extension period specified in this clause 3.01, except that there shall be no options to extend beyond the twenty-seventh extension period, and any provision which expressly has application only during the original term shall not apply during any extension period.

If any event occurs entitling the tenant of the Second Department Store to terminate its lease prior to its expiry by effluxion of time, the Landlord agrees, by notice to the Tenant, to advise whether or not such tenant intends to terminate. In addition, the Landlord agrees, by notice to the Tenant, to advise whether or not such tenant intends to renew or extend the term of its lease for the Second Department Store for the then impending renewal or extension period as soon as it has been so advised by such tenant.

3.02 Landlord's Right to Extend. Notwithstanding any action on the part of the Tenant pursuant to the provisions of clause 3.01, the Landlord shall have the option of extending the original term for up to four (4) consecutive periods of five (5) years each, provided that the Landlord gives the Tenant notice of such extension not later than twelve (12) months prior to the end of the original term in the case of the first of such options and not later than twelve (12) months prior of the end of the then current extension period in the case of the second, third and fourth extension periods. In respect of the extension period for which the Landlord has given notice in accordance herewith, the Tenant shall be deemed to have irrevocably waived its right to give a notice of non-extension pursuant to clause 3.01 in respect of that extension period.

3.03 Overholding. If the Tenant shall remain in possession after the original term or any extension period, save pursuant to a written agreement between the Landlord and the Tenant, the Tenant shall be deemed to be a tenant from month to month at a monthly basic rental equal to one point five (1.5) times the annual basic rent payable in the last year of the Term immediately preceding such overholding and otherwise upon all the terms and provisions of this Lease, modified as is appropriate to such a monthly occupancy. Either party shall have the right to terminate the month to month tenancy on one month's prior notice to the other.

3.04 Early Termination By Landlord. At any time after the 50th year of the Term, the Landlord may terminate this Lease on 12 months prior written notice if seventy-five percent (75%) or more of the Shopping Centre Lands is no longer used for retail purposes.

ARTICLE 4

RENT

4.00 Amount of Rent for Leased Premises. During the Term the Tenant covenants to pay annual basic rent of Five Hundred Thousand dollars ($500,000).

4.01 Additional Charges: During each year of the Term the Tenant shall pay to the Landlord or to others if any sums are required or permitted by the terms of this Lease to be paid to anyone other than the Landlord, in lawful money of Canada, and except as otherwise specifically provided for in this Lease or in a final Court Order, without deduction, abatement, or set-off further annual rent for the Leased Premises equal to the aggregate of the following amounts:

(a) the Occupancy Payment.

(b) all rates and charges for water, gas, sewage, garbage and refuse removal, telephone and other communications facilities and electric power services and Utilities supplied to or consumed by the Tenant and any others in the Tenant Department Store.

(c) All Real Property Taxes levied, rated, charged or assessed against the Tenant Department Store and the Leased Premises and Leasehold Improvements and Tenant Property therein:

(d) all taxes and license fees and similar charges on the Tenant Property and Leasehold Improvements.

For the purposes of enforcement of the covenant of the Tenant to pay the foregoing amounts, each such amount shall be regarded as rent due under this Lease.

4.02 Payment of Rent. Rent in the amount contemplated by clause 4.00 shall be paid in lawful money of Canada to the Landlord at such place in Canada as the Landlord may from time to time direct in writing. Rent shall be payable (a) by equal monthly instalments in advance on the first day of each calendar month, except that rent payable for any broken portion of a calendar month (at the commencement or expiration of the Term) shall be appropriately adjusted for, being calculated at a rate per day equal to 1/365th of the applicable annual rent for the broken portion of the calendar month involved, and (b) without any previous notice or demand of the Landlord, and without any abatement, set-off or deduction whatsoever except as specifically otherwise provided for in this Lease or in a final Court Order.

4.03 Additional Rent. In addition to the rent referred to in clauses 4.00 and 4.01 all sums of money required to be paid by the Tenant to the Landlord under this Lease, whether or not such sums of money are expressed or referred to as being rent, shall be deemed to be additional rent and payable and recoverable as rent.

4.04 Tenant to Pay. The Tenant covenants to pay rent. The Tenant shall also be solely responsible for and shall promptly pay as and when due and payable all amounts included in the Bay Operating Costs.

4.05 Other Taxes. Tenant shall pay in accordance with the applicable legislation, any goods and services, sales, business, transfer, multi-stage, use, consumption, value added or other similar taxes imposed by the Government of Canada, or by any provincial or local government, upon the Tenant on or in respect of the rent and other amounts payable by the Tenant under this Lease.

ARTICLE 5

GENERAL COVENANTS

5.00 Covenants of Tenant. The Tenant covenants with the Landlord:

(1) to pay when due the rent stipulated in Article 4 and the contributions in respect of the Common Facilities Operating Costs stipulated in Article 10 in the amount and manner therein provided, and all other sums from time to time due to the Landlord under this Lease;

(2) to observe and perform all the covenants and obligations of the Tenant under this Lease; and

(3) to pay the Bay Operating Costs.

5.01 Covenants of Landlord. The Landlord covenants with the Tenant to observe and perform all the covenants and obligations of the Landlord under this Lease.

ARTICLE 6

OCCUPANCY OF TENANT DEPARTMENT STORE

6.00 Use of Tenant Department Store. The Tenant shall continuously operate in all or substantially all of the Tenant Department Store throughout the Term as a single integrated traditional retail department store, subject to Unavoidable Delay and provided that the Landlord is operating the balance of the Shopping Centre as a first class regional shopping centre. The parties acknowledge that the type of store presently operated by the Tenant under its Bay banner and the type of store presently operated under the Sears, Bloomingdale's, Macey's or Nordstrom's banners are single integrated traditional retail department stores. The parties further acknowledge the fluid and dynamic nature of a

department store operation and agree that the departments and types of merchandise and services typically featured in such an operation are subject to changes over time to better accommodate the operator's perception of its target market.

Any other type of store, department store, junior department store, speciality store or speciality department store not of the specific type or kind required to be operated under the preceding paragraph shall be a prohibited use and shall not be permitted to operate in the Tenant Department Store.

While the Tenant is required to operate the Tenant Department Store, it shall be operated or have the appearance of being operated as a single integrated business, controlled by a single overall operator having regard to the Tenant's rights under Clause 21.00, with a major access to and from the Mall at each level (other than the basement level and third level, and only on the second level once there is an abutting Mall, with the connection of the second level of the Tenant Department Store to a Mall expansion to be governed by the terms of paragraph 20.00(3) of this Lease).

6.01 Landlord's Right to Terminate. Should the Tenant Department Store cease to be operated for a period of six months (excluding any period during which the inability to operate results from Unavoidable Delay and excluding any period during the first 37 years of the Term in which the remainder of the Shopping Centre is not being operated as a first class regional shopping centre), the Landlord may give the Tenant notice that unless the Tenant reopens the Tenant Department Store for business within six (6) months after receipt of such notice this Lease will terminate upon the expiry of such six month period. Should the Tenant within 30 days of receiving such notice not advise the Landlord in writing that it intends to reopen for business, or should the Tenant not reopen for business within six (6) months of receiving the Landlord's notice, this Lease shall terminate at the end of the six (6) month period.

6.02 Hours of Business. From and after the Opening Date and during the Term the Tenant, if obliged under clause 6.00 to be open for business, shall be open to the public for business in the Tenant Department Store during at least the Retail Hours provided that such Retail Hours are in compliance with the provisions of clause 7.02 and provided further that if and so long as the Second Department Store is operating in the Shopping Centre, Landlord shall use reasonable efforts to the extent it is able to do so, to cause the operator of the Second Department Store to similarly comply, and that nothing herein shall require the Tenant Department Store or portions thereof to be open during hours other than those which have been generally established by the Tenant for the operation of its similar stores in the Greater Toronto Area, or to be open for business during public holidays or when prevented by law or other legal restriction or by Unavoidable Delay; in addition, nothing herein shall prevent the Tenant Department Store from being open for business during those hours permitted by law and the Tenant may be so open during such hours although if beyond the Retail Hours, Common Facilities may not be provided by the Landlord unless arrangements satisfactory to the Landlord are made with the Tenant and other tenants who are also open during such extended hours with respect to reimbursement of the Landlord for the cost of providing Common Facilities during such extended hours. The Landlord shall consult periodically with the Tenant with regard to Retail Hours and give reasonable consideration to the suggestions and recommendations of the Tenant pertaining thereto, and shall give reasonable notice to the Tenant of any change from time to time in the Landlord's regulations pertaining to Retail Hours.

6.03 Nuisance. The Tenant shall not use or permit any part of the Tenant Department Store to be used in such a manner as to cause a nuisance or cause or permit any annoying noises, vibrations or odours (having regard to the purposes for which the various portions of the Tenant Department Store are permitted to be used). The Tenant shall not permit any debris or refuse to accumulate in or about the Tenant Department Store and the Truck Standing Area but shall cause the same to be stored in suitable receptacles and regularly removed. The Tenant will not permit to be brought or stored in or about the Tenant Department Store and the Truck Standing Area any dangerous or inflammable thing or Contaminant to which the Landlord or the insurers of the Tenant or of the Landlord have reasonable cause for objection, having due regard to the purposes for which such parts of the Tenant Department Store and Truck Standing Area are permitted to be used, and if the

Tenant shall breach this provision the Landlord shall have the right (without limiting any other remedy it may have) to recover the amount of any additional premium cost and any other cost, expense or damage incurred by the Landlord as a result of such breach.

6.04 Receiving and Shipping. The Tenant shall not load or unload any merchandise, supplies or other materials or any debris or refuse except in the Truck Standing Area, but this shall not apply to manual deliveries or shipments of small parcels to and from the Tenant Department Store where it is not practical or desirable to handle them through such receiving area so long as there is no obstruction of Common Facilities or any entrances or of the Mall.

6.05 Merchandising Activities in Common Facilities. The Tenant shall not carry on any merchandising activities or display any merchandise in the Common Facilities, other than as part of and in accordance with a promotion involving the whole or a substantial part of the Shopping Centre and approved by the Landlord, acting reasonably, in connection with the Landlord's promotion and marketing program for the Shopping Centre.

6.06 Heating and Air-Conditioning. The Tenant shall at its own expense heat and air-condition the Tenant Department Store (other than portions thereof which are not designed to be heated or air-conditioned) whenever reasonably required from time to time and in such manner that there will be no direct or indirect appropriation of heating or cooling from the Mall, but subject to Unavoidable Delay, and provided that the Landlord heats and cools the Mall as required in order to ensure that there is no direct or indirect appropriation of heating or cooling from the Tenant Department Store. The Tenant shall also, at its expense, operate, maintain, repair and replace the Bay HVAC Facilities when necessary.

ARTICLE 7

OPERATION OF SHOPPING CENTRE

7.00 Operation of Second Department Store. Intentionally Deleted.

7.01 Operation of Shopping Centre. So long as the Tenant is not in breach of its specific obligations under clause 6.00 to operate the Tenant Department Store in the manner required therein, the Landlord shall, during the first thirty-seven (37) years of the Term, subject to Unavoidable Delay, operate the Shopping Centre (excluding the Tenant Department Store) as a first class regional shopping centre, in accordance with the then standards of operation and maintenance which have been adopted by other first-class regional shopping centres of similar size and age in the Greater Toronto Area, and without limiting the generality of the foregoing the Landlord shall:

(1) maintain or cause to be maintained at the Shopping Centre a management office and a competent full-time manager (or part-time if consented to by the Tenant, such consent not to be unreasonably withheld) and a sufficient staff of management, operating and maintenance personnel to perform the proper management, promotion, maintenance and operation of the Shopping Centre and the Tenant acknowledges that the present management is satisfactory;

(2) keep or cause to be kept the Shopping Centre including the Mall, Parking Facilities and all other Common Facilities (including without limitation all landscaped areas), and all buildings and improvements thereon other than the Tenant Department Store, clean, tidy and well maintained, and in this connection maintain in force and take all reasonable action to enforce provisions of all leases to tenants of the Shopping Centre requiring such tenants to keep their respective premises clean, tidy and well maintained;

(3) take all such action as may reasonably be required to prevent any use of or conduct of any business or activity in any premises in the Shopping Centre which contravenes any provision of this Lease (including Article 14) or which is a nuisance or annoyance or is not in keeping with the standards of a first class regional shopping centres, and to prevent any other activity in the Shopping Centre which is not in keeping with the character of the Shopping Centre, or the display of any signs or advertising in respect of any such prohibited use, business or activity;

(4) prohibit any promotions or any display or sale of merchandise within 125 feet of the main level entrance and the Tenant Second Level Expansion Area interior mall entrance to the Tenant Department Store, other than as part of any general temporary shopping centre promotion which has been provided for the general benefit of the Shopping Centre and approved by the Tenant in writing (which approval will not be unreasonably withheld or unduly delayed); and

(5) implement and enforce a Landlord's exterior sign policy applicable to all tenants of the Shopping Centre as contemplated by clause 23.01, and prohibit and prevent all signs in the Common Facilities other than signs which are consistent with the Landlord's sign policy.

7.02 Hours of Business. During the first 37 years of the Term the Landlord shall use its continuing and diligent efforts to cause the whole or substantially the whole of the Shopping Centre to be open for business on those days which are consistent with the requirements of a first-class regional shopping centre and during at least those hours during which other similar shopping centres in the Greater Toronto Area are open for business. The Landlord shall use its continuing and diligent efforts to cause as many tenants of the Shopping Centre as possible, including the tenant of the Second Department Store if operating in the Shopping Centre, and at least substantially all of the other merchandising tenants on the Mall, to remain open for business during such established hours of business, subject to Unavoidable Delay.

7.03 Mall. During the first 37 years of the Term, the Landlord shall maintain and operate or cause to be maintained and operated the Mall and have it and the entrances and other means of access thereto open during all hours when the Shopping Centre is open for business pursuant to clause 7.02 or (if requested by the Tenant and subject to the provisions of Section 6.02) the Tenant Department Store is open for business, and shall cause the Mall to be properly lighted and heated and air-conditioned during such hours as may be required so as to maintain therein reasonable standards of comfort, subject only to Unavoidable Delay.

7.04 Parking Facilities. For so long as the Landlord is obligated to operate or cause to be operated a shopping centre on the Shopping Centre or any part thereof pursuant to clause 7.01 the Landlord shall cause the following requirements with respect to the Parking Facilities to be complied with:

(a) The Parking Facilities shall be kept:

(i) maintained and operated and open, including the means of access thereto, at all times when the Shopping Centre or, subject to the provisions of Section 6.02, the Tenant Department Store is open for business;

(ii) adequately lighted whenever required to facilitate their use during hours of darkness;

(iii) with parking spaces and aisles properly striped and otherwise marked and with the appropriate traffic and direction signs;

(iv) with adequate supervision of the flow of traffic therein whenever reasonably required and otherwise policed and supervised in accordance with the standards of the best shopping centres;

(v) free of refuse and debris and with all appropriate measures taken to keep them reasonably free of snow and ice during winter months; and

(b) If at any time during the Term use of the Parking Facilities by public transit commuters or by any other third parties (collectively the "Unwanted Motorists") who are not tenants or occupants of the Shopping Centre or the respective customers, employees, agents and invitees of the same shall materially affect the use of Shopping Centre parking by those entitled to use

the parking, (if and to the extent the Landlord has or should reasonably have control of the matter) use all commercially reasonable efforts to prevent such use by the Unwanted Motorists, but subject to the existing agreement dated June 5, 1983 with the Toronto Transit Commission.

(c) Except for fees charged as at the date hereof for the parking of motor vehicles in the existing parking structure commonly referred to as the Commuter Parking Deck, no fees will be charged for the parking of motor vehicles in the Parking Facilities without the written approval of the Tenant, which approval will not be unreasonably withheld. The Tenant shall be deemed to be unreasonable in withholding its approval if the charging of such fees becomes a common practice in first-class regional shopping centres of a similar size and nature located in the Greater Toronto Area.

(d) The Landlord shall at all times maintain or cause to be maintained sufficient parking spaces to maintain not fewer than 4.5 parking spaces for each 1,000 square feet of Gross Leasable Area of Rentable Premises in the Shopping Centre (other than storage premises and office premises and all other premises and space which is excluded or calculated on a different basis by the municipality in its determination of the requisite municipal parking ratio for the Shopping Centre provided that parking ratios required by the municipality for such excluded or differently calculated space shall be adhered to by the Landlord).

7.05 Landlord's Rules and Regulations. The Landlord may from time to time establish and from time to time amend and supplement reasonable rules and regulations pertaining to the operation of the Shopping Centre, which shall not be inconsistent with the terms of this Lease but are consistent with the requirements of a first-class regional shopping centre in the Greater Toronto Area. The initial rules and regulations are attached hereto in Schedule D, and any amendments and supplements thereto which are implemented in accordance with the provisions hereof shall first be notified to Tenant before becoming enforceable against the Tenant. Without limiting the generality of the foregoing, such rules and regulations may relate to and govern the operation, maintenance, safety, care, cleanliness and use of the Shopping Centre, Rentable Premises, receiving facilities and the Common Facilities, and access to the Shopping Centre, the Rentable Premises and receiving facilities and the Common Facilities both during and outside of the Retail Hours. To the extent consistent with this Lease, the Tenant shall comply with such rules and regulations and shall use reasonable efforts to cause its officers, agents, servants, employees, contractors, customers, invitees, and licensees to comply with such rules and regulations. The Landlord shall use reasonable efforts to uniformly enforce such rules and regulations against all tenants, occupants and users of the Shopping Centre.

7.06 Employee Parking. The Landlord shall designate, with the approval of the Tenant (such approval not to be unreasonably withheld or unduly delayed), a remote area or areas within the Parking Facilities or off site for use by employees of the Tenant and the other tenants. The Tenant shall inform its employees of such areas and shall instruct its employees to park only in areas specifically designated for such purpose from time to time by the Landlord. The Landlord shall use its reasonable efforts to cause all other tenants of the Shopping Centre and their employees, and the Tenant shall use its reasonable efforts to cause its employees, to park only in such designated areas, including the incorporation of a provision to this effect in all new leases to tenants. Where both the Landlord (and Tenant as to its employees) agree, such areas may be located outside of the Shopping Centre Lands during peak periods of retail shopping, such as during the period from November 15 to December 31 in each year (provided that the Landlord shall not be required to provide such off-site parking).

ARTICLE 8

UTILITIES AND SERVICES

8.00 Utilities and Services. During the Term:

(1) the Landlord shall continue to provide all existing electrical service, telephone and other communication facilities, water, gas, and storm and sanitary sewers for the Tenant Department Store if and when from time to time reasonably required by the Tenant for the conduct of the Tenant's business in the Tenant Department Store and each and every part thereof;

(2) the Landlord shall at all times cause such repairs to be performed to those portions of the services and Utilities systems serving the Tenant Department Store which are not contained within the boundaries of the Leased Premises or Tenant Department Store and do all other acts and things as may be necessary to ensure the continuous availability and adequate capacity of such utilities and services, subject only to Unavoidable Delay;

(3) the Landlord shall grant such easements to or make such other arrangements with the Utilities and services as shall facilitate the provision of such Utilities and services to the Tenant;

(4) if the Tenant shall at any time require a utility or service which is in addition to those provided for and contemplated above, the Tenant shall provide it or arrange for it to be provided at its own expense, and the Landlord will not unreasonably withhold its permission for an easement, servitude or other arrangement appropriate to enable such utility or service to be brought to the Leased Premises or Tenant Department Store;

(5) the Tenant shall be responsible for the payment of all charges due for Utilities or services or to other suppliers for any electricity, water or other services or Utilities supplied to, consumed or used by the Tenant;

(6) the Tenant shall have the right at its sole risk and expense to install (including installation prior to the commencement of the Term), maintain, repair, operate and replace on the third level roof of the Tenant Department Store such mechanical, electrical, plumbing, telecommunication, heating, ventilation and air conditioning equipment and facilities and such other systems as are required by the Tenant in the operation of the Tenant Department Store. No new structures or equipment shall be installed on the roof after the Opening Date without the Landlord's approval as to the items to be installed and the manner of installation, such approval not to be unreasonably withheld or delayed. The Tenant shall be liable for and shall indemnify the Landlord from and against all costs, expenses, damages and claims arising from such installation and use and shall remove all such items and repair damage caused at expiry or termination of the Lease if required by the Landlord. The Tenant shall at all times be responsible, at its sole cost and expense, for operating, maintaining, repairing, insuring and replacing any such equipment and facilities and connections, and shall promptly repair, at its sole cost, any damage to the building and/or the balance of the Shopping Centre that is caused by or arises out of the installation, operation, maintenance, repair or replacement of any such equipment and facilities and connections. Prior to installation the Tenant shall obtain the Landlord's approval for the location and method of installation of the equipment and facilities and connections (such approval not to be unreasonably withheld or delayed). Upon the expiry or earlier termination of this Lease, the Tenant shall, at its sole cost and expense, remove any telecommunications equipment and facilities that the Tenant may have installed upon the roof and any connections to the Tenant Department Store and shall promptly repair any damage to the Shopping Centre that is caused by or arises out of such removal.

8.01 Exception. The obligations of the Landlord under Articles 7, 8 and 12 shall be subject to the following exceptions.

(a) reasonable wear and tear which does not affect the proper use and enjoyment of the Shopping Centre as a first class regional shopping centre;

(b) the obligations of the Tenant pursuant to this Lease; and

(c) damage or injury caused by or resulting from any act, default or negligence of the Tenant, its officers, servants, employees, agents, and those for whom the Tenant is in law responsible.

The obligations of the Tenant under Articles 6, 8 and 12 shall be subject to an exception for damage or injury caused by or resulting from any act, default or negligence of the Landlord, its officers, servants, employees, agents, and those for whom the Landlord is in law responsible.

ARTICLE 9

TAXES

9.00 Tenant's Taxes. The Tenant shall pay or cause to be paid:

(1) all Real Property Taxes imposed during the Term in respect of the Tenant Department Store and the Leased Premises including in each case the Leasehold Improvements, Tenant Property, all the buildings and improvements constructed on or in the Leased Premises and Tenant Department Store and all the fixtures and equipment constructed and used by the Tenant for the benefit and use of the Tenant or its subtenants, licensees or concessionaires thereon. If there are separate assessment(s) of and separate tax bills for the Leased Premises and Tenant Department Store or any part thereof in the manner contemplated by this Lease, such Real Property Taxes for which there are such separate assessments and separate tax bills will be paid when due directly to the taxing Authority or Authorities having jurisdiction; otherwise such shall be paid to the Landlord in sufficient time to enable the Landlord to make payment to the taxing Authority prior to the due date; and in this connection the parties agree that the Tenant shall pay to the Landlord the Tenant's share of any instalment of Real Property Taxes within the later of:

(a) fifteen (15) days after receipt of the Landlord's invoice on account of the Tenant's share of any such instalment; and

(b) fifteen (15) days prior to the date such instalment is payable by the Landlord to the taxing Authorities; and

If Real Property Taxes are imposed upon or allocated by the taxing Authority to the land component of the Leased Premises and there is air space above any portion of such land component which is not actually used or occupied as part of the Tenant Department Store but is actually used and occupied by other buildings or improvements of the Landlord, then the Real Property Taxes for that portion of the land component shall be shared and allocated between Landlord and Tenant on a fair and equitable basis having regard to the respective actual uses of such portion of the land component and air space above it.

(2) to the taxing Authority or Authorities having jurisdiction, all business taxes imposed during the Term by municipal or other Authorities having jurisdiction in respect of the business and activities carried on by the Tenant and its licensees, subtenants and concessionaires in the Tenant Department Store, including in each case all improvements constructed therein and thereon and the Leasehold Improvements, Tenant Property and all fixtures and equipment constructed and used by the Tenant or its licensees, subtenants or concessionaires therein or thereon.

All Real Property Taxes and business taxes which the Tenant is obligated to pay or cause to be paid hereunder, including each and every instalment thereof, shall be paid when due to the Landlord or the appropriate taxing Authority as the case may be subject only to the right of the Tenant to defer or permit to be deferred payment thereof in certain circumstances as provided by clause 9.03, and subject also to any delay necessitated by the requirement that the amount of Real Property Taxes payable by the Tenant must be ascertained pursuant to clause 9.02 where the appropriate separate assessments and tax bills are not available. The Tenant shall also pay or cause to be paid all penalties and interest

imposed with respect to arrears of such payments to the extent such are levied by the taxing Authority if such are not paid by the Tenant by the payment due date and shall provide the Landlord with a copy of all assessments and tax bills affecting the Tenant Department Store and the Leased Premises forthwith upon receipt by it and if reasonably possible at least ten (10) days prior to the expiry of any period for appeal or contesting thereof. Whenever reasonably requested by either the Landlord or the Tenant, receipts or other appropriate evidence as to the due payment of such Real Property Taxes and business taxes shall be exhibited to either the Landlord or the Tenant as the case may be. In the event that the Tenant shall fail to pay or cause to be paid any Real Property Taxes or business taxes payable under this clause 9.00 when due, the Landlord, after notice to the Tenant and if the Tenant shall fail to pay or cause to be paid the same within fifteen (15) days after receipt of such notice, may pay the same and the amount so paid by the Landlord shall be forthwith repaid by the Tenant to the Landlord as rent due under this Lease.

The Tenant shall not be entitled to retain, but shall pay to the Landlord, the amount of any reduction of Real Property Taxes on the Tenant Department Store to the extent such reduction (a) relates to that portion of the Term which ends on December 31 next following the 10th anniversary of the Opening Date; (b) results in an increase in Real Property Taxes to other tenants in the Shopping Centre or the Landlord as a consequence of any reassessment; and (c) is due to the completion of the sale by the Tenant to the Owners of the HBC Lands, provided that in any calendar year (or applicable portion thereof) the aggregate of the Tenant's Real Property Taxes payable to the taxing authority and the amount payable as aforesaid to the Landlord shall not exceed what the Tenant's payment would have been in respect of the Tenant Departments Store had the sale of the HBC Lands to the Owners not been completed.

9.01 Landlord's Taxes. The Landlord shall pay or cause to be paid:

(1) all Real Property Taxes in respect of the Shopping Centre (except those payable by the Tenant directly to taxing Authorities pursuant to paragraph (1) of clause 9.00); and

(2) all business taxes imposed by municipal or other governmental Authorities having jurisdiction in respect of all business and activities carried on by the Landlord in or upon the Shopping Centre, save those payable in respect of the Tenant Department Store by the Tenant pursuant to paragraph (2) of clause 9.00.

All Real Property Taxes and business taxes which the Landlord is obligated to pay or cause to be paid hereunder, including each and every instalment thereof, shall be paid when due to the appropriate taxing Authorities, subject only to the right of the Landlord to defer or permit to be deferred payment thereof in certain circumstances as provided in clause 9.03. The Landlord shall also pay or cause to be paid all penalties and interest imposed with respect to arrears of such payments. Whenever the Tenant shall reasonably request the Landlord shall exhibit to the Tenant receipts or other appropriate evidence as to the due payment of such Real Property Taxes or business taxes payable by the Landlord under this clause 9.01. In the event that the Landlord shall fail to pay or cause to be paid any Real Property Taxes or business taxes payable under this clause 9.01 when due the Tenant, after notice to the Landlord and if the Landlord shall fail to pay or cause to be paid the same within fifteen (15) days after receipt of such notice, may pay the same and the amount so paid by the Tenant shall forthwith be repaid by the Landlord to the Tenant.

9.02 Determination of Assessments. For the purpose of establishing the amount of Real Property Taxes payable by the Tenant pursuant to clause 9.00, the parties recognize and acknowledge that it is necessary to establish the assessments upon which such Real Property Taxes are based, being the assessment of the Shopping Centre Lands, the HBC Lands and, if available, various components thereof, including the Rentable Premises, the Leased Premises and the Tenant Department Store and, if subject to assessment and if available, the Common Facilities, including in each case the improvements, fixtures and equipment thereon, provided and for greater certainty no assessment for the Shopping Centre shall be apportioned or attributable to the Common Facilities so long as the assessment methodology applicable to the Shopping Centre is based upon the income approach to value.

If any such separate assessment for the Leased Premises and Tenant Department Store is not made by the municipal or other governmental Authorities, or professional assessors hired by those Authorities, responsible for the determination of assessments upon which Real Property Taxes are based (the "Assessing Authority"), the Landlord and the Tenant shall use their commercially reasonable efforts to have a separate assessment made in respect of the Leased Premises and Tenant Department Store or failing that, to obtain sufficient information to determine, applying appropriate assessment principles, a separate assessment value.

In the event and to the extent that such separate assessment for the Leased Premises and Tenant Department Store cannot be obtained from the Assessing Authority, the Landlord and the Tenant shall allocate the total assessment of the Shopping Centre in a manner which is equitable and consistent with the basis of assessment then in use by the Assessing Authority so as to arrive at a separate assessment for the Leased Premises and Tenant Department Store hereinbefore mentioned which is required for the application of the provisions of this Lease. In so doing the parties shall have regard, as far as possible, to the method of assessment and applicable elements utilized by the Assessing Authority in arriving at the assessment of the entire Shopping Centre. The Landlord will provide (or endeavour to cause the Assessing Authority to provide) the Tenant with all detail and data applied by the Assessing Authority to determine the assessment for the Leased Premises and Tenant Department Store as the Tenant may from time to time request. The Landlord shall provide any such information to the Tenant promptly upon the Landlord's receipt of the same. If the Landlord and the Tenant cannot agree to the required allocation of the assessment for the Leased Premises and Tenant Department Store, the allocation shall be determined by arbitration pursuant to the provisions of this Lease, but having regard to the basis of determination set out in this clause 9.02. The allocation which is either agreed to or determined by arbitration shall, until such time as there is a change in assessments, or methods of assessment or allocation of such assessments, be binding upon the parties and the separate assessment so arrived at shall be applied to determine the respective obligations of the parties with respect to Real Property Taxes, under this Article 9. If any Real Property Taxes or instalments thereof become due before such determination has been made, the Landlord may make a reasonable estimate of the allocation which shall not bind the parties but shall nevertheless be adopted for the basis of the interim payment of Real Property Taxes respectively payable by them, and when the allocation of assessments has been finally determined and the Real Property Taxes respectively payable by them finally computed, the parties shall promptly make the appropriate readjustment and additional payment by the Tenant or repayment to the Tenant, as the case may be.

The Landlord shall provide the Tenant with a copy of all assessments and tax bills for or affecting the Leased Premises or the Tenant Department Store which Landlord receives or is entitled to receive forthwith upon receipt by it or by others on its behalf and if reasonably possible at least ten (10) days prior to the expiry of any period for appeal or other contesting thereof. On request from the Tenant the Landlord shall promptly provide to the taxing authorities and Assessing Authorities such written authorizations as are necessary to enable the Tenant to obtain from the taxing authorities and Assessing Authority such information as the Tenant requires for the purposes of determining the Real Property Taxes and assessment which are applicable or attributable to the Leased Premises or the Tenant Department Store.

9.03 Tax Appeals. The Landlord may appeal any official assessment or the amount of any Real Property Taxes (including other taxes capable of constituting a lien) relating to the Shopping Centre, the Leased Premises and the Tenant Department Store including the improvements (including fixtures and equipment) thereon, and the Tenant may appeal any official assessment or any Real Property Taxes relating to the Leased Premises or the Tenant Department Store including the improvements therein or thereon. In connection with any such appeal, the party appealing may defer or permit to be deferred payment of any Real Property Taxes, as the case may be, which it is obligated to pay or cause to be paid under the provisions of this Article 9 to the extent permitted by law and provided that no part of the Shopping Centre is thereby rendered subject to sale or forfeiture, that such deferment does not cause a breach of the Landlord's obligations under any Mortgage of the Shopping Centre, that the appeal is diligently prosecuted to completion and, in the case of a deferral by the Tenant, that such security as the Landlord may reasonably require or any Mortgagee of the Shopping Centre may require is given for the payment of any Real Property Taxes

payable by the Tenant including penalties or interest resulting from deferred payment. Neither the Landlord nor the Tenant shall institute any appeal without notice to the other and, where their interests do not conflict and in particular where the appeal is being made in order to achieve a re-assessment which is consistent with the basis contemplated by this Lease, each shall extend its co-operation and assistance to the other in respect of such appeal.

9.04 Vacancies. If any Rentable Premises in the Shopping Centre are vacant, any lower tax rate or other reduction in such Real Property Tax due to such vacancy shall be deemed not to exist and such Real Property Tax for the Shopping Centre shall be adjusted to be the amount that would be applicable if the Shopping Centre was fully occupied and the benefit of any lower tax rate or other reduction in such Real Property Tax due to such vacancy shall accrue solely to the Rentable Premises which are vacant.

ARTICLE 10

COMMON FACILITIES OPERATING COSTS

10.00 Contribution to Common Facilities Operating Costs. During the Term, the Tenant shall pay to the Landlord as its contribution toward the Common Facilities Operating Costs incurred by the Landlord during that year the Occupancy Payment. Such amount shall be payable as rent in equal monthly instalments in advance on the first day of each and every calendar month during the Term, with any payments for partial months or partial years to be prorated on a per diem basis.

ARTICLE 11

INSURANCE AND INDEMNITY

11.00 Tenant's Insurance.

(1) The Tenant shall at all times during the Term keep in force or cause to be kept in force, at no expense to the Landlord, in respect of the Leased Premises and the Tenant Department Store, the use and occupancy thereof by it and its subtenants and concessionaires and licensees and the conduct of business thereon the following insurance:

(i) comprehensive general liability insurance for bodily injury or death and damage to property of others including, but not limited to, blanket contractual liability, owners' and contractors' protective liability, non-owned automobile and employers' liability insurance coverage with respect to all business conducted in, at, upon or from the Leased Premises, the Truck Standing Area and the Tenant Department Store, the use and occupancy thereof and the use of the Common Facilities, by the Tenant and by any other person on behalf of the Tenant and by those for whom the Tenant is in law responsible. Such policy or policies shall be written with such inclusive limits as would be carried by a prudent and reasonable owner of similar property, but in any event not less than five million dollars ($5,000,000) for any one accident or occurrence, shall be primary and non-contributing with, and not in excess of, any other insurance obtained by the Landlord, and shall include severability of interests and cross liability clauses;

(ii) 'all risks' property insurance (including, but not limited to, flood and earthquake) in respect of the Tenant Department Store and the Leasehold Improvements situated therein and thereon, for the full replacement cost thereof, with no co-insurance penalties and with reasonable deductibles. Notwithstanding the aforesaid, the Tenant shall not be obligated to take out or keep in force insurance in respect of loss or damage to the Tenant's trade fixtures, furniture, inventory, stock in trade including merchandise or other contents of the Tenant Department Store, and if the Tenant so insures the loss payable with respect to the Tenant Property

only shall (notwithstanding the provisions of subclause 11.00 (2) (iv) (a) hereof) be only to the Tenant without any trust provisions;

(iii) comprehensive boiler and machinery insurance in respect of boilers, pressure vessels, air conditioning equipment and miscellaneous electrical apparatus installed in, relating to or serving the Tenant Department Store or any part thereof and operated by the Tenant or by others (other than the Landlord) on behalf of the Tenant, on a 'repair and replacement' basis; and

(iv) business interruption insurance in such amount as will reimburse the Tenant for direct or indirect loss of gross earnings attributable to the perils insured against in paragraphs (ii) and (iii) of subclause 11.00 (1) or attributable to prevention of access to the Tenant Department Store, the Truck Standing Area or the Shopping Centre as a result of such perils.

2) The insurance described above shall:

(i) with the exception of the insurance referred to in paragraph (iv) of subclause 11.00(1) of this Lease, include the Landlord as an additional insured;

(ii) be placed with an insurer or insurers of recognized net worth and reputation federally licensed to carry on the business of insurance in all provinces in Canada;

(iii) be provided under a policy or policies in such form, providing for such coverage and exclusions and on such terms as are normally effected by owners in similar circumstances;

(iv) with regard to insurances outlined in paragraphs (ii) and (iii) of subclause 11.00(1) of this Lease, provide:

(a) that the proceeds thereof shall be payable to the Landlord, such of the Landlord's Mortgagees for the Shopping Centre, if any, as have been requested in writing by the Landlord (and which request shall include the Mortgagee's address) and the Tenant as their respective interests may appear. Notwithstanding the aforesaid, the Landlord hereby agrees with the Tenant that all proceeds of such insurance payable in the event of loss, damage or destruction to the insured property shall be made available for the repair or rebuilding of the insured property, and the Tenant shall not be required to include any such Mortgagee as a loss payee unless such Mortgagee has agreed in writing with the Landlord (which agreement the Landlord covenants with the Tenant to enforce on behalf of the Tenant) or is bound by the provisions of its Mortgage (which particular provisions the Landlord covenants with the Tenant not to amend) that all such proceeds shall be made available for such repair or rebuilding regardless of the existence of any Mortgage default (provided further that, where the proceeds which are payable thereunder do not exceed two hundred thousand dollars ($200,000), (which amount shall be adjusted on each anniversary of the Opening Date based on the percentage change which has occurred in the CPI during the previous year), the foregoing provisions as to loss payable shall not apply and such proceeds shall be payable solely to the Tenant or as it shall otherwise direct);

(b) that the insurers specifically waive subrogation rights against the Landlord and any loss payee, including their respective employees, officers, agents and directors, with respect to loss, damage or destruction to the insured property, and the Tenant

hereby releases the Landlord and any loss payee, including their respective employees, officers, agents and directors, from liability in regard to such loss, damage or destruction as well as with respect to any self-insured loss;

(c) that the policies shall not be invalidated against the Landlord as an additional insured by reason of any breach or violation by the Tenant of any warranties, representations, declarations or conditions in such policies or in any applications for such policies;

(v) contain a provision by the insurers to notify in writing the Landlord and such of the Landlord's Mortgagees for the Shopping Centre, if any, of whom the Landlord has given the Tenant written notice (including the Mortgagee's address), not less than thirty (30) days before cancellation or reducing coverage; and

(vi) be regarded as self-insured by Tenant respecting all deductible amounts

(3) The Tenant shall from time to time, whenever reasonably requested, furnish to the Landlord certificates of insurance to evidence the insurance to be kept in force by the Tenant hereunder.

(4) If the Tenant shall fail to insure as required under this Lease, the Landlord after at least fifteen (15) days notice to the Tenant may (but shall not be obligated to) effect such insurance in the name of and at the expense of the Tenant, and the Tenant shall promptly repay to the Landlord all costs incurred by the Landlord in so doing.

11.01 Landlord's Insurance

(1) The Landlord shall take out, or cause to be taken out, and at all times during the Term keep or cause to be kept in force, without expense to the Tenant (but subject to the payments and contributions in respect of such expense which the Tenant is obligated to make under clause 10.00), in respect of the Shopping Centre and the Landlord's operation thereof the following insurance:

(i) comprehensive general liability insurance for bodily injury or death and damage to property of others including, but not limited to, blanket contractual liability, non-owned automobile and employers liability insurance coverage, with respect to the Landlord's operation of the Shopping Centre including the Common Facilities. Such policy or policies shall be written with such inclusive limits as would be carried by a prudent and reasonable owner of similar property, but in any event not less than five million dollars ($5,000,000) for any one accident or occurrence, shall be primary and non-contributory with, and not in excess of, any other insurance obtained by the Tenant, and shall include severability of interest and cross liability clauses;

(ii) 'all risks' property insurance (including, without limitation, flood and earthquake) in respect of all buildings on the Shopping Centre Lands (but excluding the Tenant Department Store and the Leasehold Improvements and the Second Department Store), together with all building equipment and fixed improvements of or associated with such buildings (excluding tenant's trade fixtures, leasehold improvements or other personal property owned or for which any tenants are legally liable) and upon all other fixed improvements on the Shopping Centre as any Mortgagee of the Shopping Centre may from time to time require, for the full replacement cost thereof, with no co-insurance penalties and with reasonable deductibles; and

(iii) comprehensive boiler and machinery insurance in respect of boilers, pressure vessels, air conditioning equipment and miscellaneous electrical apparatus installed in, relating to or serving the Shopping Centre (other

than the Tenant Department Store and the Leasehold Improvements and the Second Department Store) or any part thereof and operated by the Landlord or by others (other than the Tenant) on behalf of the Landlord, on a repair and replacement basis.

(2) The insurance described above shall:

(i) with regard to the insurance referred to in paragraph (i) of subclause 11.01(1) of this Lease, include the Tenant as an additional insured;

(ii) be placed with an insurer or insurers of recognized net worth and reputation federally licensed to carry on the business of insurance in all provinces in Canada;

(iii) be provided under a policy or policies in such form, providing for such coverage and exclusions and on such terms as are normally effected by owners in similar circumstances;

(iv) with regard to insurances outlined in paragraphs (ii) and (iii) of subclause 11.01(1) of this Lease:

(a) provide that the proceeds thereof shall be payable to the Landlord and the Landlord's Mortgagee, if any, as their respective interests may appear. Notwithstanding the aforesaid, the Landlord covenants with the Tenant that all proceeds of such insurance payable in the event of loss, damage or destruction to the insured property shall be made available for the repair or rebuilding of the insured property, and if any of such proceeds are to be payable to such mortgagee the Landlord covenants with the Tenant to require such Mortgagee to agree in writing, or to be bound by the terms of its Mortgage, to make all such proceeds available for such repair or rebuilding regardless of the existence of any Mortgage default; and

(b) provide that the insurers specifically waive subrogation rights against the Tenant, its employees, officers, agents and directors with respect to loss, damage or destruction to the insured property, and the Landlord hereby releases the Tenant, its employees, officers and directors from liability in regard to such loss, damage or destruction as well as with respect to any self-insured loss;

(v) contain a provision by the insurers to notify the Tenant in writing not less than thirty (30) days before cancellation or reducing coverage.

(vi) be regarded as self-insured by Landlord with respect to all deductible amounts.

(3) The Landlord shall from time to time, whenever reasonably requested, furnish to the Tenant certificates of insurance to evidence the insurance to be kept in force by the Landlord.

(4) If the Landlord shall fail to insure as required under this Lease, the Tenant after at least fifteen (15) days notice to the Landlord may (but shall not be obligated to) effect such insurance in the name of and at the expense of the Landlord, and the Landlord shall promptly repay to the Tenant all costs incurred by the Tenant in so doing.

11.02 Indemnity. Each of the Landlord and the Tenant (the "indemnifying party") will, except to the extent that the indemnifying party has been specifically released pursuant to the provisions of subclause 11.00(2)(iv)(b) or subclause 11.01(2)(iv)(b) or elsewhere in this Lease, protect, defend, indemnify and save harmless the other including the other's directors, officers, employees, agents and contractors (collectively the "indemnified party") of and from all fines, suits, claims, demands and actions of any kind or nature which the

indemnified party shall or may become liable for or suffer by reason of any breach, violation or non-performance by the indemnifying party of any covenant, term or provision of this Lease or by reason of any damage, injury or death occasioned to or suffered by any person or persons (including the Landlord or the Tenant, as the case may be), or any property, resulting from any wrongful act, neglect or default on the part of the indemnifying party or any of its agents, employees, officers or contractors. Furthermore and without limiting the foregoing, (i) the Tenant shall indemnify and save harmless the Landlord in respect of any Contaminant brought to the Shopping Centre by the Tenant or those for whom the Tenant is responsible at law, except to the extent that the Tenant is released under Subclause 11.01 (2) (iv) (b) and, (ii) Landlord shall indemnify and save harmless the Tenant in respect of any Contaminant brought to the Shopping Centre by the Landlord or those for whom the Landlord is responsible at law, except to the extent that the Landlord is released under Subclause 11.00(2)(iv)(b).

ARTICLE 12

REPAIRS AND REBUILDING

12.00 Repairs and Rebuilding by Tenant The Tenant Department Store and the Truck Standing Area are at the sole risk of Tenant throughout the Term and Tenant shall at all times during the Term maintain and keep in a good and substantial state of repair the Tenant Department Store and the slab of the Truck Standing Area consistent with the standards of a careful and prudent owner, and accordingly the Tenant will from time to time whenever necessary diligently carry out all repairs thereto, including those made necessary by age and damage or destruction by casualty or any other reason and any necessary replacements and rebuilding, but excluding reasonable wear and tear which does not materially impair the use thereof for the purposes required by Article 6 in a first class regional Shopping Centre setting, provided however that in the course of any repair or rebuilding the Tenant may alter or expand the Tenant Department Store to the extent specifically permitted by, and subject to compliance with, the provisions of Article 19 of this Lease pertaining thereto;

All Leasehold Improvements made by or on behalf of the Tenant and all exterior signs on the Tenant Department Store and all exterior lighting illuminating the Tenant Department Store, all Utilities and services exclusively servicing the Tenant Department Store, the Bay HVAC Facilities and the Bay Mechanical Equipment shall be operated, repaired, replaced and maintained by and at the expense of the Tenant in a state of repair consistent with the covenants of the Tenant in this clause 12.00.

If at any time following the fourth extension period the Tenant Department Store shall be damaged or destroyed in whole, or damaged or destroyed in part to an extent such that according to the reasonable estimate of the Tenant (which estimate may be disputed by the Landlord) the cost of repairing or rebuilding it shall exceed forty percent (40%) of the replacement cost (excluding the replacement cost of footings, foundations and pavements, underground utilities, excavation costs, architectural and other fees associated with such excluded costs) of the entire Tenant Department Store, the Tenant may, by notice to the Landlord given within sixty (60) days after the happening of such destruction or damage, elect to terminate this Lease notwithstanding the prior exercise by the Tenant of its right to any extension period or periods. If it elects to so terminate, this Lease shall terminate as of the date of the giving of such notice, the Tenant shall be relieved of its obligation to repair or rebuild the Tenant Department Store, the Tenant shall assign to the Landlord all its interest in all property insurance policies required to be maintained by the Tenant hereunder in regard to the Tenant Department Store and Leasehold Improvements (other than insurance on the Tenant's trade fixtures, equipment or inventory) or any policies of the Landlord in which the Tenant is named, and in any proceeds which may be payable under any such policies in respect of such damage or destruction to the Tenant Department Store and Leasehold Improvements (other than proceeds in regard to the Tenant's trade fixtures, equipment or inventory), the Tenant shall within forty-five (45) days after such date of termination vacate the Leased Premises and rent and all other amounts payable by the Tenant hereunder shall be paid and adjusted to the date of such vacating.

The Tenant's obligation to repair, replace or rebuild hereunder shall include the obligation to keep in good and substantial repair and operating condition all building equipment and services, including the Bay HVAC Facilities and the Bay Mechanical Equipment, exclusively serving the Tenant Department Store (reasonable wear and tear as aforesaid again excepted), and to make all repairs required hereunder in a good and workmanlike manner, with reasonable expedition and in accordance with all laws and regulations or governmental authorities having jurisdiction applicable thereto, but subject to Unavoidable Delay. In the event that the Tenant after reasonable notice shall fail to proceed with reasonable expedition to comply with its obligations under this clause 12.00, the Landlord, in addition to any other remedies it may have, shall have the right to take all such action as shall be reasonably required and in a reasonable manner to remedy such failure on the part of the Tenant and any costs incurred by the Landlord in so doing shall be immediately repaid by the Tenant to the Landlord as further rent due hereunder.

12.01 Repairs and Rebuilding by Landlord and Others. The Landlord shall in respect of the building and improvements on the Shopping Centre, at all times during the first 37 years of the Term and thereafter while operating the Shopping Centre, maintain and keep or cause to be maintained and kept in a good and substantial state of repair all such buildings and improvements including without limitation the Common Facilities and all Utilities and services thereon necessary for the operation of the Shopping Centre (but excluding the Tenant Department Store and the slab of the Truck Standing Area) consistent with the standards of a careful and prudent owner, and accordingly the Landlord will from time to time whenever necessary diligently carry out or cause to be carried out all repairs thereto including those made necessary by age and damage or destruction by casualty or any other reason and any necessary replacements and rebuilding and subject also in all cases to reasonable wear and tear which does not materially impair the use thereof for the purpose intended; provided however that in the course of any repair or rebuilding the Landlord may alter or expand the buildings and improvements on the Shopping Centre other than the Tenant Department Store and the Truck Standing Area to the extent not expressly prohibited by, and subject to compliance with, the provisions of this Lease pertaining thereto. The Landlord's obligations to repair, replace or rebuild hereunder shall include the obligation to keep in good and substantial repair and operating condition all building equipment and services including the heating, ventilating and air-conditioning equipment, electrical wiring and fixtures and plumbing of the buildings and improvements on or under the Shopping Centre (other than those on, in or under, and to the extent serving, the Tenant Department Store), and to keep the Mall well decorated and all paving in Parking Facilities in good repair and condition and properly striped, and to make all repairs required hereunder in a good and workmanlike manner, with reasonable expedition and in accordance with all laws and regulations of governmental Authorities having jurisdiction applicable thereto but, subject to Unavoidable Delay and subject also in all cases to reasonable wear and tear which does not materially impair the use thereof for the purpose intended. In the event that the Landlord after reasonable notice shall fail to proceed with reasonable expedition to comply with its obligations under this clause 12.01, and such failure shall materially adversely affect either the Tenant Department Store or the Common Facilities or cause material adverse interference with access to Tenant Department Store, the Tenant, in addition to any other remedies it may have, shall have the right to take all such action as shall be reasonably required and in a reasonable manner to remedy such failure on the part of the Landlord and any costs incurred by the Tenant in so doing shall be immediately repaid by the Landlord to the Tenant.

The Landlord hereby covenants with the Tenant that the Landlord will, at its expense, replace all light standards on the parking areas of the HBC Lands by June 30, 2004.

If, the Shopping Centre (whether or not including the Tenant Department Store) shall be damaged or destroyed to an extent such that according to the reasonable estimate of the Architect the cost of repairing or rebuilding shall exceed 50% of the replacement cost (excluding the replacement cost of footings, foundations and pavements, underground utilities, excavation costs, architectural and other fees associated with such excluded costs) of all buildings and improvements in the Shopping Centre in the aggregate, and if the Landlord gives notice of such damage or destruction in writing to the Tenant within 60 days after the happening of such damage or destruction advising that the Shopping Centre cannot

be repaired or rebuilt except for an amount in excess of such cost, then, unless there is not then less than 10 years remaining on the Term or if less, unless the Tenant agrees, within 60 days after such notice is given, to extend the Term for a further period of at least 10 years, the Landlord may elect to terminate this Lease in which event this Lease shall terminate upon the expiration of such 60 day period and rent and all other amounts payable by the Tenant hereunder shall be paid and adjusted to such date of destruction and the Landlord shall be relieved of its obligation to repair or rebuild such buildings and improvements in the Shopping Centre and the Tenant shall within 60 days after such date of termination vacate the Tenant Department Store and assign to the Landlord all of the Tenant's interest in the proceeds of any policy of insurance covering the Tenant Department Store except for such portion of the proceeds which is for the Tenant Property which the Tenant is not prohibited from removing from the Tenant Department Store under this Lease.

ARTICLE 13

COMPLIANCE WITH STATUTES AND BY-LAWS

13.00 Tenant's Compliance with By-Laws. The Tenant shall comply with all legal requirements (including statutes, laws, by-laws, regulations, ordinances and orders of every governmental Authority having jurisdiction including those binding on either or both of a tenant or owner of premises) from time to time affecting the condition, equipment, maintenance, use or occupation of the Tenant Department Store and the use and occupation of the Truck Standing Area and the condition of the slab thereunder and as to the Tenant's improvements thereon and use and occupation thereof. The Tenant shall have the right to contest the validity of any such legal requirement and to defer compliance therewith to the extent permitted by law pending any proceedings taken to contest the same, provided that such proceedings are prosecuted with due diligence and that such deferment of compliance does not subject any part of the Shopping Centre to forfeiture or sale or prevent the continued use and occupation of every part thereof. If the Tenant shall fail to comply with the provisions of this clause, the Landlord shall have the right, after notice to the Tenant and unless the Tenant shall have within thirty (30) days thereafter commenced and proceeded diligently to remedy such failure, to take any necessary action to cause such failure to be remedied, and all costs incurred by the Landlord in so doing shall be promptly repaid by the Tenant to the Landlord as further rent due under the Lease.

13.01 Landlord's Compliance with By-Laws. The Landlord shall comply with or cause to be complied with all legal requirements (including statutes, laws, by-laws, ordinances, regulations and orders of every governmental authority having jurisdiction including those binding on either or both of a tenant or owner of premises) affecting the condition, equipment, maintenance, use or occupation of the Shopping Centre other than the Tenant Department Store and other than those relating to the use or occupation of the Truck Standing Area or the condition of the slab thereunder. The Landlord shall have the right to contest the validity of any such legal requirement and to defer compliance therewith to the extent permitted by law pending any proceedings to contest the same, provided that such proceedings are prosecuted with due diligence and that such deferment of compliance does not subject any part of the Shopping Centre to forfeiture or sale or prevent the continued use and occupation of every part thereof. If the Landlord shall fail to comply with the provisions of this clause and such failure shall materially adversely affect the Tenant, the Tenant shall have the right, after notice to the Landlord and unless the Landlord shall have within thirty (30) days thereafter commenced and proceeded diligently to remedy such failure, to take any necessary action to cause such failure to be remedied, and all costs incurred by the Tenant in so doing shall be promptly repaid by the Landlord to the Tenant.

ARTICLE 14

TENANT'S USE CONTROLS

14.00 Tenant's Use Controls. The Tenant shall have reasonable approval over any new in-line occupants of any premises situated within 125 feet of the main level interior Mall entrance to the Tenant Department Store, and arbitrary approval over any new kiosks, carts or any temporary operations and their occupants within 125 feet of that entrance. The

Tenant will not have any other approval rights over location, type or size of any merchandise uses in the Shopping Centre other than as specifically provided for otherwise in clause 14.01 of this Lease ,but Landlord shall comply with its obligations in Articles 7 and 20.

14.01 Prohibited Uses. Subject to any provisions of law limiting the validity or enforceability of covenants in leases restricting or regulating use, the Landlord will not permit any of the following businesses to be carried on in any part of the Shopping Centre:

(1) any business involving the sale of second-hand goods (except the sale of antiques, or the incidental sale of traded-in merchandise by a tenant whose principal business is the sale of new merchandise but where it is customary in the usual conduct of such business to accept trade-ins in connection with the sale of new merchandise and such traded-in merchandise was actually traded-in at the premises of such tenant in the Shopping Centre in connection with the purchase of new merchandise from such premises), war surplus articles, insurance salvage stock or merchandise (including fire sale stock) damaged by fire or purported to be damaged by a fire unless damaged by fire in the Shopping Centre;

(2) any auction (except an antique or fine art auction conducted in the normal course of business in premises in the Shopping Centre leased in compliance with clause 14.00 to a dealer in antiques or fine art), or any pawnshop;

(3) any business which by reason of noises, odours or vibrations emanating or likely (having regard to the nature of the business) to emanate therefrom interferes or is likely to interfere unreasonably with the use and enjoyment of Common Facilities or other premises in the Shopping Centre;

(4) any business within Rentable Premises which is primarily a mail order business, which for greater certainty shall exclude any business involving email, internet or other electronic sales or any technological evolution of same; and

(5) any business which is carried on in a fraudulent or unethical manner or any operation of a nature presently considered to be a "flea market".

14.02 Limitations on Tenant's Controls. If the Tenant shall cease to operate the Tenant Department Store (except a cessation of use which is merely temporary during the repair or rebuilding of any loss, damage or destruction or during the construction of alterations or additions, or a cessation necessitated by Unavoidable Delay), the provisions of clause 14.00 and 14.01 shall cease to have effect or shall cease to constitute obligations of the Landlord enforceable by the Tenant until the Tenant reopens for business.

14.03 Exclusives. The Landlord covenants with the Tenant that it will not, during the Term, grant any exclusive rights of use to any tenant unless the Tenant Department Store is exempted from that exclusive.

14.04 Competition. Except as expressly provided to the contrary in this Lease, nothing in this Lease shall restrict or limit or be deemed to restrict or limit the conduct by the Landlord, or any other person than the Tenant, in any manner, of one or more retail or service businesses in the Shopping Centre whether or not in competition with the business of the Tenant.

ARTICLE 15

MERCHANTS' ASSOCIATION

15.00 Merchants' Association. The Tenant shall be entitled to become a member of any merchants' association for the Shopping Centre, but shall have no obligation to pay any dues or make any contribution or other payment whatsoever to such association.

ARTICLE 16

INTENTIONALLY DELETED

ARTICLE 17

INTENTIONALLY DELETED

ARTICLE 18

LIENS

18.00 Liens. Each of the Landlord and the Tenant shall so conduct any construction or other work done by it so as to minimize the possibility of any claim for lien being registered against any part of the Shopping Centre and if any such claim for lien shall be registered shall forthwith take all necessary steps to have the same vacated by the court having jurisdiction or discharged, but nevertheless provided such lien is first vacated or discharged from title, may contest any claim for lien, and may defer payment of any contested claim for lien if and so long as the same is being diligently contested, and provided that non-payment thereof does not render any part of the Shopping Centre liable to forfeiture or sale. In the conduct of any construction or other work each of the Landlord and the Tenant shall comply with all the provisions of applicable statutes available to it for the protection of the Shopping Centre from claims for lien. In the event that either the Landlord or the Tenant shall make default in the payment of moneys justly due in connection with any such construction or other work and a claim for lien shall be filed or registered and not promptly vacated or discharged, the other party may, on not less than five (5) days prior notice to the defaulting party, obtain a court order vacating the registration of the claim for lien and in conjunction therewith may make payment into court or post security to the extent required to obtain such order, and all expenses incurred by it shall be promptly repaid to it by the party in default.

ARTICLE 19

EXPANSION AND ALTERATION OF TENANT DEPARTMENT STORE

19.00 Expansion and Alteration of Tenant Department Store. The Tenant shall have the right at any time and from time to time to alter, reconstruct or expand the Tenant Department Store (including any of the improvements therein), but subject to the following provisions:

(1) The Tenant Department Store shall be architecturally compatible with the Shopping Centre and shall be functionally integrated with the Mall as provided for in this Lease;

(2) Any expansion shall be limited to a ground floor expansion (the "Tenant's Ground Floor Level Expansion") within the Tenant's Ground Floor Level Expansion Area and a second level expansion (the "Tenant's Second Level Expansion") within the Tenant Second Level Expansion Area;

(3) The plans and specifications for any such expansion and for any structural work of a material nature or any exterior alteration of a material nature shall be submitted to the Landlord for its approval, but such approval shall not be unreasonably withheld provided the requirements of this clause are otherwise complied with and provided such comply with appropriate zoning and building regulations;

(4) Any such expansion shall be performed substantially in accordance with the plans and specifications which have been approved by the Landlord. In the performance of any alteration, reconstruction or expansion the Tenant will perform all work involved with reasonable expedition (but subject to Unavoidable Delay), in a good and workmanlike manner and at least in accordance with the general standards which were applicable to the

initial construction of the Tenant Department Store, and will comply with all applicable municipal by-laws and other legal requirements pertaining to such work;

(5) No annual basic rent, Common Facilities Operating Costs or merchants' association fees shall be payable by the Tenant in regard to any such expansion;

(6) The Tenant's Ground Floor Level Expansion must be constructed by December 31, 2006, failing which the Tenant will lose its right to carry out the Tenant's Ground Floor Level Expansion.

(7) The Tenant's Second Level Expansion may be constructed concurrently with or at any time following an expansion by the Landlord which consists of the construction of a second level Mall which abuts the Tenant Department Store. The Landlord will provide any necessary parking spaces for the Tenant's Ground Floor Level Expansion and the Tenant's Second Level Expansion when constructed and opened.

(8) With respect to any alterations to the interior of the Tenant Department Store:

(a) no alterations shall change the single integrated traditional retail department store appearance and character of the Tenant Department Store nor cause the Tenant Department Store to be or appear to be a multiple lessee business, and,

(b) such work shall be carried out in a good and workmanlike manner and shall not unreasonably interfere with the activities of the Landlord or any other tenant of the Shopping Centre or their respective officers, agents, employees, customers, invitees and licensees.

ARTICLE 20

EXPANSION AND ALTERATION OF SHOPPING CENTRE

20.00 Expansion and Alteration of Shopping Centre.

(1) Subject as hereinafter provided, the Landlord reserves the right at any time and from time to time to make alterations or additions to and subtractions from the Shopping Centre other than the Leased Premises, the Tenant Department Store or, except as specifically permitted under this Lease, the No Build Area, and to build adjoining the Tenant Department Store. Subject as aforesaid, the Landlord also reserves the right to alter, expand, reconstruct, demolish or construct other buildings or improvements in the Shopping Centre other than the Tenant Department Store from time to time and to make alterations thereof or additions thereto and subtractions therefrom and to build additional stores on any such building or buildings and to build adjoining the same. The Tenant acknowledges that the depiction of the Shopping Centre on the Site Plan does not constitute a representation, covenant or warranty of any kind by the Landlord and the Landlord reserves the right subject as herein specifically otherwise provided, to change the size and dimensions of the buildings, the number and locations of buildings, parking areas and malls and to change the store dimensions, identities, types of stores and tenancies.

(2) When necessary by reason of accident or other cause, or in order to make any repairs or alterations or improvements in or relating to the Shopping Centre, the Landlord may cause such reasonable and temporary obstruction of the Common Facilities as may be necessary and may, for such time as is reasonably necessary, interrupt or suspend the supply of heating, electricity, water and other services where necessary and until such repairs, alterations or improvements have been completed, provided that the Landlord shall use commercially reasonable efforts to minimize disruption to the Shopping Centre having regard to the circumstances then existing. There will be no abatement in rent because of any such obstruction, interruption or suspension, provided that such repairs, alterations or improvements are made as expeditiously as possible having regard to the circumstances then existing and provided that commercially reasonable efforts are made to cause any such

temporary obstruction, interruption or suspension to take place during other than normal business hours of the Tenant Department Store and of the Shopping Centre.

(3) If the Landlord constructs a second level Mall which abuts the Tenant Department Store, the Landlord will pay for all work required in order to connect the second level of the Tenant Department Store to the second level of the Mall, including without limitation, the construction of a structural mall floor above the existing Mall (of sufficient strength to permit connection thereto of the Tenant's Second Level Expansion), all work associated with connecting this new Mall floor to the main aisle of the Tenant Department Store, the creation of an opening into the Tenant Department Store at the second level and the installation of new mall doors and door pockets, the relocation of departments within the Tenant Department Store in order to permit the new entrance, required alterations to the floor and ceilings, any mechanical and electrical changes necessary, signage, and bulkhead treatment. The Tenant shall provide the Landlord with reasonable access to the Tenant Department Store to the extent reasonably required in order for the Landlord to carry out the foregoing work in connection with such expansion, provided that the Landlord shall use all reasonable efforts to minimize interference with the Tenant's business and the Landlord shall forthwith make good all damage to the Tenant Department Store resulting from the completion of such work in connection with such expansion. The Landlord shall be liable to reimburse the Tenant in an amount not in excess of $250,000 (plus applicable GST and PST) in respect of the costs incurred by the Tenant for changes and alterations carried out by the Tenant within the Tenant Department Store resulting from the creation of the new entrance connection at the second level.

All new signage and signage changes or signage relocation resulting from or required by this expansion shall be for the account of the Landlord.

Should the Tenant elect to construct the Tenant's Second Level Expansion concurrently with the Landlord's expansion the parties agree to co-operate in co-ordinating their respective work for their mutual benefit.

(4) The Landlord shall not alter the present ground floor east-west and north-south Malls which connect to the ground floor level of the Tenant Department Store if the alteration would materially and detrimentally affect access to or visibility of the Tenant Department Store at the ground floor level and the Tenant shall have the right to install and maintain in the present ground floor level east-west and north-south Malls and in any similar Malls on any second level Mall expansion in close proximity to the Tenant Department Store, Tenant's standard interior signage, in a location and of a size to be agreed by the Tenant and the Landlord each acting reasonably;

(5) The Landlord covenants (which covenant shall run with the Shopping Centre) that, notwithstanding any other provisions of this Lease, no building or structure of any nature other than additional Parking Facilities consisting of parking spaces at or below grade level and landscaped areas and walkways as well as parking and directional curbs and related devices, light standards and signs, shall at any time be constructed within the No Build Area (other than the permitted Tenant's Ground Floor Level Expansion of the Tenant Department Store and other than the two buildings shown in the area shaded in YELLOW on the Site Plan, which buildings shall not exceed 8000 square feet each and may not be used as a fitness facility) without the consent of the Tenant (which consent may be arbitrarily withheld, except that in regard to parking decks the Tenant shall not unreasonably withhold or unduly delay its consent);

(6) The Landlord shall not construct a second level Mall which connects to the Second Department Store unless such Mall is constructed so as to abut the Tenant Department Store. The configuration of such Mall in the general vicinity of the Tenant Department Store shall be subject to the Tenant's approval, which approval shall not be unreasonably withheld or delayed.

ARTICLE 21

ASSIGNMENTS, TRANSFERS AND ENCUMBRANCES OF INTEREST BY LANDLORD AND TENANT

21.00 Restrictions on Assignment, Subletting and Encumbrances by Tenant. Tenant covenants that no Transfer affecting Tenant, this Lease, the Tenant Department Store or the business of Tenant at the Tenant Department Store shall be permitted or effective unless and until Landlord's written consent to the Transfer is delivered to Tenant with such consent not to be unreasonably withheld so long as the transferee is creditworthy and a suitable replacement tenant and one who is sufficiently experienced and competent in operating a business of the type required to be operated in the Tenant Department Store. Notwithstanding the aforesaid, the Tenant may assign or sublet the whole of the Leased Premises without consent, but with notice, to an Affiliated Corporation (with consent to be obtained or this Lease reassigned or sublease terminated if the affiliation ceases) and the Tenant may assign without consent, but with notice, to the assignee of a majority of the Tenant's traditional retail department stores in Ontario, each being a "Permitted Transfer". Any assignment shall be subject to compliance with the provisions of this Lease, including, without limitation, the provisions of Article 6.

Notwithstanding the aforesaid:

(1) The ownership of the Tenant Department Store and the leasehold interest in this Lease shall co-exist entirely in the same entity and any Transfer of either interest which has the effect of causing a breach of this provision shall be void and of no effect; and

(2) The Tenant shall be entitled to grant franchises, subleases, concessions or licences of any part of the Tenant Department Store, but only so long as the franchises, subleases, concessions or licences in the aggregate do not exceed 25% of the Tenant Department Store and only if the business of the Tenant Department Store continues to be, and appears to be, carried on as a single integrated department store of the specific type and kind required to be operated, except that such franchisees, subtenants, concessionaires and licensees may be identified by product, service or trade name.

21.01 Liability Upon Assignment. No Transfer or other disposition by Tenant of this Lease or of any interest under this Lease shall release Tenant from the performance of any of its covenants under this Lease and Tenant shall continue to be bound by and liable under this Lease unless the Landlord by written agreement specifically releases the Tenant from its obligations under this Lease. Tenant's liability under this Lease will continue notwithstanding the bankruptcy, insolvency, dissolution, restructuring or liquidation of any transferee of this Lease or the termination of this Lease for default or the termination, disclaimer, surrender or repudiation of this Lease or the abandonment of the Tenant Department Store pursuant to any statute, rule of law or court order. Furthermore, if this Lease is terminated for default or abandonment or is terminated, disclaimed, surrendered or repudiated pursuant to any statute, rule of law, or court order then, in addition to and without limiting Tenant's liability under this Lease, Tenant upon notice from Landlord given within 90 days after any such termination, disclaimer, surrender or repudiation, shall enter into a new lease with Landlord for a term commencing on the effective date of such termination, disclaimer, surrender or repudiation and expiring on the date of this Lease would have expired but for such termination, disclaimer, surrender or repudiation and otherwise upon the same terms and conditions as are contained in this Lease with respect to the period after such termination, disclaimer, surrender or repudiation.

21.02 Consent May be Withheld. Notwithstanding anything contained in any legislation, law or statute as the same may be amended from time to time if the Landlord's consent is required, the Landlord shall be deemed not to be unreasonable in withholding its consent to a Transfer and may arbitrarily withhold such consent if a proposed Transferee has not agreed with the Landlord in writing and on a form acceptable to Landlord, Tenant and such Transferee, each acting reasonably, to assume and perform each of the covenants,

obligations and agreements of the Tenant in this Lease, and if the requirements of clause 21.00 have not been satisfied.

21.03 Changes in Control. If at any time on or after the execution of this Lease the Tenant is a corporation and any portion of all of the shares or voting rights of shareholders of the Tenant or of an Affiliated Corporation are transferred by sale, assignment, bequest, inheritance, trust settlement, operation of law or other disposition or are issued by subscription or allotment or are cancelled or redeemed, so as to result in any change in the holding of effective voting or other control of the Tenant or of an Affiliated Corporation from that which existed on the date of execution of this Lease or the date on which the Tenant became a corporation, if later, such change of control shall be considered a Transfer which is subject to clause 21.00. This provision shall be suspended and have no application at all times during the term when the Hudson's Bay Company is the tenant in possession under this Lease or when the tenant in possession under the Lease is a corporation whose shares are listed and traded on a recognized stock exchange in North America, so long as, in each case, at the time of any such change in control, other than those occurring as a result of trading on such stock exchange, no default or condition of the kind enumerated in Clauses 24.01(a), (c) or (d) is outstanding, and, so long as the change of control is not intended to avoid the necessity of obtaining Landlord's consent to an assignment a sublease.

21.04 Store Name. The Tenant Department Store shall be operated under the principal name used by the Tenant from time to time in a majority of its similar operations in Canada unless the Landlord agrees to the use of a different name.

21.05 Mortgages by Tenant. The Tenant may sublease or charge its interest under this Lease to a Mortgagee or creditor as security in connection with a bona fide borrowing by the Tenant, provided such Mortgagee or creditor covenants with the Landlord, as a condition precedent to its exercising its right to obtain possession or title to the Tenant's leasehold interest , to be bound by all the Tenant's covenants hereunder until an assignment of this Lease or a sublease, as the case may be, by such Mortgagee or creditor; and the Landlord agrees to permit the Mortgagee or creditor to exercise its right to obtain possession and to obtain title to the Tenant's leasehold interest in case of default, but need not permit any Transfer or other exercise of right by such Mortgagee by which the Tenant's leasehold interest may be further assigned or subleases, permissions, concessions or licenses entered into without the provisions of this Article being complied with.

21.06 Transfers and Encumbrances by Landlord and Owners. The Landlord or each Owner may assign, transfer, mortgage or otherwise dispose of their respective interests in the Shopping Centre without restriction, provided always that any such disposition shall be subject to this Lease and the priority thereof and consistent with the rights of the Tenant and the covenants of the Landlord under this Lease.

Every assignment, transfer, Mortgage or encumbrance by the Landlord or the Owners of an interest in the Shopping Centre for the purposes of giving security for an indebtedness (other than an assignment of leases of specific premises therein) shall be subordinate to this Lease and all the rights of the Tenant hereunder, it being understood that this Lease shall have priority. If required by a Mortgagee of the Landlord or the Owner, the Tenant shall agree to attorn to the Mortgagee on the terms and conditions of this Lease;

In the case of every assignment, transfer or other disposition of an interest in the Leased Premises (other than to a Mortgagee or encumbrancer or creditor as security, but including an assignment of this Lease) the assignee or transferee shall agree with the Tenant (in form acceptable to the Tenant, acting reasonably) to perform all of the covenants, agreements and obligations of the Landlord under this Lease.

No assignment, transfer, Mortgage or encumbrance by the Landlord affecting the Leased Premises and the Tenant Department Store shall have the effect of releasing the obligations of the Landlord hereunder unless a bona fide purchaser, assignee or transferee of the whole of the Landlord's interest in the Shopping Centre assumes and has become bound by the Landlord's obligations, covenants and agreements hereunder by covenant in favour of the Tenant as aforesaid; provided that in no event will the Landlord be released in respect of

then existing defaults or in respect of any monies which may be owing to the Tenant by the Landlord for any period prior to the effective date of the assignment.

21.07 Performance of Mortgage Obligations by Tenant. The Tenant shall make all payments when due and otherwise perform all its obligations under any Mortgage or encumbrance at any time permitted to be made by it pursuant to clause 21.05 upon this Lease and its leasehold interest hereunder.

21.08 Performance of Mortgage Obligations by Landlord and Owners.
The Landlord and Owners shall make all payments when due and otherwise perform all their respective obligations under any Mortgage or encumbrance at any time made by them upon the Shopping Centre Lands and the HBC Lands and its interest therein, and shall duly perform, to the extent reasonable under the circumstances, all their respective obligations under all leases to tenants of portions of the Shopping Centre.

21.09 Rights of Landlord's Mortgagees. If at any time during the currency of a Mortgage, notice of which Mortgage and the address of the Mortgagee has been given to the Tenant, any default occurs in the performance of any of the covenants, obligations, or agreements of the Landlord which would give rise to a right in the Tenant to terminate this Lease, then the Tenant, before becoming entitled as against the Mortgagee to exercise any right to terminate this Lease, must give to the Mortgagee notice in writing of such default for a fresh period equal to that applicable to the Landlord in respect of the default. The Mortgagee will have such fresh period after the giving of such notice within which to remedy such default as agent of the Landlord, (or by such other means as will avoid such Mortgagee becoming Mortgagee in possession of the Tenant Department Store by reason of effecting such remedy if the Mortgagee so desires) and if such default is remedied within such fresh period of time the Tenant will not by reason thereof terminate this Lease. The rights and privileges granted to the Mortgagee by virtue of this section will not in any way be deemed to alter, affect or prejudice any of the rights and remedies available to the Tenant against the Landlord. Any notice to be given to the Mortgagee will be deemed to have been properly given if personally delivered or mailed by registered mail to its most recent address of which the Tenant has notice.

ARTICLE 22

DETERMINATION OF CERTAIN MATTERS

22.00 Determination of Gross Leasable Area. The Gross Leasable Area of the Tenant Department Store and any other premises in the Shopping Centre in respect to which it is material under the provisions of this Lease to determine the same, shall, unless accepted and agreed by both the Landlord and the Tenant in writing, be determined at the insistence of either party by a surveyor appointed by the Landlord and the Tenant acting jointly for the purpose, or if they cannot agree upon such appointment, appointed upon the application of either party by a Judge of the Supreme Court of Ontario. Any Gross Leasable Area so agreed or determined shall be binding upon the parties but subject to redetermination in the manner herein provided if there shall be any expansion, alteration, reconstruction or other change affecting the same.

22.01 Determination by Arbitration. Wherever in this Lease it is provided that any matter in dispute between the Landlord and the Tenant, if not settled or agreed between them, is to be determined by arbitration, then the dispute shall be determined by arbitration, as follows:

(1) Either party may give notice to the other of its desire to arbitrate such dispute, and shall in such notice give notice of the appointment of an arbitrator chosen by the party giving such notice. The party receiving such notice shall within fifteen (15) days after the receipt thereof give a notice to the party giving the first notice of the appointment of an arbitrator chosen by the party giving the second notice. The two arbitrators so chosen shall jointly appoint a third arbitrator;

(2) If a party required to appoint an arbitrator shall fail to do so within such period of fifteen (15) days, or if each party has appointed an arbitrator and such arbitrators fail to

agree upon a third arbitrator within fifteen (15) days after both have been appointed, then any party not in default of appointing an arbitrator may apply to a Judge of the Supreme Court of Ontario for the appointment of an arbitrator on behalf of the party in default, or the appointment of the third arbitrator, as the case may require; and

(3) The three arbitrators so appointed shall determine the dispute having regard to the provisions of this Lease and to any other agreements which the parties may have made respecting the arbitration or the matter in dispute and the decision of any two of them shall bind the parties. Subject to the provisions of this clause, the arbitration shall be conducted in accordance with the provisions (if any) of the laws of Ontario from time to time in effect pertaining to arbitration. Nothing in this clause 22.01 shall prevent the parties from carrying out an arbitration using a single arbitrator, if one can be agreed upon.

22.02 Costs. In any proceedings under clause 22.01 to determine any question or dispute, the fees and expenses of the arbitrators and all other expenses of such proceedings shall be borne in such manner as the arbitrators may determine.

22.03 Judicial Remedies Preserved. The provisions of this Article 22 regarding the determination of certain questions or matters in dispute by arbitration are acknowledged by the parties to have the intended purpose of providing, where applicable, an equitable and rapid determination, but are not intended and shall not be interpreted as excluding recourse by any party to the Courts as to any matter not expressly required by this Lease to be determined by arbitration, or recourse by any party to any of the remedies available at law or in equity including damages or injunction, and such recourse may be taken notwithstanding the provisions of clause 22.01 in respect of any matter where the substantial rights of a party are involved and might be prejudiced or impaired if such recourse is not taken, notwithstanding that the determination of such matter may involve a question for determination by the Court which would otherwise fall for its determination within the provisions of clause 22.01, but in such case any determination which has already been made pursuant to clause 22.01 shall be binding upon the parties.

ARTICLE 23

SIGNS

23.00 Tenant's Signs. The Tenant shall have the following rights in regard to exterior signage and identification of and for the Leased Premises:

(1) To erect and maintain, at its expense, signs upon the exterior of the Tenant Department Store (including upon or over the entrances thereto and upon any exterior wall thereof but excluding the roof) in each case similar in size and character to those generally used by the Tenant in connection with a majority of its other similar department stores in the Greater Toronto Area, provided that: (a) such signs comply with the requirements of Authorities having jurisdiction, and (b) the Landlord shall be given prior notice of any proposed increase in the present square footage of such exterior signs existing on the date of this Lease, and the Tenant shall not be entitled to increase such square footage to the extent that such increase would have a material adverse effect on the Landlord's ability to provide the Shopping Centre and its other tenants with appropriate signage opportunities.

(2) On any free standing pylon signs erected by the Landlord to promote the Shopping Centre which includes the name of any occupant of the Shopping Centre, identification for the Tenant Department Store of size and location no less prominent than that provided to any other occupant and at no cost to the Tenant except for the cost of providing its nameplates;

(3) To have the Tenant's name displayed, at no expense to the Tenant, on any directories of the Landlord located in the Mall; and

(4) Such other exterior signs as it may desire to have and which are consistent with the sign policy referred to in clause 23.01 adopted by the Landlord from time to time for the

Shopping Centre, as the Landlord may approve (such approval not to be unreasonably withheld).

The Tenant shall maintain all such signs or identification referred to in paragraph (1) and (4) in good repair and condition and shall keep them suitably illuminated (to the extent designed to be illuminated) as and when required during the hours when the Tenant Department Store or the applicable part thereof shall be open for business. The Tenant shall have the right to install and maintain within the Tenant Department Store such interior signage as it desires in order to meet the needs of its business. Under no circumstances will there be permitted any "liquidation", "bankruptcy" or any similar signs or sales in or about the Tenant Department Store. No "going out of business" or "store closure" signs or sales shall be permitted unless approved by the Landlord acting reasonably. The Landlord shall maintain its signs and identification, including those referred to in paragraphs (2) (other than the Tenant's nameplates) and (3), in good repair and condition and shall keep them suitably illuminated (to the extent designed to be illuminated) as and when required during the Retail Hours.

23.01 Landlord's Sign Policy. The Landlord shall implement, and shall also enforce or cause to be enforced, a sign policy applicable to all tenants (including the Tenant other than in respect of those signs permitted under clause 23.00(1)) of the Shopping Centre and governing signs (including pylon signs and their respective locations) which may be displayed on or in their premises and in the Shopping Centre, and which shall represent good shopping centre practice for a first-class regional centre.

ARTICLE 24

REMEDIES AND DEFAULTS

24.00 Particular Remedies of Landlord. In the event that the Tenant is in default of any of its covenants, obligations or agreements under this Lease, other than its covenant to pay rent and Additional Charges, and such default has continued for a period of thirty (30) consecutive days or such longer period as may be reasonably required in the circumstances to cure such default (so long as the Tenant has commenced within such 30 day period to rectify and is continuously thereafter proceeding with diligence to cure any such default), after notice by the Landlord to the Tenant specifying with reasonable particularity the nature of such default and requiring the same to be remedied or without notice if such default creates an emergency, the Landlord, without prejudice to any other rights which it may have with respect to such default, may remedy such default, and the cost thereof to the Landlord together with interest thereon as provided in clause 24.07 from the date such cost was incurred by the Landlord will be added to the rent due on the next succeeding date on which rent is payable, and such amount will thereupon become due and payable as rent under this Lease in addition to the regular payment of rent then due, and the Landlord will have all remedies for the recovery of such amount as are available in the case of any non-payment of rent. The Landlord will be subrogated to the extent of such payment to all rights, remedies and priorities of the payee of the amount paid by the Landlord to remedy such default.

24.01 Re-Entry. Without prejudice to any of the rights and recourses of the Landlord herein, and subject to clause 24.00 when:

(a) the Tenant is in default in the payment of any rent or Additional Charges for a period greater than ten (10) days following receipt of notice by the Landlord to the Tenant;

(b) the Tenant shall be in default of any of its covenants, obligations or agreements under this Lease or of any term or condition of this Lease (other than its covenant to pay rent and other than the provisions as set out in subsections (c) and (d) below for which no notice shall be required), and such default shall continue for a period of 30 consecutive days (or such longer period as may be reasonably required in the circumstances to cure such default so long as the Tenant has commenced to rectify within such 30 day period and is continuously thereafter proceeding with diligence to cure any such default), after

notice by the Landlord to the Tenant specifying with reasonable particularity the nature of such default and requiring the same to be remedied,

(c) Tenant becomes insolvent or makes application for relief from creditors under the provisions of any statute now or hereafter in force or, under the Bankruptcy and Insolvency Act, files a notice of intention or a proposal, makes an assignment in bankruptcy, has a receiving order made against it or otherwise becomes bankrupt, or insolvent, or any judicial action, steps or proceedings whatever, are taken by the Tenant with a view to the winding up, dissolution or liquidation of Tenant (except for a bona fide corporate re-organization undertaken while the Tenant is solvent) or with a view to the restructuring or compromise of any debt or other obligation of Tenant,

(d) a receiver, interim receiver, trustee, liquidator or a receiver and manager is appointed for the Leased Premises, the Tenant Department Store or the business of the Tenant conducted at the Tenant Department Store and such party remains in place for more than 30 days;

(e) re-entry is permitted under any other terms of this Lease or in law,

then and in any event under sub-clauses (c) or (d), the then current month's rent together with the rent for the 3 months next ensuing shall immediately become due and payable, and in any of such events under sub-clauses (a) through (e) inclusive, at the option of Landlord, the Term shall become forfeited and void, and Landlord may without notice or any form of legal process whatsoever forthwith re-enter the Leased Premises and the Tenant Department Store, anything contained in any statute or law to the contrary notwithstanding, and may expel all persons and remove all property from the Leased Premises and the Tenant Department Store and such property may be removed and sold or disposed of by Landlord as it deems advisable or may be stored in a public warehouse or elsewhere at the cost and for the account of Tenant without Landlord being considered guilty of trespass or conversion or becoming liable for any loss or damage which may be occasioned thereby, provided, however, that such forfeiture shall be wholly without prejudice to the right of Landlord to recover arrears of rent and damages for any antecedent default by Tenant of its covenants under this Lease. Should Landlord at any time terminate this Lease by reason of any such event, then, in addition to any other remedies it may have, it may recover from Tenant all damages it may incur as a result of such termination.

24.02 Exceptions to Forfeiture. The non-performance by the Tenant of any of the covenants, obligations and agreements of the Tenant in this Lease will entitle the Landlord to a forfeiture of the Term of this Lease provided, except in the circumstances set out in clause 24.01 (a), (c) and (d), the Landlord has first given the Tenant thirty (30) days written notice of any such non-performance, and the Tenant, within such period of thirty (30) days (or such longer period as may be reasonably required in the circumstances to cure such default so long as the Tenant has commenced to rectify within such 30 day period and is continuously thereafter proceeding with diligence to cure any such default) has failed to remedy such default.

24.03 Landlord May Re-Let. If the Landlord does not exercise its option under this Article to terminate this Lease it may nevertheless in the events set out in this Article from time to time re-enter the Leased Premises and the Tenant Department Store without terminating this Lease, make such alterations and repairs as may be necessary in order to re-let the Leased Premises and the Tenant Department Store, and re-let the Leased Premises and the Tenant Department Store or any part thereof as agent for the Tenant for such period or periods (which may extend beyond the Term) and at such rental or rentals and upon such other terms and conditions as the Landlord in its sole discretion may deem advisable. Upon each such re-letting all rentals received by the Landlord from such re-letting shall be applied, first, to the payment of any indebtedness other than rent due from the Tenant to the Landlord; second, to the payment of any costs and expenses of such re-letting, including brokerage fees and solicitors' fees and costs of such alterations and repairs; third, to the payment of rent due and unpaid, and the residue, if any, shall be held by the Landlord and applied in payment of future rent as the same may become due and payable. If such rentals received from such re-letting during any month are less than that

to be paid during that month by the Tenant, the Tenant shall pay any such deficiency to the Landlord. Such deficiency shall be calculated and paid monthly. No such re-entry or taking possession of the Leased Premises and the Tenant Department Store by the Landlord shall be construed as an election on its part to terminate this Lease unless a written notice of such intention has been given to the Tenant or unless the termination thereof is decreed by a court of competent jurisdiction. Notwithstanding any such re-letting without termination, the Landlord may, subject to the rights of the lessees, pursuant to such re-letting at any time thereafter elect to terminate this Lease by reason of such previous event and if the Landlord does so its rights to damages following termination under clause 24.01 shall be equally applicable to termination under this section.

24.04 Right to Distrain. The Tenant waives and renounces the benefit of any present or future statute purporting to limit or qualify the Landlord's right to distrain and agrees with the Landlord that upon the happening of any event described in clause 24.01 the Landlord, in addition to the other rights reserved to it, shall have the right:

(a) to enter the Leased Premises and the Tenant Department Store as agent of the Tenant either by force or otherwise without being liable for any prosecution therefor and to take possession of any goods and chattels whatever on the Leased Premises and the Tenant Department Store, save and except any such goods and chattels which are not owned by the Tenant,

(b) if any such goods and chattels have been removed from the Leased Premises and the Tenant Department Store, to levy distress against the goods and chattels of the Tenant at any place to which the Tenant or any other person may have moved them, in the same manner as if such goods and property had remained upon the Leased Premises and the Tenant Department Store,

(c) to change the locks on the Tenant Department Store to prevent the removal by the Tenant or any other person of the goods and chattels which are the subject matter of the distress without thereby re-entering the Leased Premises and the Tenant Department Store or terminating this Lease,

(d) to levy distress after dark and on Sundays, and

(e) to sell any goods and chattels seized at public or private sale without notice and to apply the proceeds of such sale on account of the rent or other sums provided in this Lease to be paid by the Tenant as rent in arrears or in satisfaction of the default by the Tenant of its covenants, obligations and agreements under this Lease; provided that the Tenant shall remain liable for the deficiency, if any.

Notwithstanding any term or condition of this Lease or anything contained in any legislation, none of the goods and chattels of the Tenant at any time during the continuance of the Term shall be exempt from levy by distress for rent or other sums provided in this Lease to be paid by the Tenant as rent in arrears, and upon any claim being made for such exemption by the Tenant, or upon distress being made by the Landlord, this provision may be pleaded as an estoppel against the Tenant in any action brought to test the rights to the levying upon any such goods as are named as exempted in such legislation, the Tenant waiving as it hereby does all and every benefit that it could or might have with regard thereto.

24.05 Remedies Generally. Mention in this Lease of any particular remedy or remedies of a party in respect of any default by the other shall not preclude such party from any other remedy in respect thereof, whether available at law or in equity or by statute or expressly provided for herein. No remedy shall be exclusive or dependent upon any other remedy, but the non-defaulting party may from time to time exercise any one or more of such remedies generally or in combination, all such remedies being cumulative and not alternatives. Nothing in this Article 24 shall prejudice any rights which the Tenant may have at law to apply for and obtain relief from forfeiture.

24.06 Particular Remedies of Tenant. The Tenant, in addition to all other remedies it may have under the express provisions of this Lease and (to the extent not expressly excluded hereby) under the general law, shall have the following rights:

(1) In the event of the failure of the Landlord to pay any amount due to the Tenant under any provision of this Lease when due, and if such failure shall not have been remedied within thirty (30) days after receipt of notice from the Tenant specifying the default, the Tenant shall have the right, in addition and without limitation to any other rights which the Tenant has at law or in equity, to deduct such amount from amounts due or to accrue due to the Landlord under Article 10 of this Lease.

(2) In the event the Landlord is in default under this Lease, other than a default under subsection (1) hereof, and the Landlord shall fail to remedy such default within sixty (60) days after receipt of notice from the Tenant to the Landlord (or such longer period as may reasonably be necessary therefor having regard to the nature of such default provided that the Landlord has commenced to rectify within such 60 day period and is continuously thereafter proceeding with diligence to cure such default), the Tenant may in addition and without limitation to any other rights which the Tenant has at law or in equity, take such reasonable steps as may be necessary to remedy such default, and any costs incurred by the Tenant in so doing shall be promptly repaid to it by the Landlord.

24.07 Interest on Sums in Default. If the Tenant fails to pay any rent or other sum owing to the Landlord when it is due or payable or the Landlord fails to pay any sum owing to the Tenant when it is due or payable, in each case such sum so owing shall bear interest from the date such sum so owing was due and payable under the applicable provision of this Lease until such sum is actually paid, at an annual rate equal to 2% plus the Prime Rate (as hereinafter defined) then in effect, compounded semi-annually, not in advance, and such interest shall accrue on, be added to and be recoverable in the same manner as the principal sum upon which it is calculated. "Prime Rate" means the reference rate of interest announced from time to time by Canadian Imperial Bank of Commerce (or its successor bank) for the purpose of determining interest rates on Canadian dollar commercial loans in Canada, commonly known as its "prime rate".

ARTICLE 25

MISCELLANEOUS PROVISIONS

25.00 Unavoidable Delay. Whenever in this Lease it is provided that any act or things to be done or performed is subject to Unavoidable Delay, the time for the doing or performance thereof shall be extended for a period equal to the period for which such Unavoidable Delay operates to delay or prevent the act or thing required to be done or performed from being done or performed, and the party obligated to do or perform such act or thing shall not be deemed to be in default until the expiration of such time as so extended. So long as any such impediment exists, such party will be relieved from the fulfilment of such obligation and the other party will not be entitled to compensation for any damage, inconvenience, nuisance or discomfort thereby occasioned. Each party shall promptly notify the other of the occurrence of any Unavoidable Delay of which it is aware which might prevent or delay the doing or performance of acts or things required to be done or performed by such party, if such party intends to rely on such Unavoidable Delay in respect of a particular obligation under this Lease.

25.01 Waiver. Any condoning or overlooking by the Landlord or the Tenant of any default, breach or non-performance by the other at any time or times in respect of any obligation contained in this Lease shall not operate as a waiver of such default, breach or non-performance, and any waiver of a particular default, breach or non-performance shall not operate as a waiver of any subsequent or continuing default, breach or non-performance.

25.02 Certificates. The Tenant agrees that it will from time to time whenever reasonably required by the Landlord for the purpose of giving assurance to the Landlord and any third party interested (including any prospective or actual assignee or Mortgagee of the Landlord) execute and deliver to the Landlord or as the Landlord may direct a statement in writing

certifying to the Landlord and such third party whether this Lease is in full force and effect, whether or not it has been modified (and if so in what respect), the status of annual rent and other accounts between the Landlord and Tenant, whether or not there are any existing defaults on the part of the Landlord of which the Tenant is aware (and if so, specifying them) and as to any other matters in connection with this Lease in respect of which such a certificate is reasonably requested. The Landlord agrees that it will from time to time whenever reasonably requested for the purpose of giving assurance to the Tenant and any third party interested (including any proposed or actual assignee or Mortgagee of the Tenant) execute and deliver to the Tenant or as the Tenant may direct a statement in writing certifying to the Tenant and such third party whether this Lease is in full force and effect, whether or not it has been modified (and if so in what respect), the status of annual rent and other accounts between the Landlord and the Tenant, whether or not there are any existing defaults on the part of the Tenant of which the Landlord is aware (and if so, specifying them) and as to any other matters in connection with this Lease in respect of which such a certificate is reasonably requested. Such statements may be relied upon by (but only by) the Landlord, the Tenant and the third party for whose benefit they are given.

25.03 Approvals. Except insofar as it is otherwise provided in this Lease, any approval or consent which either party is entitled or required to request of the other hereunder shall, unless a shorter period is otherwise designated or contemplated, be either given or refused in writing within twenty (20) days of a written request therefor, and if refused and if such approval or consent is one which the requested party can withhold only on reasonable grounds, the requested party shall also give reasons for such refusal. Any request for approval or consent shall be in writing and shall specify the aforementioned time limitation.

25.04 Registration. This Lease shall not be registered against title to the Shopping Centre Lands or the HBC Lands. Either party may register a notice or short form of this Lease on title to the Shopping Centre Lands and the HBC Lands, the form and content of which will be subject to each party's prior approval, which approval shall not be unreasonably withheld or delayed. In no event shall the notice or short form of lease disclose the financial terms of this Lease. All costs related to such registration shall be the responsibility of the party registering the notice.

25.05 Notices. Any notice, approval or request for approval which a party is entitled, requested or required to give or make under any provision of this Lease shall be given or made in writing and shall be deemed to have been duly given or made, where intended for the Landlord, if sent by fax or if delivered or mailed in Canada by prepaid registered post addressed to:

the Landlord: c/o 20 Vic Management Inc.
20 Victoria Street, Suite 900
Toronto, Ontario
M5C 2N8

Attention: Managing Director
Fax Number: 416-955-0569

and, where intended for the Tenant, if sent by fax or if delivered or mailed in Canada by prepaid registered post addressed to:

the Tenant: 401 Bay Street
Suite 600
Toronto, Ontario
M5H 2Y4

Attention: Senior Vice-President Real Estate
and Development.
Fax Number: 416-861-6870

and, where intended for the Owners, if sent by fax or if delivered or mailed in Canada by prepaid registered post addressed to:

the Owners:

(a) OMERS Realty Corporation
c/o Borelais Capital Corporation
One Financial Place
1 Adelaide Street East
Suite 2800, Box 198
Toronto, Ontario M5C 2V9

Attention: Chief Operating Officer
Fax Number: 416-361-6062

(b) OMERS Realty Holdings (Yorkdale) Inc.
c/o Borelais Capital Corporation
One Financial Place
1 Adelaide Street East
Suite 2800, Box 198
Toronto, Ontario M5C 2V9

Attention: Chief Operating Officer
Fax Number: 416-361-6062

(c) 1331430 Ontario Inc.
c/o Hawthorne Realty Advisors Inc.
4 Robert Speck Parkway, Suite 300
Mississauga, Ontario L4Z 1S2

Attention: Director
Fax Number: 905-270-9915

Any such notice, approval or request for approval shall be deemed to have been given or made, if so faxed, upon the day confirmation of the transmission of such fax is received by the sending party, unless such confirmation is received by the sending party after 5:00 p.m., in which case it shall be deemed to have been given on the next business day, or if so delivered, when delivered, or if so mailed, except in the case of publicized postal interruptions (during which any notice or request shall be delivered or faxed), on the fourth next business day (excluding Saturdays) following its mailing. Any party may by notice in writing to the other change the address and/or fax number to which any notice, approval or request for approval is to be given or made. All payments required to be made under this Lease shall be delivered or mailed to the above addresses of the Owners or the Landlord or the Tenant, as the case may be, unless the party entitled to such payment shall otherwise direct in writing.

25.06 Removal of Trade Fixtures. Upon or within thirty (30) days after the expiration or sooner termination of the Term the Tenant may, if not then in default, but shall not be obligated to, remove any or all of its fixtures and improvements of the nature of trade or tenants' fixtures which are ordinarily removable by a tenant, but not any improvements of a fixed and permanent nature and the Tenant shall repair and restore any damage thereby occasioned. Tenant shall pay per diem rent for each day after expiration or termination until vacant possession of the Leased Premises and Tenant Department Store is delivered to the Landlord.

25.07 Interpretation and Construction. All of the provisions of this Lease are to be construed as covenants and agreements. If any provision of this Lease is illegal, invalid or unenforceable it shall be considered as separate and severable from the remaining provisions, which shall remain in force and binding as though the said provision had never been included. No provision of this Lease which imposes or requires a party to impose or enforce a restriction against any third party shall be read or interpreted as contemplating any violation of the Competition Act (Canada) or any similar legislation, but if and to the extent such imposition or enforcement would cause any such violation, such provision shall be deemed modified to the extent necessary to avoid such violation. The headings and marginal sub-headings of Articles and clauses are for convenience of reference, and are not intended to limit, enlarge or otherwise affect their meanings. References in the singular shall include

the plural, where the context reasonably so requires, and vice versa, and references herein to the parties shall mean the Landlord and the Tenant.

25.08 Successors. This Lease shall be binding upon the Landlord and the Tenant and their respective successors and assigns, and shall also enure to the benefit of their respective successors and assigns provided such successors and assigns are permitted successors and assigns under the provisions of Article 21.

25.09 Applicable Law. This Lease shall be governed and interpreted by and in accordance with the laws of the Province of Ontario and the laws of the Dominion of Canada applicable thereto.

25.10 Entire Agreement. This Lease constitutes the entire agreement between the Landlord and the Tenant relating to the subject matter hereof, and supercedes and replaces any offer to lease or letter agreements for the Leased Premises which preceded the entering into of this Lease. This Lease may be amended only by an agreement in writing signed by the parties hereto and, with respect to the subject matter hereof, neither party is bound by any representations, warranties, promises, agreements or inducements not embodied herein. The provisions of the Letter Agreement are superseded by this Lease and such Letter Agreement is terminated.

25.11 Transfer Taxes. The Tenant shall be responsible for the payment of any transfer taxes resulting from the granting of this Lease, including without limitation those transfer taxes which are payable at the time of registration of this Lease.

25.12 Planning Act. It is a condition of this Lease that it is to be effective only if the provisions of Section 50 of the *Planning Act of Ontario,* as amended from time to time, or any legislation in substitution therefor are complied with. The Tenant shall apply for and utilize its endeavours (with the assistance of the Landlord to the extent required) to obtain the requisite consent of the appropriate authority to this Lease (including any necessary appeals required if consent is not given on terms satisfactory to the Landlord and the Tenant, acting reasonably). Upon the obtaining of such consent the said condition shall have been fully complied with and this Lease shall be fully effective. Whether upon application by the Landlord or the Tenant, if the costs of complying with any condition to the granting of a consent exceeds $1,000.00, each of the Landlord and Tenant, acting reasonably and in good faith, must first agree to satisfy the condition if such condition cannot be fully satisfied by the payment of money alone, and if so agreed or if such condition can be fully satisfied by payment of money alone, the Tenant shall reimburse the Landlord the entire amount of the cost of compliance and the Landlord will comply with any such condition. If consent to this Lease is unable to be obtained in accordance with the foregoing and such consent continues to be required in order for this Lease to comply with the Planning Act, notwithstanding anything contained in this Lease the Term shall be deemed to be for a period of twenty-one (21) years less one (1) day, until such time as consent has been obtained or is no longer required. Either the Landlord or the Tenant shall, on demand, cooperate in making such applications or representations to the appropriate Authority or Authorities and shall do all such other acts and things as may appear necessary or desirable from time to time to make effective the provisions of this Lease which are dependant upon compliance with section 50 of the Planning Act of Ontario, as amended from time to time, or any legislation in substitution therefor.

25.13 Ownership of Tenant Department Store. The Landlord and Owners hereby acknowledge and agree that as at the date of this Lease the Tenant Department Store is owned by the Tenant and shall, along with any improvements made therein or thereto, during the Term or until such earlier date as this Lease shall be terminated, disclaimed or repudiated or the Tenant Department Store shall be abandoned, remain the sole property of the Tenant, notwithstanding the manner or degree of affixation.

However, upon the termination, disclaimer or repudiation of this Lease prior to the expiration of the Term by effluxion of time or upon abandonment of the Tenant Department Store (collectively, an "Early Termination") or upon expiry of the Term by effluxion of time, the Owners, Landlord and Tenant specifically agree, which agreement shall have priority to the rights of any other party including the Tenant, any lender to the Tenant and

any other party deriving its interest through the Tenant (including without limitation, any trustee in bankruptcy or receiver of the Tenant), that the Tenant Department Store and all Leasehold Improvements (other than Tenant Property) shall be deemed to have been automatically conveyed to and vested in the Owners by the Tenant free and discharged of any encumbrance or claim by the Tenant and any such parties, upon the day immediately preceding the date of the Early Termination or upon the date of expiry of this Lease by effluxion of time, whichever is the earlier to occur, without payment by the Owners or Landlord or any additional compensation to the Tenant or any such party. The Tenant and such parties acknowledge that adequate valuable consideration was included in the price paid to the Tenant by the Owners for the purchase of the HBC Lands and included in the rental terms of this Lease for the foregoing provision.

25.14 Time of Essence. Time shall be of the essence with respect to the covenants and obligations of the parties under this Lease.

ARTICLE 26

COVENANTS OF OWNERS

26.00 In consideration of the sum of one ($1.00) dollar now paid by the Tenant and by the Owners, each to the other (receipt and sufficiency of which is hereby by each acknowledged), and in consideration of the Tenant entering into this Lease with the Landlord, the Owners and the Tenant agree as follows:

(a) if a Head Lease is terminated for any reason whatsoever, the Owners agree that they shall, upon such termination occurring, unless the Head Lease is forthwith replaced with another lease in favour of the Landlord for the Shopping Centre (which replacement leases shall for the purposes of this Lease constitute the Head Leases), be bound by this Lease as if it were the Landlord and had executed this Lease as Landlord, for the remainder of the Term, including without limitation any extension of the term of this Lease as provided for in Article 3 of this Lease, and upon the request of the Tenant the Owners shall provide to the Tenant such further assurances as are required by the Tenant, acting reasonably, to confirm its lease of the Leased Premises for the remainder of the Term as well as all applicable rights, covenants, provisions, agreements and conditions of the parties pursuant to this Lease;

(b) the Owners shall give written notice to the Tenant promptly upon any termination of the Head Leases being effected;

(c) notwithstanding any provisions of this Lease to the contrary, until a Head Lease shall have terminated, no provisions contained in this Lease shall apply to the Owners other than the provisions of clause 21.08 and this Article 26, and the Owners shall not be liable to the Tenant for any obligation or default of the Landlord which has arisen or occurred pursuant to this Lease prior to such termination, except to the extent that such obligation or default is of a material and of a continuing nature, such that it continues to occur after the date of termination, and further provided that the Owners shall be bound by and subject to any right of set off under this Lease for all applicable amounts that as at the date of termination the Landlord owes to the Tenant in respect of expenses incurred by the Tenant pursuant to its remedies under this Lease or pursuant to rental adjustment items;

(d) each of the Owners shall, in conjunction with any transfer of the whole of its interest in the Shopping Centre, obtain an agreement in writing from its transferee in favour of the Tenant to be bound by the provisions of this Article 26, and upon delivery of such agreement to the Tenant such Owner shall be released from any further liability or obligations under this Article 26 except in respect of any liability of such Owner to the Tenant for any obligation or default of the Landlord of a material and a continuing nature under clause (c) above, to the extent such liability is existing as at the date of such transfer; notwithstanding the aforesaid,

where the transferee of the interest of an Owner also acquires the interest of the Landlord in a Head Lease, the transferee need only enter into the agreement provided for in clause 21.06 hereof, provided that it is doing so as a registered and beneficial owner of its interest in the Shopping Centre; and

(e) the Owners covenant that they are collectively the registered owners of the Shopping Centre.

IN WITNESS WHEREOF the Owners, the Landlord and the Tenant have executed this Lease.

YORKDALE SHOPPING CENTRE HOLDINGS INC.

per:_____

per:_____
(We have the authority to bind the corporation)

HUDSON'S BAY COMPANY

per:_____

per:_____
(We have the authority to bind the corporation)

OMERS REALTY CORPORATION

per:_____

per:_____
(We have the authority to bind the corporation)

OMERS REALTY HOLDINGS (YORKDALE) INC.

per:_____

per:_____
(We have the authority to bind the corporation)

1331430 ONTARIO INC.

per:_____

per:_____
(We have the authority to bind the corporation)

SCHEDULE A

Part 1: Legal Description of Shopping Centre Lands

Firstly:

PIN No. 10232-0122(LT), being Parcel 8-3, Section Y-7, FREEHOLD, being part of Lot 8, Concession 2, West of Yonge Street, designated as Part 7 on Reference Plan 66R-13323, City of Toronto, Province of Ontario (formerly City of North York, Municipality of Metropolitan Toronto), SUBJECT TO an easement as set out in Instrument No. NY410178 (B106442).

Secondly:

PIN No. 10232-0123(LT), being Parcel 8-8, Section Y-7, FREEHOLD, being part of Lot 8, Concession 2, West of Yonge Street, designated as Parts 8 and 9 on Reference Plan 66R-13323, City of Toronto, Province of Ontario (formerly City of North York, Municipality of Metropolitan Toronto).

Thirdly:

PIN No. 10232-0150(LT), being part of Parcel 8-9, Section Y-7, FREEHOLD, being part of Lot 9, Concession 2, West of Yonge Street, designated as Part 2 on Reference Plan 66R-16192, City of Toronto, Province of Ontario (formerly City of North York, Municipality of Metropolitan Toronto), SUBJECT TO easements as set out in Instrument No. NY410177 (B106441) and Parcel 9-2, Section Y-7, FREEHOLD, being part of Lot 9, Concession 2, West of Yonge Street, designated as Part 4 on Reference Plan 66R-13323, City of Toronto, Province of Ontario (City of North York, Municipality of Metropolitan Toronto).

Fourthly:

PIN No. 10232-0152 (LT), being Part of Parcel 8-1, Section Y-7, FREEHOLD, being part of Lot 9, Concession 2, West of Yonge Street, designated as Part 3 on Reference Plan 66R-16192, City of Toronto, Province of Ontario (formerly City of North York, Municipality of Metropolitan Toronto, SUBJECT TO easements as set out in Instrument No. NY410177 (B106441) and TOGETHER WITH easements as set out in Instrument No. C-702847, and Parcel 8-2, Section Y-7, FREEHOLD, being part Lots 8 and 9, Concession 2, West of Yonge Street, designated as Parts 5 and 6 on Reference Plan 66R-13323, save and except Parts 5 and 6 (Freehold and Leasehold) on Reference Plan 66R-16192, City of Toronto, Province of Ontario (formerly City of North York, Municipality of Metropolitan Toronto), SUBJECT TO easements as set out in Instrument Nos. NY410177 (B106441) and A-900224 over Part 1 on Reference Plan 66R-10317.

Part 2: **Legal Description of HBC Lands**

Firstly:

PIN No. 10232-0124 (LT), being Part of Parcel 8-9, Section Y-7, being part of Lot 8, Concession 2, West of Yonge Street, designated as Parts 10, 11, 12 and 13 on Reference Plan 66R-13323, City of Toronto, Province of Ontario (formerly City of North York, Municipality of Metropolitan Toronto), TOGETHER WITH Easement in NY410177 (B-106441); SUBJECT TO Easement in NY410179 (B-106443); SUBJECT TO Covenants in NY399424 (C-93166) and NY401171 (C-93167)

Secondly:

PIN 10232-0138 (LT), being Part of Parcel 8-9, Section Y-7, being part of Lot 9, Concession 2, West of Yonge Street, designated as Parts 1 and 2 on Reference Plan 66R-13323, Save and Except Part 2 on Reference Plan 66R-16192, City of Toronto, Province of Ontario (formerly City of North York, Municipality of Metropolitan Toronto), SUBJECT TO Easement in NY410177 (B-106441) and NY410179 (B-106443) and Right in NY427518 (B-93168)

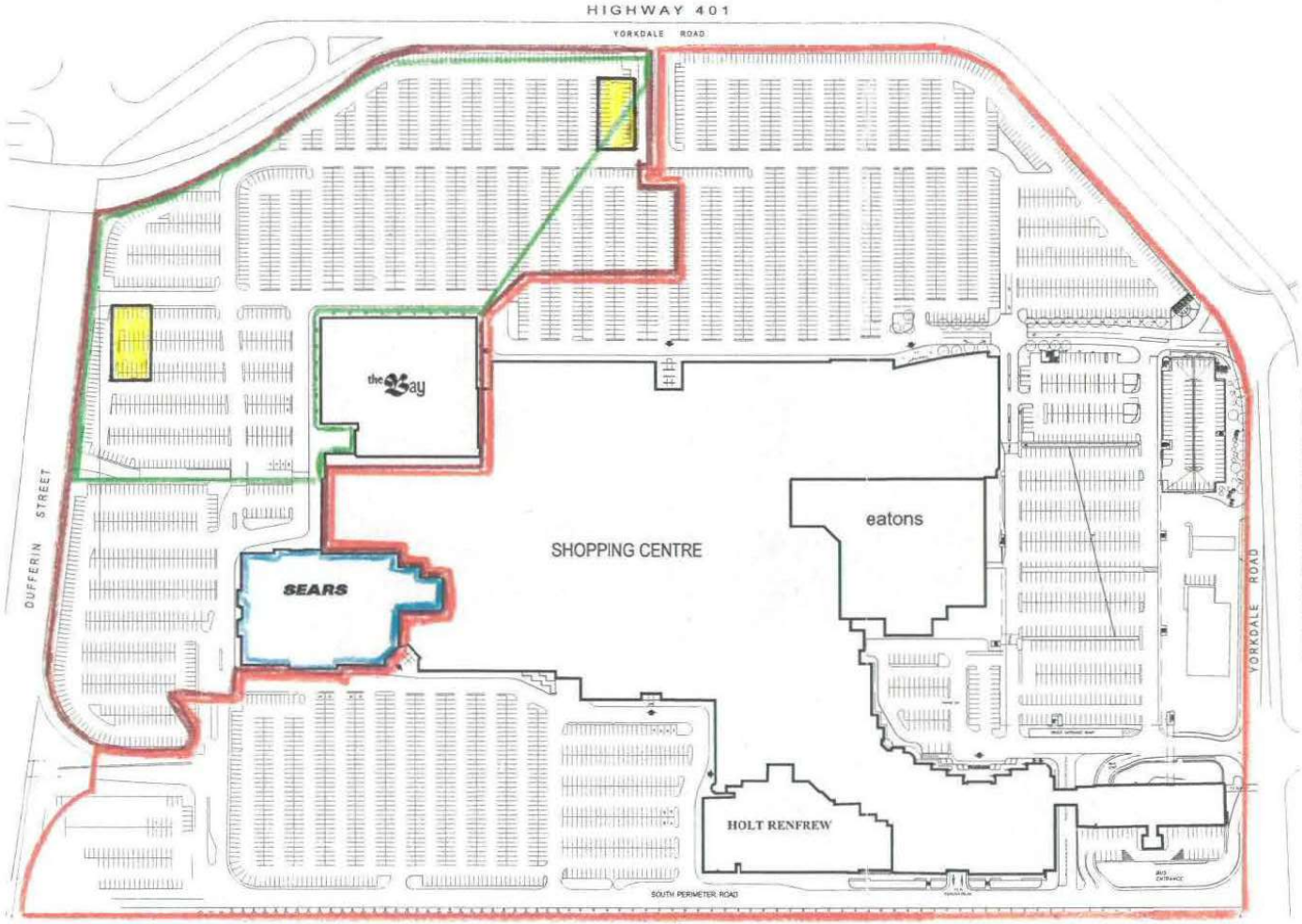
Thirdly:

PIN 10232-0139 (LT), being Part of Parcel 8-2, Section Y-7, FREEHOLD, being part of Lots 8 and 9, Concession 2, West of Yonge Street, designated as Parts 5 and 6 on Reference Plan 66R-16192, City of Toronto, Province of Ontario (formerly City of North York, Municipality of Metropolitan Toronto), SUBJECT TO Easement in NY410177.

Fourthly:

PIN 10232-0146 (LT), being Part of Parcel 8-1, Section Y-7 FREEHOLD, being part of Lots 8 and 9, Concession 2, West of Yonge Street, designated as Parts 3, 14 and 15 on Reference Plan 66R-13323, Save and Except Part 1 on Reference Plan 66R-15578, Save and Except Part 3 on Reference Plan 66R-16192 and Save and Except Part 4 (LEASEHOLD) on Reference Plan 66R-16192, City of Toronto, Province of Ontario (formerly City of North York, Municipality of Metropolitan Toronto), SUBJECT TO Easement in NY329294 (B-108844), NY353722 (B-108843), NY357732 (B-108842) and NY410177 (B-106441) and Covenants in NY353722 (B-108843).

SCHEDULE B



Yorkdale Shopping Centre
Toronto, Ontario

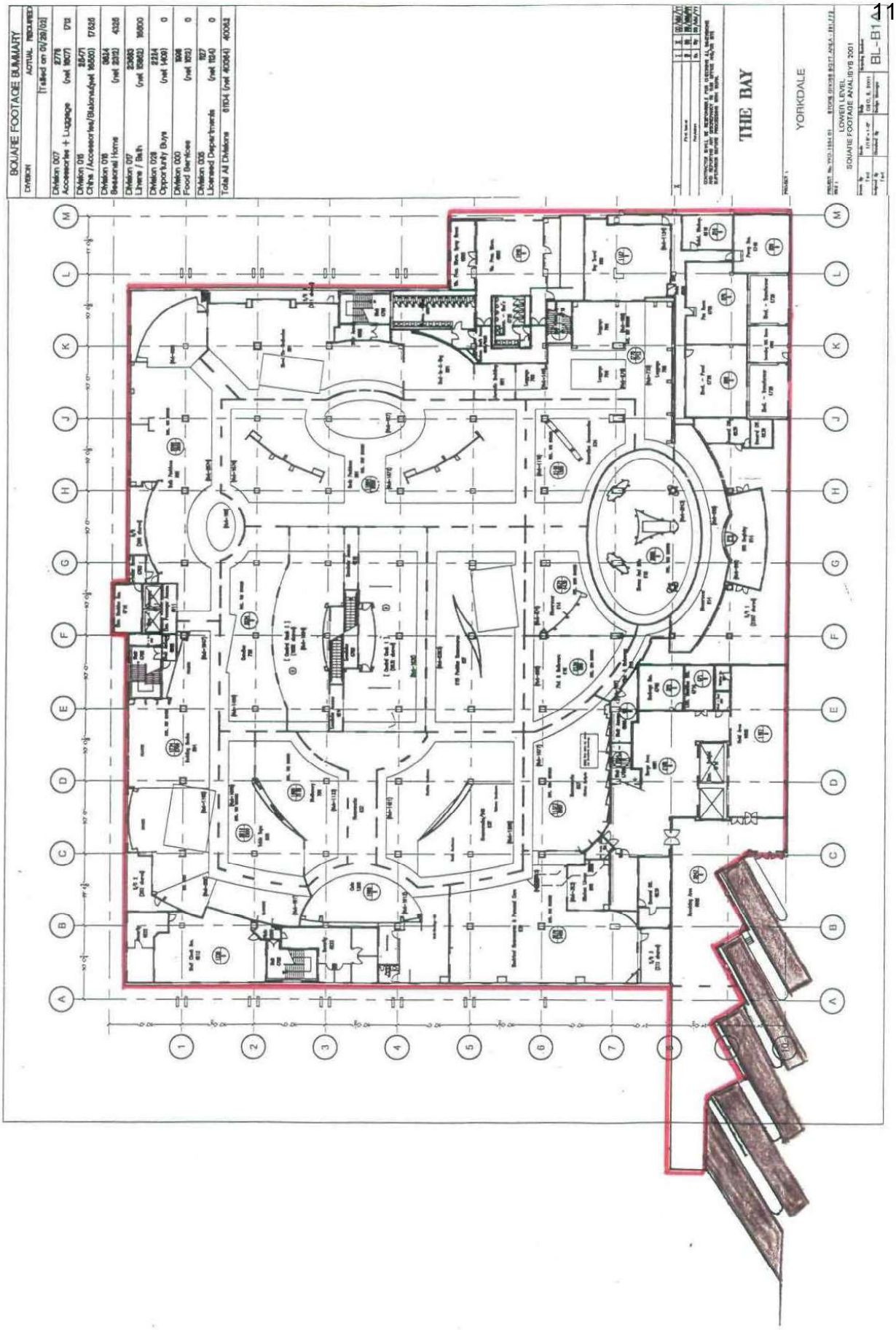
Site Plan

AUGUST 29, 2002

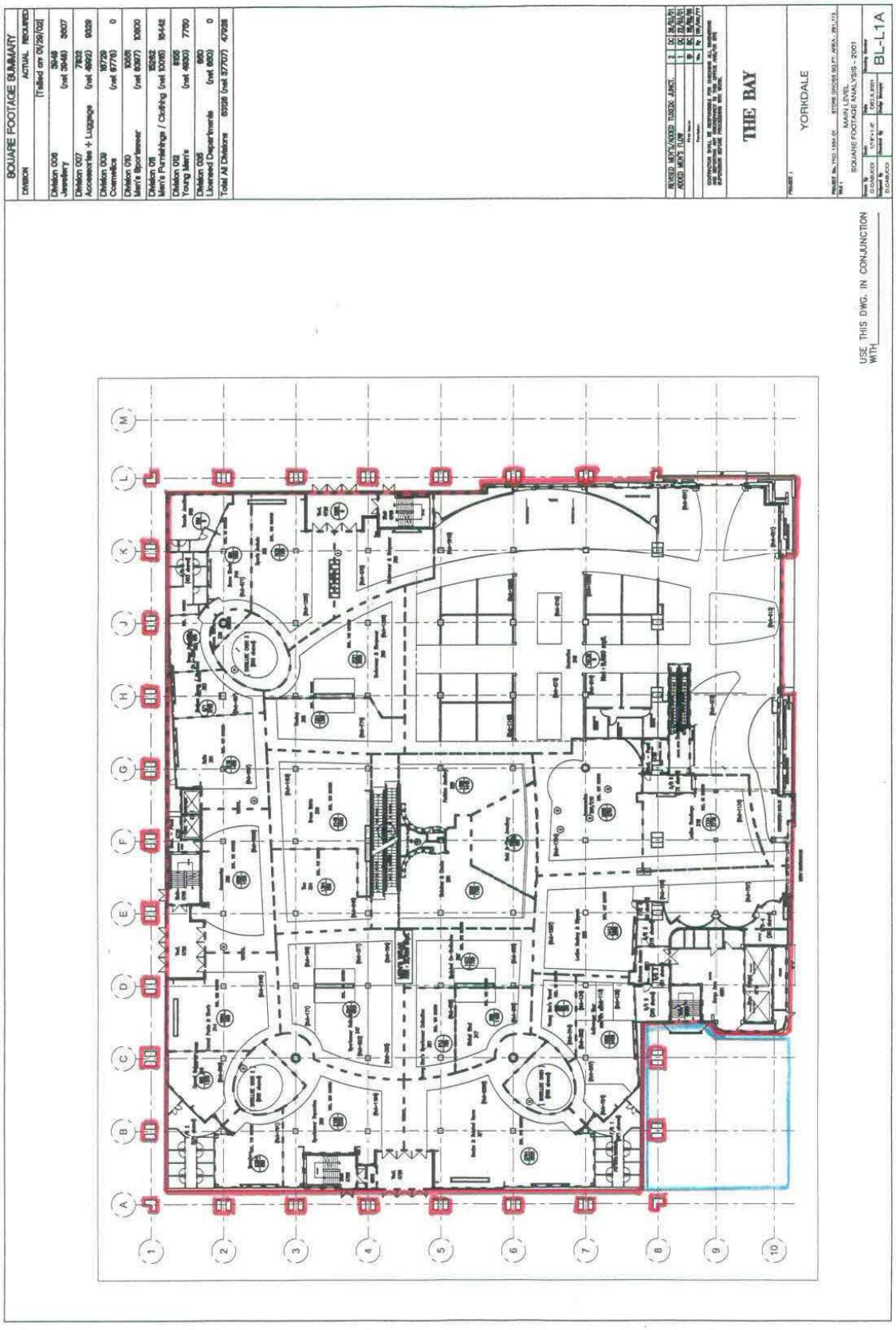
MP 102a S

20 VIC

MMC INTERNATIONAL ARCHITECTS

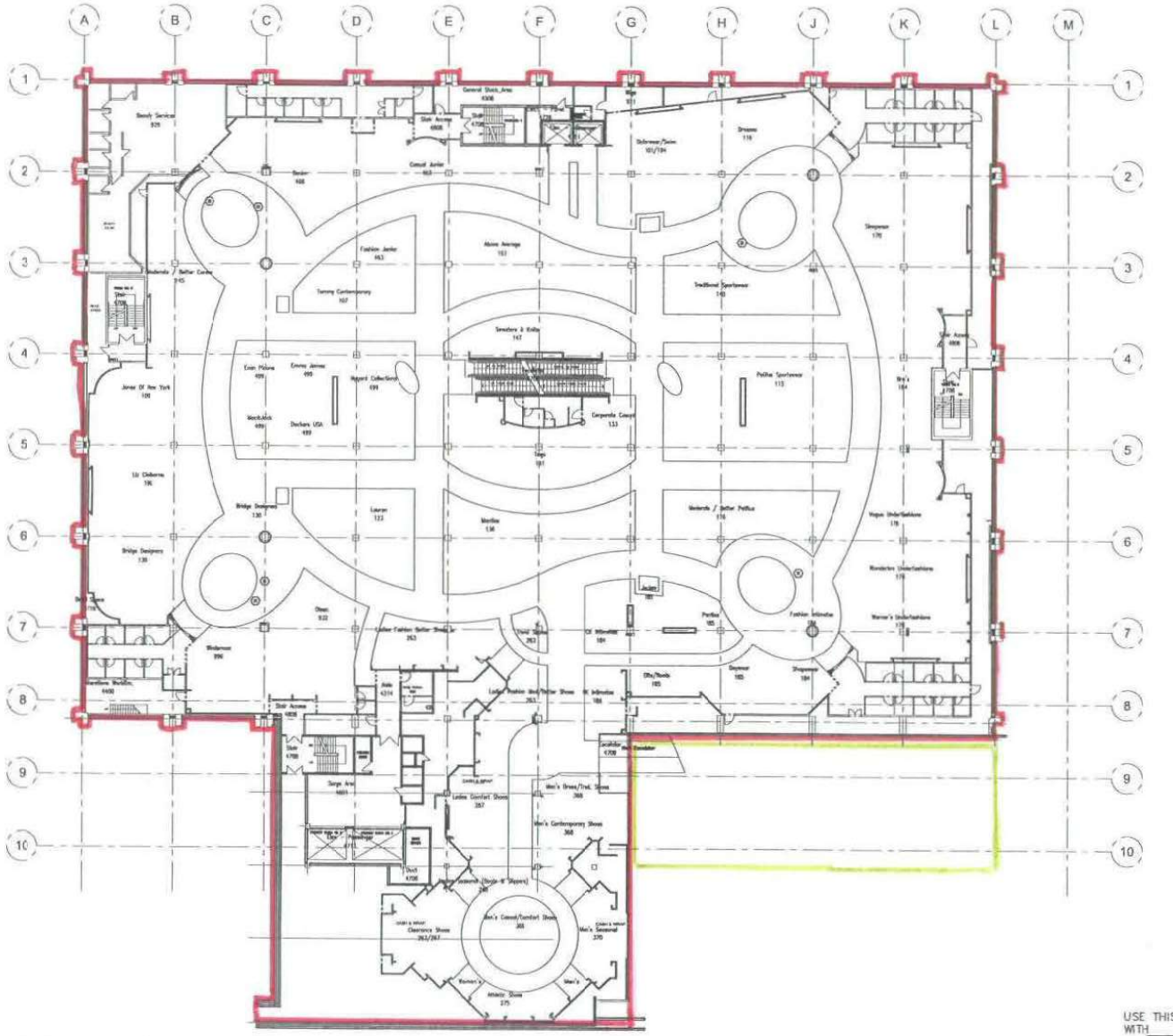

SQUARE FOOTAGE SUMMARY
THE BAY
YORKDALE
LOWER LEVEL
SQUARE FOOTAGE AVAILABILITY
BL-B1

SCHEDULE C "1"



SCHEDULE C "2"

SCHEDULE C #34



USE THIS DWG. IN CONJUNCTION WITH _____

SQUARE FOOTAGE SUMMARY		
DIVISION	ACTUAL	REQUIRED
	[Tallied on 01/29/02]	
Division 001 Women's Special Sizes	9717 (net 5953)	13945
Division 002 Women's Career / Casual	12105 (net 7031)	10161
Division 003 Women's Better	11348 (net 6979)	14258
Division 004 Women's Junior	4914 (net 2762)	6550
Division 005 Intimate	13300 (net 8248)	11456
Division 008 Footwear	11790 (net 6958)	0
Division 035 Licensed Departments	4946 (net 4003)	0
Total All Divisions	68819 (net 41934)	56370

REVISED LINGERIE FLOW	2	DC	16/07/01
RE-ISSUED	1	DC	20/04/01
Print Name	R	BB	BB/MM/YY
Revision	No.	By	BB/MM/YY

CONTRACTOR SHALL BE RESPONSIBLE FOR CHECKING ALL DIMENSIONS AND REPORTING ANY DISCREPANCY TO THE OFFICE AND/OR SITE SUPERVISOR BEFORE PROCEEDING WITH WORK.

THE BAY

PROJECT :

YORKDALE

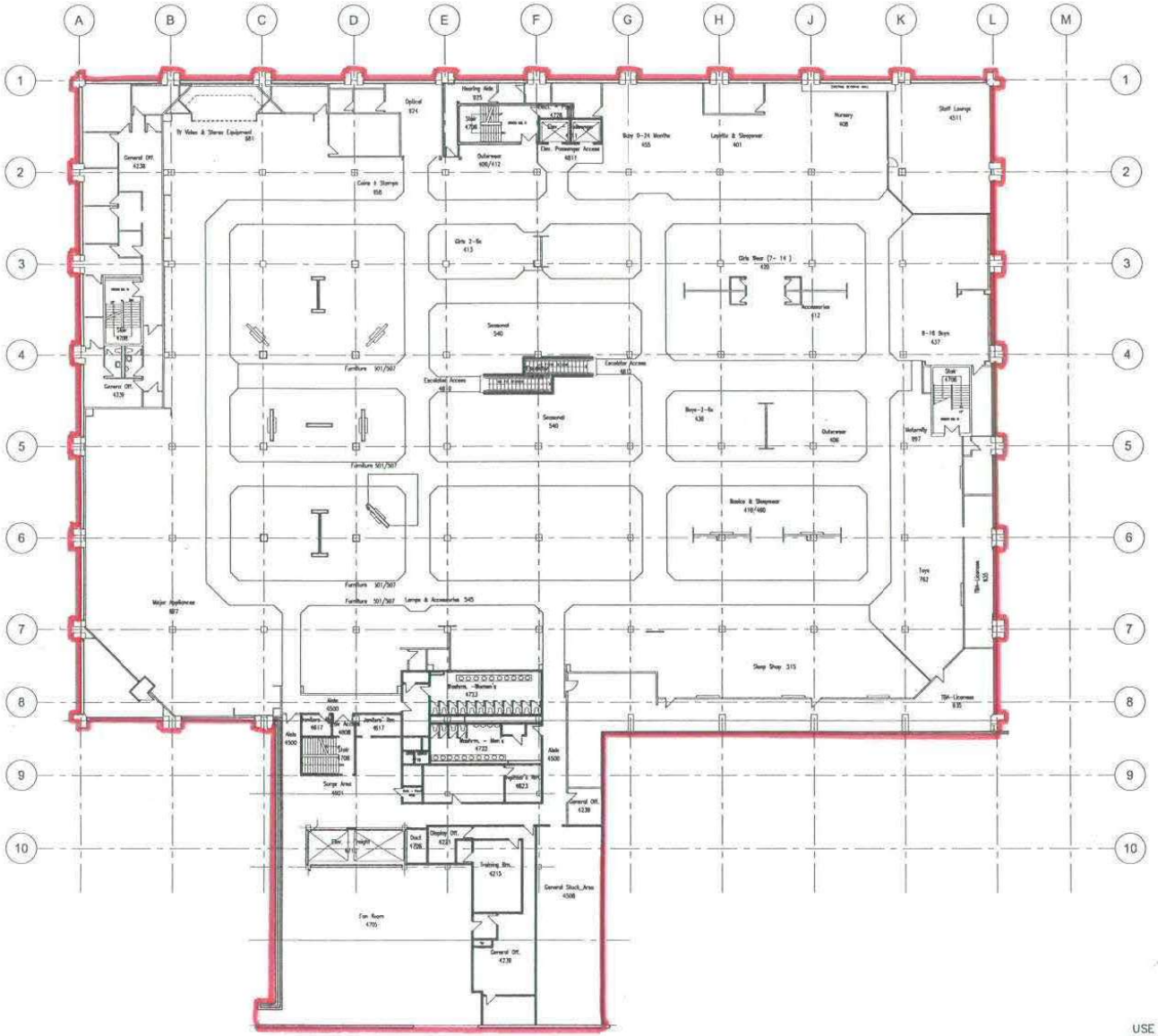
PROJECT No. YKD-1554-01 STORE GROSS SQ.FT. AREA - 291,773

TITLE :

SECOND LEVEL
SQUARE FOOTAGE ANALISYS 2001

Drawn By	Scale	Date	Drawing Number
D.CASUCCI	1/16"=1'-0"	DEC 5, 2001	BL-L2A
Designed By	Checked By	Design Manager	
D.CASUCCI			

SCHEDULE C "4"



USE THIS DWG. IN CONJUNCTION WITH _____

SQUARE FOOTAGE SUMMARY

DIVISION	ACTUAL	MODEL
	[Tallied on: 01/29/02]	
Division 013 Youth Wear	5339 (net 3360)	4000
Division 014 Infants + Toddlers	12339 (net 8056)	10222
Division 016 Seasonal Home	5886 (net 4390)	2500
Division 018 Furniture	28680 (net 21391)	22754
Division 035 Licensed Departments	3917 (net 3037)	0
Total All Divisions	56162 (net 40234)	39506

X	X	X	DD/MM/YY
First Issue	BB	BB	BB/MM/YY
Revision	No.	By	DD/MM/YY

CONTRACTOR SHALL BE RESPONSIBLE FOR CHECKING ALL DIMENSIONS AND REPORTING ANY DISCREPANCY TO THE OFFICE AND/OR SITE SUPERVISOR BEFORE PROCEEDING WITH WORK.

THE BAY

PROJECT :
YORKDALE

PROJECT No. YKD-1564-01 STORE GROSS SQ.FT. AREA - 281,773

TITLE :
THIRD FLOOR
SQUARE FOOTAGE ANALYSIS 2001

Drawn By	Scale	Date	Drawing Number
D.CASUCCI	1/16"=1'-0"	DEC. 5, 2001	BL-L3
Designed By: D.CASUCCI	Checked By	Design Manager	

SCHEDULE D

RULES AND REGULATIONS

(1) *Cleanliness.* Tenants shall not perform any act or carry on any practice which may injure the buildings comprising the Shopping Centre; shall keep their premises at all times orderly and tidy and the merchandise properly displayed and with adequate customer aisles for the free movement of customer traffic; shall keep their premises reasonably clean and free from rubbish and dirt and unreasonable accumulations of snow and ice, and store all trash and garbage within their premises and arrange its regular removal; shall not burn any trash or garbage on or about their premises or anywhere else within the confines of the Shopping Centre.

(2) *Dignified display.* Tenants shall conduct the merchandising, display and advertising in connection with their business in a dignified manner and with high standards.

(3) *Harmful business conduct.* Tenants shall discontinue immediately upon the request of the Landlord any misleading business conduct or practice carried on by them.

(4) *Employee Parking.* Upon the written request of the Landlord, given at reasonable intervals, the Tenants shall furnish the Landlord with the automobile license numbers of the tenants and their employees and shall thereafter notify the Landlord of any changes within five (5) days after further request therefor.

(5) *Pests.* Tenants shall use at their cost a pest extermination contractor as necessary to ensure the cleanliness of their premises.

(6) *Odours.* Tenants shall take all necessary measures to prevent objectionable odours and noises emanating from their premises.

(7) *Obstructions.* Except to the extent specifically provided in their leases no parking area, aisle, roadway, driveway, mall, sidewalk, entry, passageway, elevator or staircase on the balance of the Shopping Centre shall be obstructed or used by the tenants, their officers, agents, servants, employees, contractors, customers, invitees or licencees for any purpose other than ingress to and egress from their premises or as permitted in their leases.

(8) *Flyers.* Tenants shall not conduct or solicit business in the Common Facilities or distribute any handbills or other advertising matter in the Common Facilities or on vehicles parked in the parking areas.

(9) *Common Facilities.* Tenants shall not place or allow any of their merchandise on any portion of the Common Facilities other than as permitted in their leases without the prior written permission of the Landlord (not to be unreasonably withheld) or in conjunction with a Shopping Centre promotion authorized by the Landlord.

The foregoing rules and regulations are subject to and shall be superseded by any provisions of the Lease to the contrary.

Appendix “C”

CITATION: HBC v. OMERS, 2015 ONSC 4671
COURT FILE NO.: CV15-10947-00CL
DATE: 20150804

SUPERIOR COURT OF JUSTICE - ONTARIO

2015 ONSC 4671 (CanLII)

RE: HUDSON'S BAY COMPANY and HBC CAN REAL PROPERTY LP, Applicants

AND:

OMERS REALTY CORPORATION, YORKDALE SHOPPING CENTRE HOLDINGS INC., OMERS REALTY HOLDINGS (YORKDALE) INC., ARI YKD GP INC., ARY YKD INVESTMENTS LP, SQUARE ONE PROPERTY CORPORATION, OMERS REALTY MANAGEMENT CORPORATION, 156 SQUARE ONE LIMITED, SCARBOROUGH TOWN CENTRE HOLDINGS INC., OMERS REALTY HOLDINGS (STC ONE) INC., ARI STC GP INC. and ARI STC INVESTMENTS LP, Respondents

BEFORE: Conway J.

COUNSEL: *Jonathan C. Lisus, James Renihan* and *Larissa C. Moscu* for the Applicants

Patricia D.S. Jackson and *Molly M. Reynolds*, for the Respondents

HEARD: July 20, 2015

ENDORSEMENT

Introduction

[1] The Applicants, Hudson's Bay Company ("**HBC**") and HBC CAN Real Property LP (by its general partner HBC CAN Real Property Inc.) ("**HBC CAN LP**"), are anchor tenants in three shopping malls: (1) Yorkdale; (2) Square One; and (3) Scarborough Town Centre. The malls are owned and operated by the respondent landlords (the "**Landlords**"), represented on this application by Oxford Properties Group ("**Oxford**").[1]

[2] HBC and RioCan Real Estate Investment Trust ("**RioCan**") are entering into a real estate joint venture (the "**Joint Venture**"). HBC proposes transferring various real estate properties, including its leases at the malls (the "**Leases**"), to the Joint Venture. HBC sought Oxford's

[1] Oxford is the real estate arm of OMERS and invests in and manages extensive real estate assets on behalf of OMERS, one of Canada's largest pension plans.

consent to assign and sublease the Leases pursuant to the terms of the Joint Venture. Oxford refused to grant its consent.

[3] The Applicants bring this application under s. 23(2) of the *Commercial Tenancies Act*, R.S.O. 1990, c. L.7 seeking a declaration that consent is not required for the assignment and sublease of the Leases pursuant to the terms of the Joint Venture or, alternatively, that Oxford is unreasonably withholding its consent.

[4] For the reasons that follow, I conclude that consent to the assignment and sublease is not required. Alternatively, if consent is required, (a) the Landlord was entitled to withhold its consent with respect to the Square One Lease; and (b) the Landlords have unreasonably withheld their consent with respect to the Yorkdale and Scarborough Leases.

Background

[5] HBC operates stores under a number of different retail banners, including Hudson's Bay, Saks Fifth Avenue, Lord & Taylor and Home Outfitters. HBC is a publicly traded company on the Toronto Stock Exchange.

[6] HBC is the tenant under the Yorkdale Lease, dated September 26, 2002. HBC CAN LP, through its general partner HBC CAN Real Property Inc., is the tenant under the Square One Lease, dated October 3, 1973, and under the Scarborough Lease, dated July 17, 1972. Hudson's Bay stores are operated at each of the three leased locations.

[7] Pursuant to the Joint Venture, HBC is contributing ten properties (five owned and five leased), including the Leases, to the Joint Venture. RioCan is contributing a 50% co-ownership interest in Georgian Mall and Oakville Place, as well as a significant cash contribution. The Joint Venture intends to acquire additional properties in the future. At some later date, the Joint Venture is expected to form the basis of a REIT, which may then be the subject of an IPO.

[8] In January 2015, HBC representatives met with Oxford to discuss the proposed Joint Venture. The structure of the Joint Venture had not yet been finalized. Originally, it was contemplated that all of the real estate assets would be transferred by HBC and RioCan to a limited partnership, the general partner of which would be jointly controlled by HBC and RioCan.

[9] After various meetings and exchanges of correspondence with Oxford, the structure was changed. According to HBC, the changes were made to address Oxford's concerns with the degree of control that RioCan (a competitor of Oxford) would have over the Leases.

[10] The proposed Joint Venture structure is now as follows:

- HBC and RioCan will be the two limited partners in RioCan-HBC LP (the "**First LP**"). HBC will initially hold approximately 90% of the partnership units and RioCan the remaining 10%. The sole general partner of the First LP will be 2455034 Ontario Inc., a company jointly controlled by HBC and RioCan.

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- All of the assets to be contributed by HBC and RioCan to the Joint Venture, other than the Leases, will be transferred to 2455034 Ontario Inc. as the general partner of the First LP.

- A second limited partnership, HBC YSS LP (the "**Second LP**"), will be formed to hold the Leases. HBC will be the general partner of the Second LP. The First LP will be the sole limited partner of the Second LP and will hold a 99.9999% interest in the Second LP.

- The Leases will be assigned by the Applicants to HBC in its capacity as general partner of the Second LP.

- The leased premises under each of the Leases will be sublet to HBC on a full pass through basis for the entire remaining terms of each Lease, including renewals.

[11] According to HBC, this restructuring addresses Oxford's concerns, as the general partner to whom the Leases are being assigned will now be HBC (and not a new company jointly controlled by HBC and RioCan), and as the general partner, HBC will have control over the Leases. According to Oxford, however, the revised structure is superficial – it does not change the economics or commercial realities of the original Joint Venture deal, nor its concern that RioCan will have control over the Leases.

[12] HBC requested Oxford's consent to the assignment and sublease of the Leases pursuant to the restructured Joint Venture (while not conceding that consent was required).[2] Oxford had requested, and HBC provided, information about the proposed Joint Venture. Ultimately, Oxford was not satisfied with the proposed restructuring of the Joint Venture and refused to consent to the assignment and sublease of the Leases. Oxford provided HBC with detailed reasons for its refusal.

[13] The parties agreed that the matter would have to be determined by the courts and HBC brought this application in April 2015. Since then, the Joint Venture transaction has closed; however, the Leases were excluded from the transaction pending a decision of the issues in this application.

Issue #1 – Is Consent Required to Assign the Leases?

[14] While there are variations in the language, each of the Leases broadly restricts a transfer or assignment of the Lease; however, each of the Leases contains an exception for an assignment of the Lease to an affiliate of the existing tenant (the "**Affiliate Exception**").

[2] HBC's evidence is that it made it clear to Oxford that it did not require consent but was requesting it out of respect for their ongoing relationship.

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[15] HBC's position is that consent is not required. Simply put, it submits that each Lease will be assigned to HBC as the general partner of the Second LP. HBC argues that as a matter of law, a limited partnership cannot hold property and any partnership property must be held by the general partner. Therefore, it argues, HBC will be the assignee of the Leases. Further, since HBC is either the same company or an affiliate of the existing tenant under each of the Leases, the Affiliate Exception applies and no consent is required.

[16] Oxford's position is that the Affiliate Exception does not apply. It submits that while HBC will be taking legal title to the Leases as the general partner of the Second LP, this is a matter of legal personhood only – since a limited partnership cannot hold title to property – and HBC will be holding the Leases for the benefit of the Second LP. Oxford submits that the court must look beyond who will be holding legal title to the Leases (HBC, the general partner) and must look at who will become the beneficial owner of the Leases (the Second LP), and find that the Second LP will be the assignee of the Leases. Oxford submits that since the Second LP is not an affiliate of the existing tenant under the Leases, the Affiliate Exception does not apply and consent is required.

[17] I accept HBC's position and agree that the assignee of the Leases will be the general partner, HBC, and not the Second LP. My conclusion is based on the unique legal nature of the limited partnership structure and the role played by the general partner.

[18] A limited partnership is not a legal entity. It is required by law to have a general partner through which it normally acts: see *Kucor Construction & Developments & Associates v. Canada Life Assurance Co.* (1998), 41 O.R. (3d) 577 (C.A.), at pp. 587-588. A limited partnership therefore cannot hold title to real property. The limited partnership can only hold title to real property through its general partner: *Kucor*, at p. 590.

[19] Justice Farley explained the unique features of a limited partnership and the way that property is held and business conducted, in the case of *Re Lehndorff General Partner Ltd.* (1993), 17 C.B.R. (3d) 24, at pp. 39-40 (my emphasis added):

> A limited partnership is a creation of statute, consisting of one or more general partners and one or more limited partners. *The limited partnership is an investment vehicle for passive investment by limited partners.* It in essence combines the flow through concept of tax depreciation or credits available to "ordinary" partners under general partnership law with limited liability available to shareholders under corporate law…….*A general partner has all the rights and powers and is subject to all the restrictions and liabilities of a partner in a partnership.* In particular a general partner is fully liable to each creditor of the business of the limited partnership. *The general partner has sole control over the property and business of the limited partnership...*
>
> *The limited partners do not have any "independent" ownership rights in the property of the limited partnership.* The entitlement of the limited partners is

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> limited to their contribution plus any profits thereon, after satisfaction of claims of the creditors…
>
> It appears to me that the operations of a limited partnership in the ordinary course are that *the limited partners take a completely passive role (they must or they will otherwise lose their limited liability protection which would have been their sole reason for choosing a limited partnership vehicle as opposed to an "ordinary" partnership vehicle). . . . The limited partners leave the running of the business to the general partner and in that respect the care, custody and the maintenance of the property, assets and undertaking of the limited partnership in which the limited partners and the general partner hold an interest*. The ownership of this limited partnership property, assets and undertaking is an undivided interest which cannot be segregated for purposes of legal process.

[20] Three things are clear from this description. First, any property in which the limited partnership (i.e. the partners) may have an interest can only be held by the general partner. In the case of a lease, there can be no assignment of the lease to the limited partnership – the assignment of the lease must be to the general partner.

[21] Second, it is not simply a matter of the general partner acquiring legal title to the property. The general partner has control over the property and is solely responsible for the operations of the limited partnership. The limited partner, as a passive investor, is restricted from taking part in the control or management of the business – indeed, to do otherwise would jeopardize its limited partner status.

[22] Third, from the perspective of the other contracting party, the general partner is solely liable for all payments under the contract and performance of all obligations thereunder. The limited partners have no such liability. In this case, once the Leases are assigned, the legal relationship under the Leases will continue to be between the Landlords and HBC. There will be no relationship between the Landlords and the limited partners. HBC alone will be liable for rent and all amounts owing under the Leases. HBC alone will be responsible for compliance with all obligations and covenants under the Leases. In other words, there will be no change in the legal relationship between HBC and the Landlords following the assignment.

[23] In my view, in determining who will be the assignee of the Leases, there is no reason to look beyond the fact that the Leases are being legally assigned to the general partner, or to focus on where any other interests may lie. Given that the Leases will be assigned to HBC as the general partner and that HBC will be solely responsible for the operations of the Second LP, I conclude that HBC, the general partner, will be the assignee of the Leases.

[24] I am also satisfied that since the assignee of the Leases will be HBC, the Affiliate Exception applies and consent is not required.

[25] In the Yorkdale Lease, Article 21.00 provides that the Tenant may assign or sublet the whole of the Leased Premises without consent, but with notice, to an Affiliated Corporation (with consent to be obtained or this Lease reassigned or sublease terminated if the affiliation

2015 ONSC 4671 (CanLII)

ceases)…"Affiliated Corporation" is defined as a "holding corporation, subsidiary corporation or affiliate of Tenant, as each of those terms is defined in the *Canada Business Corporations Act."* The current tenant under the Yorkdale Lease is HBC. HBC is assigning the lease to itself in its capacity as general partner of the Second LP.[3] In my view, an assignment from a corporate tenant to the exact same corporate entity comes within the Affiliate Exception.[4]

[26] Under the Square One Lease, Article 21.00 provides that the Tenant may, without consent, "assign this Bay Lease or sublet the Leased Premises to…the Hudson's Bay Company." The assignment to HBC (the Hudson's Bay Company) is expressly permitted by Article 21.00.

[27] Under the Scarborough Lease, Section 4.1(iv)(a)(1) provides that the consent of the Landlord is not required for: "assignments of this Lease…made between any of Simpsons, Limited and other companies which are or are about to become AFFILIATES of Simpsons, Limited". "Affiliates" is defined to include any "corporation which CONTROLS, is CONTROLLED by, or is under common CONTROL with, such corporation." Control is defined to mean "ownership either directly or indirectly of shares having more than half the votes entitled to be cast for the election of the directors of a corporation." The Lease is no longer held by Simpsons, Limited, but is held by HBC CAN Real Property Inc. as general partner of HBC CAN LP. HBC owns all the shares of HBC CAN Real Property Inc. and is therefore an affiliate of the existing tenant. Consent to a transfer of the Lease to HBC is not required.[5]

[28] To summarize, the assignment of the Leases will be to HBC, the general partner of the Second LP, and not to the limited partnership. The assignment to HBC is permitted under the Affiliate Exception of each Lease, and Oxford's consent is not required. Further, because the subsequent sublease will be to HBC, which is the same entity as the general partner (HBC), the sublease is also permitted under the Affiliate Exception and Oxford's consent is not required.

[29] The Applicants also seek a declaration that the Landlords' consent will not be required with respect to the future transfers of equity shares, units or interest of HBC, the First LP or the Second LP in connection with the conversion to a REIT or to any future IPO. No details have been provided and any such transactions are prospective ones. I decline to grant the declaration.

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[3] With respect to the issue of HBC assigning to itself as general partner, s. 41 of the *Conveyancing and Law of Property Act*, R.S.O. 1990, chapter C. 34, provides that a person may convey property to itself. See also *Kucor*, in which property was conveyed by a corporation to itself as a general partner of a limited partnership.

[4] This also addresses the requirement in s. 21(1) of the Yorkdale Lease that the ownership of the store and the leasehold interest co-exist in the same entity – both will be held by HBC.

[5] Even if Simpsons, Limited is not read as being HBC CAN Real Property Inc., Simpsons, Limited (now called Snospmis Limited) is a subsidiary of HBC, as is HBC CAN Real Property Inc. Assignments are expressly permitted between any of Simpsons, Limited and other companies that are affiliates of Simpsons, Limited. Given the affiliate relationships, the assignment from HBC CAN Real Property Inc. to HBC is permitted.

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Issue #2 – Did Oxford Withhold its Consent Unreasonably?

[30] Since consent to the assignment and sublease is not required, I do not need to decide whether Oxford withheld its consent unreasonably. However, if I am incorrect and consent is required, I will address the parties' alternative arguments.

[31] Section 23(2) of the *Commercial Tenancies Act* provides that, unless the lease explicitly provides otherwise, the landlord may not unreasonably withhold consent to an assignment or sublease. It further provides that where a landlord refuses to consent to an assignment or sublease of a lease, the tenant may apply to the court for an order permitting the assignment or sublease.

[32] The Square One Lease states that the Landlord's consent to an assignment may be arbitrarily withheld. The parties have contracted out of the statutory presumption that consents may not be unreasonably withheld. The ability of a landlord to insert such lease provisions for its own protection has been recognized by the courts: see *Tradedge Inc. v. Tri-Novo Group Inc.*, 84 R.P.R. (4th) 84 (Ont. S.C.), at para. 4. The Landlord is entitled to withhold its consent under the Square One Lease.[6]

[33] The Yorkdale Lease (s. 21) provides the Landlord is deemed not to be unreasonable in withholding its consent to an assignment and may arbitrarily withhold such consent, if the proposed assignee has not agreed in writing to assume and perform the Tenant's covenants, obligations and agreements under the Lease[7] and if the requirements of s. 21 have not been satisfied. Those requirements are that the assignee is (1) creditworthy, (2) a suitable replacement tenant, and (3) sufficiently experienced and competent in operating a retail department store business.

[34] The Scarborough Lease (s. 4.1(iv)(b)) provides that consent to assignments and subleases shall not be unreasonably withheld if made to "an established operator of integrated retail department stores not unlike that then operated by the TENANT in the SIMPSONS BUILDING." The Lease further provides that the Landlord's consent is deemed not to be unreasonably withheld if: (1) the Landlord has not received full particulars relevant to the proposed assignment and the identity, reputation, experience and financial position of the proposed assignee; or (2) having received full particulars,[8] the Landlord is not fully satisfied that

---

[6] HBC appeared to concede this point in its factum. At the hearing, it submitted that this clause would be overridden by the organizing principle of good faith set out by the Supreme Court of Canada in *Bhasin v. Hrynew*, 2014 SCC 71. Given HBC's concession I am not prepared to entertain this submission but in any event I am not persuaded that *Bhasin* disentitles Oxford from relying on an express term of a contract negotiated by sophisticated parties.

[7] The only reason a written agreement has not been signed is because the parties are pursuing this matter through the courts. Under the circumstances, that factor does not entitle the Landlord to withhold its consent.

[8] HBC provided full particulars to Oxford, except for details of the intermediate steps of the transfer to HBC as general partner of the Second LP. Oxford confirmed at the hearing that it has now received those details and has no issue with those steps.

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the proposed assignee or lessee (i) is of a good reputation in the industry, (ii) has substantial and successful experience in the operation of integrated retail department stores; (iii) is in a financial position such that there are no reasonable grounds to foresee that all of the Tenant's obligations will not be fully performed by the assignee; and (iv) will not be adverse in any significant respect to the foreseeable best interest of the shopping centre.

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[35] The principles that apply in determining whether a landlord has reasonably withheld consent to an assignment were articulated by Lederman J. in *Suncor Energy Products Inc. v. 2054889 Ontario Ltd.*, 2010 ONSC 6159, at para. 26 (citing Cullity J. in *1455202 Ontario Inc. v. Welbow Holdings Ltd.*, [2003] O.J. No. 1785 (S.C.), at para. 9):

> (i) the burden is on the tenant to satisfy the court that the refusal to consent was unreasonable;
>
> (ii) in determining the reasonableness of a refusal to consent, it is the information available to – and the reasons given by – the Landlord at the time of the refusal – and not any additional, or different, facts or reasons provided subsequently to the court – that is material;
>
> (iii) the question must be considered in the light of the existing provisions of the lease that define and delimit the subject matter of the assignment as well as the right of the tenant to assign and that of the Landlord to withhold consent;
>
> (iv) a probability that the proposed assignee will default in its obligations under the lease may, depending upon the circumstances, be reasonable grounds for withholding consent;
>
> (v) the financial position of the assignee may be a relevant consideration;
>
> (vi) the question of reasonableness is essentially one of fact that must be determined on the circumstances of the particular case, including the commercial realities of the market place and the economic impact of an assignment on the Landlord.

[36] Further, a landlord may not refuse consent for reasons which are collateral to the terms of the governing lease. Where a landlord refuses consent in order to achieve a collateral purpose or benefit, the refusal is unreasonable: *Tradedge, supra* at para. 39.

[37] In determining whether the tenant has discharged its burden, the question is not whether the court would have raised the same conclusion as the landlord or even whether a reasonable person might have given consent; it is whether a reasonable person could have withheld consent: *Welbow, supra*, at para. 9.

[38] HBC submits that as a practical matter, nothing will change for the Landlords under the Joint Venture structure. HBC will remain fully liable for all obligations under the Leases and will continue to operate the stores in accordance with the Leases. RioCan will not have any active involvement in the Leases or the stores, other than limited veto rights. HBC submits that

the real reason that Oxford is refusing its consent is because it does not want its competitor RioCan to realize any indirect economic benefit from Oxford's properties.

[39] Oxford refutes this submission. Oxford submits that the Joint Venture creates an entirely new legal entity that will operate under different legal control, divergent business interests, and with real estate-focused objectives rather than in a capacity as a retail department store. It submits that the Leases, which contain anchor tenant rights, will now be held by a real estate entity rather than a retail store operator and that this fundamentally alters the relationship between the Landlords and their existing tenant, HBC.

[40] I accept HBC's submission. Based on the record before me, HBC has met its burden of proving that the Landlords are acting unreasonably in withholding their consent.

[41] I will address each of the Landlords' primary reasons.[9]

The Tenant will now be a Real Estate-Focused Entity, not a Retail Store Operator

[42] This is Oxford's overarching submission. Mr. Aziz, Executive Vice-President and Chief Legal Counsel of Oxford, states that it is a "fundamental premise" of the Leases that the leasehold interest be held by a retail department store operator. He states that "the assignment of the Leases to [the Second LP] will be prejudicial to the Landlords because it will extend anchor tenant rights to an entity that primarily operates a competing real estate business rather than a retail department store." Oxford argues that HBC will make decisions under the Leases based on the real estate interests of the limited partnership[10] rather than on what is best for the retail store operations and the shopping malls.

[43] Oxford's refusal to consent based on this concern is unreasonable. First, the stores will continue to be operated by HBC, a retail store operator and the existing operator of the stores. HBC will continue to be subject to all covenants and obligations in the Leases. Nothing changes.

[44] Second, Oxford's reasons are speculative. For example, under the Leases HBC's consent is required before a new tenant can be located within a certain proximity to its store. Mr. Aziz suggests that HBC *might* withhold its consent in the future so as to attract the new tenant to one

[9] One of Oxford's other reasons for refusing consent was that the form of consent was overly broad, as it referred to unknown "intermediate steps" and included Oxford's consent to future transactions. As noted above, Oxford now has no issue with the intermediate steps to be taken. Also, as noted above, I agree that future transactions must be excluded from the form. In my view, the consents would not be overly broad if the reference to future transactions is taken out.

[10] Oxford argues that HBC will have fiduciary and contractual obligations to the limited partner that will require HBC to act in the best interests of the limited partnership.

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of the Joint Venture's properties instead of an Oxford property.[11] That is entirely speculative, without any evidentiary foundation.

[45] Third, Mr. Aziz suggests that HBC's interests as general partner of the Second LP will diverge from those of the Landlords and that HBC will no longer be motivated to do what is best for the stores and the shopping malls. For example, Oxford suggests that HBC *might* not agree to new development in "no build areas" at the malls, as HBC would have to consider the effect of that agreement on other properties in the Joint Venture portfolio. Again, this is entirely speculative and without evidentiary foundation. It is further contradicted by HBC's evidence that it has every incentive to invest in, maintain and promote the stores, as the value of the Leases is tied directly to the success of the stores.

[46] Fourth, Oxford's distinction between a real estate company and a retail store operator is undermined by the fact that HBC is both. HBC's evidence is that it has significant real estate holdings and that it has always made decisions having regard to both its real estate and retail store businesses.[12]

[47] Fifth, to the extent that HBC has consent or approval rights as an anchor tenant, it has a contractual right to exercise them as it sees fit, provided it does so in accordance with the terms of the Lease. Oxford has no right to require HBC to grant consent or amend the Leases in a particular way (or at all). Oxford's refusal to grant consent on the basis that HBC may exercise its anchor tenant rights differently in the future than it has in the past is a collateral reason.[13]

[48] Finally, there is no restriction on a change in control of HBC under the Leases.[14] RioCan, or any other real estate company, could have purchased the shares of HBC and indirectly acquired an interest in the Leases. In effect, this is what is occurring here, through the vehicle of a limited partnership – RioCan is acquiring a 10% indirect interest in the Leases. In my view, Oxford is seeking to restrict a transaction that is already permitted.

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[11] The example provided by Oxford is that HBC *might* exercise its consent rights to attempt to divert a new tenant from Square One (an Oxford mall) to Oakville Place (a mall in the Joint Venture portfolio).

[12] HBC points out that Oxford has already consented to the assignment of the Scarborough and Square One Leases to HBC CAN LP through its general partner HBC CAN Real Property Inc., which is not a retail store operator.

[13] I note that HBC is required in s. 2.9(g) and (h) of the Second LP limited partnership agreement to administer the Leases in the same manner and with the same standard of care as it did prior to the date of that agreement. HBC has indicated that it is willing to agree that any assignment would be contingent on those sections (as well as the limited partner's veto rights) not being materially amended in the future.

[14] The Yorkdale Lease permits a change in control that occurs as the result of trading in shares listed upon a recognized stock exchange. The Scarborough Lease contains no change of control clause. Mr. Aziz acknowledged on cross-examination that there was nothing preventing RioCan from acquiring control over HBC and the Leases.

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Control over HBC as General Partner

[49] The First LP, as limited partner, has certain veto rights if HBC proposes to assign or sublet the Leases; obtain financing secured by the Leases; not extend or renew the Leases; or amend, terminate or surrender the Leases. Oxford argues that these veto rights enable the limited partner (and indirectly, RioCan) to exert control over the Leases.

[50] I disagree. As noted above, the limited partner is a passive investor. HBC, as the general partner, controls the operations of the Second LP's business and, as such, is responsible for all decision making under the Leases. The veto rights do not give the limited partner the right to take or initiate action or to require the general partner to do so – the limited partner can only veto or block certain fundamental actions. In my view, Oxford overstates the operational involvement that the limited partner (and indirectly RioCan) can and will have by virtue of these veto rights.[15]

[51] More important, the Leases themselves address assignments, renewals, financings and amendments. The veto rights, which are an internal matter within the limited partnership, will have no effect on the Landlords' rights with respect to those matters.

Financial Prejudice

[52] Oxford submits that because HBC will be paying higher rents as a subtenant than it is currently paying under the Leases, HBC will be more likely to default under the Leases, thereby exposing the Landlords to higher financial risk.

[53] HBC's evidence is that its annual free cash flow is approximately $612 million and that the net impact on its cash flow from the increased rents is $2.5 million a year.[16] Oxford's evidence (contested by HBC) is that the impact of the higher rents on HBC's cash flow is $23 million per year. In either case, given the size of HBC's free cash flow, I cannot accept that it is "probable" that HBC will default in its obligations or that Oxford is being reasonable in withholding consent on the basis of financial prejudice.[17] [18]

---

[15] For example, Mr. Aziz states that the limited partner (and indirectly RioCan) will be involved if the Landlord requests HBC to consent to certain actions (eg. building within "no build areas") that require anchor tenant consent. However, the veto rights only apply to proposed amendments of the Leases, not to requests for consent. Further, Lease amendments cannot be imposed by either party on the other – any such amendments must be agreed to by both the Landlord and the tenant.

[16] HBC notes that, at least initially, it will recoup most of the increased rent costs through its 90% interest in the limited partnership.

[17] Oxford relies on a CIBC "Gross Rent to Occupancy Cost Ratio" (GROC) report in which the analyst states that the sublease rents are higher than is safe and reasonable. This is hearsay. In any event, it does not support the conclusion that it is "probable" that the assignee will default on lease obligations. In addition, HBC's evidence is that the limited partnership structure will provide access to lower cost mortgage financing, reduce HBC's debt levels and improve its credit metrics.

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[54] Mr. Aziz' evidence is that the higher sublease payments *may* also trigger higher property taxes at the malls. Again, this is speculative and unsupported by any independent evidence with respect to the likelihood of property tax reassessments as a result of the sublease payments. Oxford's argument is further undermined by the fact that the Leases expressly contemplate subleases in certain situations but do not impose any form of a cap on subtenant rents.

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Summary

[55] If consent was required, the Landlord was entitled to withhold its consent under the Square One Lease.

[56] With respect to the Yorkdale and Scarborough Leases, HBC has met its burden of proving that a reasonable person would not have withheld consent to the assignment and sublease of those Leases pursuant to the terms of the Joint Venture transaction. HBC will continue to be the operator of the stores. It will continue to be liable under the Leases. It will be in control of the Leases as the general partner of the Second LP. There is no reason to believe that its interests will diverge from those of Oxford going forward. There is no probability that HBC will default under the Leases. The Landlords' refusal to consent to the assignment and sublease of those Leases is unreasonable.

Decision

[57] I grant a declaration that the Applicants do not require the consent of the Landlords to assign the Leases to HBC as general partner of the Second LP. I further grant a declaration that Landlords' consent is not required for the sublease from HBC as general partner of the Second LP to HBC as subtenant.

[58] In the alternative, I grant: (i) an order permitting the Applicants to assign the Yorkdale and Scarborough Leases to HBC as general partner of the Second LP; and (ii) an order permitting HBC as general partner of the Second LP to sublease those Leases to HBC as subtenant. I dismiss the application for any order with respect to the Square One Lease.

[59] If the parties are unable to agree on costs of this application, written submissions not exceeding 3 pages (double spaced) may be made, by HBC within 15 days and by Oxford within 10 days thereafter.

Oxford also states that the Landlords' position could be compromised in the event HBC becomes insolvent. Given that there is no evidentiary foundation to find that the transaction will increase the risk of HBC's insolvency, this is not a reasonable basis to withhold consent. In any event, the Landlords will have all of their rights under the Leases against HBC in the event it becomes insolvent.

[18] Indeed, HBC shareholders did not appear to share Oxford's concern about the effect of the deal on HBC's financial position. HBC's share price jumped 20% after the transaction was first announced.

Conway J.

Date: August 4, 2015

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Appendix “D”

COURT OF APPEAL FOR ONTARIO

CITATION: Hudson's Bay Company v. OMERS Realty Corporation, 2016 ONCA 113
DATE: 20160210
DOCKET: C60988

2016 ONCA 113 (CanLII)

Gillese, MacFarland and van Rensburg JJ.A.

BETWEEN

Hudson's Bay Company and HBC CAN Real Property LP

Applicants (Respondents)

and

OMERS Realty Corporation, Yorkdale Shopping Centre Holdings Inc., OMERS Realty Holdings (Yorkdale) Inc., ARI YKD GP Inc., ARI YKD Investments LP, Square One Property Corporation, OMERS Realty Management Corporation, 156 Square One Limited, Scarborough Town Centre Holdings Inc., OMERS Realty Holdings (STC One) Inc., ARI STC GP Inc. and ARI STC Investments LP

Respondents (Appellants)

Sheila Block and Molly Reynolds, for the appellants

Jonathan Lisus and James Renihan, for the respondents

Heard: January 21, 2016

On appeal from the judgment of Justice Barbara A. Conway of the Superior Court of Justice, dated August 4, 2015, with reasons reported at 2015 ONSC 4671.

By the Court:

BACKGROUND IN BRIEF

[1] HBC CAN Real Property LP ("HBC CAN LP") is a limited partnership whose sole limited partner is Hudson's Bay Company ("HBC") and whose sole

general partner is HBC CAN Real Property Inc. ("HBC CAN Inc."). HBC CAN Inc. is wholly owned by HBC.

[2] HBC and HBC CAN Inc. are anchor tenants in three shopping malls: Yorkdale, Square One, and Scarborough Town Centre. They operate Hudson's Bay stores at each of these three leased locations.

[3] The malls are owned and operated by the appellant landlords (the "Landlords"), represented in this matter by Oxford Properties Group ("Oxford"). HBC is the tenant under the Yorkdale lease. HBC CAN Inc., as general partner of HBC CAN LP, is the tenant under the Square One and Scarborough Town Centre leases. HBC and HBC CAN LP are the respondents ("Respondents") in this appeal.

[4] HBC and RioCan Real Estate Investment Trust ("RioCan") are entering into a real estate joint venture. HBC is to transfer ten real estate properties – five owned and five leased – to the joint venture. The five leases include its leases at Yorkdale, Square One, and Scarborough Town Centre (the "Leases"). RioCan is to contribute a 50% co-ownership interest in Georgian Mall and Oakville Place, as well as cash. Originally, the plan was that all of the real estate assets of the joint venture would be transferred to a limited partnership, the general partner of which would be a corporation jointly controlled by HBC and RioCan.

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[5] HBC sought Oxford's consent to assign and sublease the Leases for the purposes of the joint venture (while not conceding that consent was required). Oxford expressed concern about the degree of control that RioCan – one of its main competitors – would have over the Leases.

[6] After various meetings between the parties, a revised joint venture was proposed. According to the Respondents, the changes were made to address Oxford's concerns. The revised joint venture structure would consist of two limited partnerships, with the second being formed specifically to hold the Leases. The structure would be as follows:

- Limited Partnership #1: RioCan-HBC LP
    - There would be two limited partners: HBC and RioCan. HBC would initially hold approximately 90% of the partnership units and RioCan would hold the remaining approximately 10%;
    - The sole general partner would be 2455034 Ontario Inc. ("245"), a company jointly controlled by HBC and RioCan;
    - All of the assets to be contributed to the joint venture, other than the Leases, would be transferred to 245 (as the general partner) and, thus, be jointly controlled by HBC and RioCan.
- Limited Partnership #2: HBC YSS LP
    - There would be a sole limited partner, RioCan-HBC LP, which would hold approximately 99.9999% of the partnership units;[1]
    - The sole general partner would be HBC;

[1] This permits the economic benefits of the Leases to flow up to HBC and RioCan.

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- The Respondents would assign the Leases to HBC in its capacity as the general partner of HBC YSS LP. The leased premises would then be sublet to HBC on a full "pass through" basis for the entire remaining terms of each lease, including renewals.[2]

[7] The Respondents hoped that the revised structure would address Oxford's concerns because the Leases would be assigned to HBC, in its capacity as general partner of HBC YSS LP, rather than to 245, a company jointly controlled by HBC and RioCan.

[8] When Oxford refused to consent, the Respondents brought an application under s. 23(2) of the *Commercial Tenancies Act*, R.S.O. 1990, c. L.7, for a declaration that the Landlords' consents were not required for assignment and sublease of the Leases or, alternatively, that the Landlords were unreasonably withholding their consent to such assignments and subleases.

[9] The application judge found in favour of the Respondents. She noted that the Leases contain provisions that restrict their transfer or assignment. However, each of the Leases also contains an exception for an assignment to an affiliate of the existing tenant (the "affiliate exception"). She concluded that because the Leases will be assigned to HBC, as general partner of HBC YSS LP, the assignments fall within the affiliate exception. She also concluded that because the subsequent subleases will be to HBC, which is the same entity as the general partner (HBC), the subleases are permitted under the affiliate exception.

[2] The sublease rents will be higher than the rents under the Leases, which generates the economic benefits to flow to RioCan-HBC LP as limited partner of HBC YSS LP.

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Therefore, the application judge found, no consent to the assignments and subleases is necessary.

[10] The application judge then considered whether, if consent to the assignments were required, the Landlords had unreasonably withheld their consent. She found that the Landlords were entitled to withhold their consent under the Square One lease, which provides that consent to an assignment may be arbitrarily withheld. With respect to the Yorkdale and Scarborough Town Centre leases, however, the application judge found that HBC had met its burden of proving that the Landlords were acting unreasonably in withholding their consent. She explained that because HBC would continue to be the operator of the stores and liable under the Leases, there was no reason to believe HBC's interests would diverge from those of Oxford, going forward.

[11] Oxford appeals.

THE ISSUES

[12] Oxford submits that the application judge erred by:

1. holding that the assignment "to a limited partnership through its general partner" is an assignment to an affiliated company or corporation and therefore exempt from the consent requirement;

2. finding, in the alternative, that the Yorkdale and Scarborough Town Centre leases require the Landlords to exercise their consent rights reasonably; and

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3. ignoring uncontested evidence and applying the wrong legal test to the evidence regarding the Landlords' reasons for withholding consent.

ANALYSIS

ISSUE #1: Assignment to an Affiliate

[13] Oxford's major complaint in this appeal is that the application judge failed to appreciate that the assignments of the Leases would result in the limited partnership (HBC YSS LP) having beneficial and effective ownership of the Leases. As the sole limited partner is RioCan-HBC LP, and referring to the joint venture agreement, Oxford says that the assignments will result in RioCan (its competitor), having decision-making power over certain significant actions that might be taken in connection with the Leases.

[14] We do not accept Oxford's characterization of the effect of the assignments. This is not a case, as Oxford suggested, of HBC holding bare title or being a mere nominee for the true beneficial owner. Furthermore, contrary to Oxford's formulation of the first issue, the application judge did not hold that "an assignment to a limited partnership through its general partner was an assignment to an affiliate". Rather, she concluded that the proposed assignments of the Leases would be to the general partner and not to the limited partnership. As such, what Oxford characterizes as the "beneficial" or "effective" ownership of the Leases cannot direct the analysis.

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[15] In our view, the application judge correctly concluded that, based on the unique legal nature of the limited partnership structure and the role played by the general partner, the Leases will be assigned to HBC, as general partner.

[16] The application judge's reasoning, which we adopt, can be summarized as follows.

[17] A limited partnership is not a legal entity. It is required by law to have a general partner through which it normally acts: *Kucor Construction & Developments & Associates v. Canada Life Assurance Co.* (1998), 41 O.R. (3d) 577, 1998 CanLII 4236 (C.A.). A limited partnership cannot hold title to real property. It can hold title to real property only through its general partner.

[18] Based on the description of limited partnerships given in *Lehndorff General Partner Ltd., Re* (1993), 17 C.B.R. (3d) 24 (Ont. Gen. Div.), at paras. 17 and 20, which this court quoted with approval in *Kucor*, the application judge drew three conclusions.

[19] First, any property in which a limited partnership has an interest can be held only by the general partner. In the case of a lease, there can be no assignment of the lease to the limited partnership – it must be assigned to the general partner.

[20] Second, it is not simply a matter of the general partner acquiring legal title to the property. The general partner has control over the property and is solely

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responsible for the operations of the limited partnership. The limited partner, as a passive investor, is restricted from taking part in the control or management of the business. To do otherwise would jeopardise its limited partner status.

[21] Third, from the perspective of the other contracting party, the general partner is solely liable for all payments under the contract and performance of all obligations thereunder. The limited partners have no such liability. In this case, once the Leases are assigned, the legal relationship will continue to be between the Landlords and HBC. There will be no relationship between the Landlords and the limited partner. HBC alone will be liable for rents and all amounts owing under the Leases. HBC alone will be responsible for compliance with all obligations and covenants under the Leases. Thus, there will be no change in the legal relationship between HBC and the Landlords following the assignments.

[22] For these reasons, the application judge stated, in determining who will be the assignee of the Leases, there is no reason to look beyond the fact that the Leases are being assigned to the general partner. HBC as the general partner is the assignee, the affiliate exception applies and consent is not required. Because the subsequent subleases are to HBC, which is the same entity as the general partner, the subleases are also permitted under the affiliate exception.

[23] We see no basis for interfering with the application judge's determination that, in light of the affiliate exception, the Respondents did not need consent to

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assign the Leases to HBC as general partner of the limited partnership. HBC is assigning the Leases to itself in its capacity as general partner of HBC YSS LP.

[24] Accordingly, this ground of appeal is dismissed.

ISSUES #2 and #3: Withholding Consent and Reasons Therefore

[25] In light of our conclusion on the first issue, it is unnecessary to address these grounds of appeal.

DISPOSITION

[26] For these reasons, the appeal is dismissed. No order is made as to costs as the parties have resolved that matter between themselves.

Released: February 10, 2016 (“E.E.G.”)

“E.E. Gillese J.A.”
“J. MacFarland J.A.”
“K. van Rensburg J.A.”

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Appendix “E”

STIKEMAN ELLIOTT

Stikeman Elliott LLP Barristers & Solicitors

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Tel: (416) 869-5500 Fax: (416) 947-0866 www.stikeman.com

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BY COURIER November 26, 2015

Scarborough Town Centre Holdings Inc.
300 Borough Drive, Suite 230
Scarborough ON M1P 4P5
Attention: General Manager

Omers Realty Management Corporation
130 Adelaide Street West, Suite 1100
Toronto ON M5H 3P5
Attention: Vice President, Legal Retail

Oxford Properties Group
Royal Bank Plaza, North Tower
200 Bay Street, Suite 900
Toronto ON M5J 2J2
Attention: Robert M. Aziz,
Executive Vice President, Chief Legal Counsel

Dear Sirs/Mesdames:

Re: Hudson's Bay Company ("HBC") lease at Scarborough Town Centre (the "Lease")

On behalf of HBC, please find enclosed a Notice of Assignment of Lease from HBC to HBC, in its capacity as the general partner of HBC YSS 1 Limited Partnership.

Yours truly,

Chad Bass-Meldrum

/wn
Encl.

Notice of Assignment of Lease

To: The landlord(s) under the Lease (as defined below) (collectively, the "**Landlord**")

Re: Lease described in Schedule "A" attached hereto, as further amended, supplemented, assigned or otherwise varied from time to time (collectively, the "**Lease**"), relating to a leasehold interest in a portion of the lands municipally known as 300 Borough Drive, Scarborough, Ontario, as more particularly described in Schedule "B " attached hereto

And Re: Assignment of the Lease (the "**Assignment**") by Hudson's Bay Company ("**HBC**"), as assignor, to HBC, in its capacity as general partner of, HBC YSS 1 Limited Partnership (the "**Assignee**"), as assignee

We hereby give you notice of the Assignment, in favour of the Assignee, as assignee, made effective as of November 25, 2015.

[Remainder of page is intentionally left blank]

Dated this 26th day of November, 2015.

HUDSON'S BAY COMPANY

By: _____

Name: ~~Senior~~ David Pickwood

Title: Senior Vice President & General Counsel

By: _____

Name:

Title:

I/We have authority to bind the corporation.

Schedule "A"

DESCRIPTION OF THE LEASE

a. Lease dated July 17, 1972 made between Scarborough Shopping Centre Limited, Simpsons, Limited and Viking Shopping Centres Limited;

b. Supplementary Lease dated August 23, 1979 made between Scarborough Shopping Centre Limited, Simpsons Limited and The T. Eaton Company Limited;

c. Assignment and Assumption of Lease Agreement dated September 26, 1991 made between Simpsons Limited and Snospmis Merger 09-91 Inc.

d. Lease Amending Agreement dated June 8, 1995 made between Scarborough Town Centre Holdings Inc. and the Assignor; and

e. Scarborough Town Centre Amending Agreement dated April 3, 2014 among Scarborough Town Centre Holdings Inc., OMERS Realty Holdings (STC One) Inc., ARI STC GP Inc., ARI STC Investments LP, OMERS Realty Corporation and HBC CAN Real Property LP

(as further amended, supplemented, assigned or otherwise varied from time to time)

Schedule "B"

DESCRIPTION OF THE LEASED PROPERTY

300 Borough Drive, Scarborough, Ontario

LEASEHOLD

Firstly: PIN: 06000-0287 (LT)

BLOCKS M & N PLAN 66M1410...T/W R.O.W. OVER PT LOT 24, CON 2, PT 2 66R1261...S/T EASE. AS IN A71301...T/W R.O.W. OVER BLKS AX, DX, FX, GX, HX, KX, LX, OX, PX, QX, RX, TX, AS IN A322822 AND BLKS EX, JX, SX, UX AS IN A322823 AND A344281 AS AMENDED BY C754001...SUBJECT TO COVENANTS AS IN A365838...S/T EASE AND COVENANT AS IN A387102... S/T RIGHT, EASE AND COVENANT AS IN A652794...S/T EASE, COVENANT & RESTRICTION AS IN C155633 (FOR PARTIAL DELETION OF EASEMENT C155633 SEE C742395)..SCARBOROUGH , CITY OF TORONTO.

Appendix “F”

Sublease

HUDSON'S BAY COMPANY, in its capacity as general partner of HBC YSS 1 LIMITED PARTNERSHIP

(as **Sublandlord**)

- and **-**

HUDSON'S BAY COMPANY

(as **Subtenant**)

3401 Dufferin Street, North York, Ontario

November 25, 2015

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SUBLEASE

THIS SUBLEASE made as of the 25th day of November, 2015 (the "**Effective Date**").

BETWEEN:

HUDSON'S BAY COMPANY, in its capacity as general partner of HBC YSS 1 LIMITED PARTNERSHIP

(hereinafter called the "**Sublandlord**")

- and -

HUDSON'S BAY COMPANY
(hereinafter called the "**Subtenant**")

WHEREAS the Sublandlord and the Subtenant have agreed to enter into this Sublease;

NOW THEREFORE in consideration of the premises and mutual covenants and agreements set forth in this Sublease and the sum of $10.00 paid by the Subtenant to the Sublandlord and for good and other valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereto covenant and agree as follows:

ARTICLE 1

DEFINITIONS INTERPRETATIONS AND SCHEDULES

1.1 Definitions

In and for the purposes of this Sublease, unless there is something in the subject matter or context inconsistent therewith, the following terms and expressions shall have the meanings indicated:

"**ABL Financing**" means any corporate borrowing by the Subtenant and/or one or more of its Affiliates that is secured, in whole or in part, by the inventory of the Subtenant located at the Leased Property.

"**ABL Lender**" means any lender (including a trustee for bondholders) who from time to time has provided ABL Financing to the Subtenant and/or one or more of its Affiliates.

"**Acceptable Department Store**" means:

(a) a top-tier department store which is part of a recognized chain with a high quality image, which specializes in high quality and/or luxury merchandise (both private

label and recognized upscale brands) at high or mid-to-high price-points; it is agreed that as of the Commencement Date a top-tier department store operated as "Bloomingdale's", "Neiman Marcus", "Holt Renfrew", "John Lewis", "Saks", or "Selfridges" is an Acceptable Department Store and will continue to be so for so long as it meets the aforesaid standards in this paragraph (a); and

(b) a mid-tier department store which is part of a recognized chain with a medium to high quality image, which specializes in mid-to-high or mid-price-point merchandise; it is agreed that, without limiting the foregoing and by way of example only, as of the Commencement Date a mid-tier department store operated as "Macy's" or "Simons" is an Acceptable Department and will continue to be so for so long as it meets the aforesaid standards in this paragraph (b); and

(c) a discount store operating with a name that references any department store permitted pursuant to paragraphs (a) or (b) of this definition; it is agreed that, without limiting the foregoing and by way of example only, as of the Commencement Date, a discount store operated as a "Saks Off 5th" (or any other name that references Saks) or "hr2" is an Acceptable Department Store and will continue to be for so long as it meets the aforesaid standards in this paragraph (c).

"**Additional Rent**" means all amounts payable under the provisions of the Head Lease as additional rent, operating costs or otherwise (other than Head Rent) by the Sublandlord to the Head Landlord for periods of time occurring during the Term hereof.

"**Affiliate**" means, in respect of any Person (in this definition, such Person being referred to as the "**Subject Person**"), any other Person, directly or indirectly, Controlling, Controlled by, or under direct or indirect common Control with, the Subject Person.

"**Applicable Laws**" (i) where "Applicable Laws" or "Laws" or other similar term is defined in the Head Lease, "Applicable Laws" herein shall have the same meaning; and (ii) otherwise means all statutes, laws, by-laws, regulations, building codes, permits, ordinances, judgments, orders and requirements of any governmental authorities having jurisdiction, and all amendments thereto, at any time and from time to time having force of law in the jurisdiction in which the Leased Property is located, including without limitation all Environmental Laws.

"**Basic Rent**" has the meaning set out in Section 3.1(a).

"**Business Day**" or "**business day**" (i) where "Business Day" or "business" days is defined in the Head Lease, "**Business Day**" herein shall have the same meaning; (ii) otherwise means any day which is not a Saturday, Sunday or statutory holiday in the jurisdiction in which the Leased Property is located.

"**Claims**" means all past, present and future claims, suits, proceedings, liabilities, obligations, losses, damages, penalties, judgments, costs, expenses, fines, disbursements, legal fees on a substantial indemnity basis and other professional fees and disbursements, interest, demands and actions of any nature or any kind whatsoever and "**Claim**" means

any one of the foregoing, but excluding any punitive or aggravated damages, losses or claims (unless permitted by the Head Lease).

"**Commencement Date**" means November 25, 2015.

"**Control**" or "**control**" means, in respect of any Person, the power to direct the management and policies, business and affairs of such Person, whether directly or indirectly, and the words "**Controlled**" and "**Controlling**" have corresponding meanings.

"**Effective Date**" means November 25, 2015.

"**Encumbrances**" means (i) all mortgages, encumbrances, pledges, charges, liens (statutory or otherwise), debentures, trust deeds, assignments by way of security, security interests, conditional sales contracts or other title retention agreements or similar interests or instruments or agreements charging, or creating a security interest in or otherwise restricting or encumbering the Leased Property, or any part thereof, and (ii) all agreements, options, leases, subleases, licenses, easements, rights of way, servitudes, rights to use, restrictions, restrictive covenants, encroachments, title defects or irregularities, adverse claims, rights or registrations that create, evidence, give notice of an interest or right in or to, or that restrict or otherwise affect title to or the use of the Leased Property.

"**Environmental Laws**" means all applicable common law decisions and requirements of the common law, federal, provincial, regional, municipal or local statutes, regulations or by-laws, or any policies, codes, guidelines or directives issued by any governmental authority relating to Hazardous Substances pollution or protection of human or occupational health or the environment, as they may be amended from time to time.

"**Event of Default**" has the meaning set out in Section 8.1.

"**Extension Term**" has the meaning set out in 2.2(b).

"**Hazardous Substances**" include, without limitation, any solid, liquid, smoke, waste, odor, heat, radiation, or combination thereof, which is deemed, classed or found to be injurious or to deleteriously affect the natural, physical, chemical or biological quality of the environment, or which is or is likely to be injurious to the health or safety of persons, or which is or is likely to be injurious or damaging to property, plant or animal life, or which interferes with or is likely to interfere with the comfort, livelihood or enjoyment of life by a person, or which is declared to be hazardous or toxic under any law or regulation now or hereafter enacted or promulgated by any governmental authority having jurisdiction over the Sublandlord, the Subtenant or the Leased Property, and without limiting the generality of the foregoing, shall include any dangerous, noxious, toxic, flammable or explosive substance, radioactive material, asbestos or PCBs.

"**HBC Sublease**" means, as of any date, each of the Scarborough Town Centre Sublease and the Square One Sublease that, as of such date, can be extended by the Subtenant in accordance with the provisions thereof.

"**Head Lease**" means, collectively: (i) the lease dated September 26, 2002 made between Yorkdale Shopping Centre Holdings Inc., the Subtenant, OMERS Realty Corporation, OMERS Realty Holdings (Yorkdale) Inc. and 1331430 Ontario Inc.; (ii) the letter agreement dated October 24, 2002 made between Yorkdale Shopping Centre Holdings Inc., the Subtenant, OMERS Realty Corporation, OMERS Realty Holdings (Yorkdale) Inc. and 1331430 Ontario Inc.; and (iii) the Yorkdale Shopping Centre amending agreement dated April 3, 2014 among Yorkdale Shopping Centre Holdings Inc., OMERS Realty Corporation, OMERS Realty Holdings (Yorkdale) Inc., ARI YKD GP Inc., ARI YKD Investments LP and the Subtenant.

"**Head Landlord**" means Yorkdale Shopping Centre Holdings Inc.

"**Head Rent**" means all amounts payable under the provisions of the Head Lease as basic rent by the Sublandlord to the Head Landlord for periods of time owing during the Term hereof.

"**Initial Term**" has the meaning set out in 2.2(a).

"**Interest Charges**" means any amounts payable by the Subtenant as interest on overdue amounts pursuant to this Sublease.

"**Leased Property**" means the property leased by the Sublandlord from the Head Landlord pursuant to the Head Lease.

"**Permitted Uses**" means those uses that are permitted pursuant to Section 4.1.

"**Person**" means any person, firm, partnership, trust, corporation or any government or governmental board, department or agency, or any group of persons, firms, partnerships, trusts, corporations or governments or governmental boards, departments or agencies, or any combination thereof.

"**Personal Leased Property**" means, collectively, all of the personal property, equipment and trade fixtures located in the Leased Property on the Effective Date.

"**Prime Rate**" means the rate of interest, per annum, from time to time publicly quoted by the Royal Bank of Canada, at Toronto as the reference rate of interest (commonly known as its "prime rate") used by it to determine rates of interest chargeable in Canada on Canadian dollar demand loans to its commercial customers.

"**Rent**" means all Basic Rent, Additional Rent and Head Rent payable pursuant to this Sublease.

"**Sales Taxes**" means all goods and services taxes, harmonized sales taxes, value added taxes, sales taxes, use, consumption taxes and other similar taxes of whatever name or description, whether or not in existence at the Commencement Date, now or hereafter imposed, levied, rated, charged or assessed by any governmental authority in respect of the Rent payable by the Subtenant under this Sublease or in respect of this Sublease or the rental of space under this Sublease.

"**Scarborough Town Centre Sublease**" means the sublease of even date herewith between the Sublandlord, as sublandlord, and the Subtenant, as subtenant, in respect of a portion of the premises located at 300 Borough Drive, Scarborough, Ontario.

"**Square One Sublease**" means the sublease of even date herewith between Hudson's Bay Company, in its capacity as general partner of HBC YSS 2 Limited Partnership, as sublandlord, and the Subtenant, as subtenant, in respect of a portion of the premises located at 100 City Centre Drive, Mississauga, Ontario.

"**Stipulated Rate**" means the rate per annum equal to the Prime Rate plus 3%.

"**Sublandlord Persons**" means: (i) all of the officers, directors, employees, agents, contractors or subcontractors of the Sublandlord or any successor thereof; and (ii) any other Person for whom the Sublandlord or any successor thereof is or may be legally responsible.

"**Sublandlord's Mortgage**" means any mortgage, charge or security instrument (including a deed of trust or mortgage securing bonds) which may now or hereafter charge the Sublandlord's interest in the Leased Property or any part thereof, and all extensions, modifications and extensions thereof, to the extent permitted by the Head Lease.

"**Sublandlord's Mortgagee**" means any mortgagee, chargee or secured party or trustee for bondholders, as the case may be, who from time to time holds a Sublandlord's Mortgage.

"**Sublease**" means this sublease.

"**Sublease Year**" means the period commencing on November 25th of the applicable calendar year and ending on November 24th of the next calendar year; accordingly the initial Sublease Year shall commence on November 25, 2015 and end on November 24, 2016.

"**Subtenant**" means Hudson's Bay Company and its successors and permitted assigns.

"**Subtenant Persons**" means: (i) all of the officers, directors, employees, agents, contractors and subcontractors of the Subtenant; and (ii) any other Person for whom the Subtenant is or may be legally responsible.

"**Term**" means the Initial Term and each Extension Term that is exercised by the Subtenant in accordance with Section 2.2(b). Notwithstanding any other provision of this Sublease, the maximum length of the Term shall be the maximum term available to the Sublandlord under the Head Lease, excluding the last day of the final renewal or extension term of the Head Lease.

"**Unavoidable Delay**" has the meaning given thereto in the Head Lease.

1.2 **Extended Meanings**

Words importing the singular include the plural and *vice versa*. Words importing the masculine gender include the feminine and neuter genders.

1.3 **Headings**

The division of this Sublease into Articles, Sections and other subdivisions, the insertion of headings and the inclusion of a table of contents are for convenience of reference only and shall not affect the construction or interpretation of this Sublease. The expressions "herein", "hereof", "hereto", "hereunder", "above" and "below" and similar expressions mean and refer to this Sublease and not to any particular section; "Article", "Section", "paragraph", "subparagraph" and "clause" mean and refer to the specified Article, Section, paragraph, subparagraph and clause of this Sublease.

1.4 **Currency**

In this Sublease all references to currency shall refer to Canadian funds.

1.5 **Severability**

If a part of this Sublease or the application of it to a Person or circumstance, is to any extent held or rendered invalid, unenforceable or illegal, that part:

(a) is independent of the remainder of the Sublease and is severable from it, and its invalidity, unenforceability or illegality does not affect, impair or invalidate the remainder of this Sublease; and

(b) continues to be applicable to and enforceable to the fullest extent permitted by law against any Person and circumstance except those as to which it has been held or rendered invalid, unenforceable or illegal.

1.6 **Governing Law**

This Sublease shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. The parties agree that the Courts of Ontario shall have the exclusive jurisdiction to hear and settle any action, suit, proceeding or dispute in connection with this Sublease and the parties hereby irrevocably attorn to the exclusive jurisdiction of such court.

1.7 **Time**

Time shall be of the essence of this Sublease. If the time limited for the performance or completion of any matter under this Sublease expires or falls on a day that is not a Business Day, the time so limited shall extend to the next following Business Day. The time limited for performing or completing any matter under this Sublease may be extended or abridged only by an agreement in writing by the parties. All references herein to time are references to Toronto time.

1.8 **Obligations as Covenants**

Each obligation or agreement of the Sublandlord or the Subtenant set out in this Sublease shall be a covenant for all purposes.

ARTICLE 2

DEMISE AND TERM

2.1 **Demise; Prior Occupancy; "As-Is" Condition; Personal Leased Property.**

(a) Demise. In consideration of the agreements, terms, covenants, conditions, requirements, provisions and restrictions to be kept, observed, performed, satisfied and complied with by Subtenant, and for the rent herein provided, and upon the terms and conditions herein stated, Sublandlord hereby lets, leases and demises unto Subtenant, and Subtenant hereby leases, takes and accepts from Sublandlord, the entirety of the Leased Property.

(b) Prior Occupancy. Subtenant acknowledges that (i) Sublandlord has acquired the leasehold interest in the Leased Property from Subtenant as of the Effective Date; (ii) prior to the Effective Date hereof, Subtenant was and that Subtenant currently remains in possession of the Leased Property; and (iii) Subtenant has examined the Leased Property and is familiar with the physical condition of the Leased Property.

(c) "As-Is". In furtherance of clause (b) above, Subtenant accepts the Leased Property in its "as is" condition existing as of the Effective Date, without requiring any alterations, improvements, repairs or decorations to be made by Sublandlord, or (except as provided in Section 6.3 of this Sublease) at Sublandlord's expense, either at the time possession is given to Subtenant or during the entire term of this Sublease. Subtenant acknowledges that Sublandlord has not made and does not make any representations or warranties as to the physical condition, expenses, operation and maintenance, zoning, status of title, the use that may be made of the Leased Property or any other matter or thing affecting or related to the Leased Property.

(d) Personal Leased Property. Subtenant accepts the Leased Property with all of the Personal Leased Property.

2.2 **Term**

(a) The Sublandlord and Subtenant covenant and agree that the initial term of this Sublease (the "**Initial Term**") will be the period of time commencing on the

Commencement Date and expiring on the date that is twenty-five (25) years from the Commencement Date.

(b) Following the expiration of the first fifteen (15) years of the Initial Term, the Subtenant shall have the option to extend the Term of this Sublease for consecutive periods of fifteen (15) years each (each such period, an "**Extension Term**") commencing on the expiration of the Initial Term or the immediately preceding Extension Term (or in the case of the final Extension Term, for a period equal to the remainder of the existing term of the Head Lease and all renewal or extension terms available to the Sublandlord under the Head Lease), excluding the last day of the final renewal or extension term of the Head Lease, as the case may be, provided that (i) in the case of the first Extension Term, the Subtenant gives the Sublandlord written notice exercising such option to extend not later than 5:00 p.m. on the date which is six (6) months after the expiration of the first fifteen (15) years of the Initial Term, or (ii) in the case of the second Extension Term and each subsequent Extension Term, the Subtenant gives the Sublandlord written notice exercising such option to extend not later than 5:00 p.m. on the date which is five (5) years and six (6) months after the commencement date of the previous Extension Term, as applicable. Notwithstanding anything to the contrary, there shall be no further right to extend the Term or renew this Sublease beyond the maximum term available to the Sublandlord under the Head Lease (being the remainder of the existing term and all remaining renewal or extension terms available to the Sublandlord under the Head Lease), excluding the last day of the final renewal or extension term of the Head Lease which will not be included in this demise but which will be held by the Sublandlord in trust for the full benefit and use of the Subtenant (subject to the same limitations and restrictions on use as provided herein). If the Term is validly extended in accordance with this Section 2.2(b), all provisions, terms and conditions of this Sublease shall be applicable during the relevant Extension Term. Any exercise by the Subtenant of its option to extend this Sublease will not be effective unless the Subtenant concurrently exercises its option to extend each HBC Sublease that is capable of being extended on such date. If the Subtenant does not exercise any of its options to extend the Term of this Sublease in accordance with this Section 2.2(b), the Sublandlord will have the right to terminate this Sublease at any time during the remainder of the Initial Term or the applicable Extension Term, as the case may be.

(c) The Sublandlord irrevocably and unconditionally covenants and agrees with the Subtenant that it will exercise from time to time all rights to renew and extend the term of the Head Lease as are available to the Sublandlord under and in accordance with the terms of the Head Lease in order to provide to the Subtenant the longest possible Term.

(d) Notwithstanding the foregoing, the Subtenant acknowledges and agrees that in the event of the termination of the Head Lease prior to the expiration of the Term hereof, this Sublease shall automatically terminate, and be of no further force and effect, and the parties hereto shall be released from all duties, obligations, liabilities and responsibilities under this Sublease accruing thereafter except for

any duties, obligations, liabilities and responsibilities of one party to the other that arise out of any default by either party under this Sublease. Notwithstanding the foregoing, the Sublandlord shall not voluntarily terminate or surrender the Head Lease without the prior written consent of the Subtenant in its sole discretion.

ARTICLE 3

RENT

3.1 **Rent.**

(a) The Subtenant covenants to pay basic rent (the "**Basic Rent**") to the Sublandlord during each Sublease Year of the Term as provided in subparagraph (b) below.

(b) During the Term, the Subtenant will pay Basic Rent to the Sublandlord as follows:

(i) during the initial Sublease Year of the Term, the sum of $30.00 for each square foot of gross leasable area of the Leased Property; and

(ii) during each Sublease Year of the Term following the end of the initial Sublease Year, a sum equal to the Basic Rent payable during the immediately preceding Sublease Year plus an amount equal to 2% of the Basic Rent for such immediately preceding Sublease Year.

(c) The Subtenant also covenants to pay all Additional Rent and Head Rent.

3.2 **Time and Method of Payment**

(a) The Basic Rent for each Sublease Year shall be payable by equal consecutive monthly instalments in advance on the first day of each month during such Sublease Year except that the Subtenant shall pay, on the Commencement Date, as Basic Rent for the period from the Commencement Date to the last day of the calendar month in which the Commencement Date occurs, an amount calculated by multiplying the annual Basic Rent for the first Sublease Year by the number of days during such period and dividing by 365.

(b) Unless otherwise notified by the Sublandlord, the Subtenant will pay all Rent and other amounts payable to the Sublandlord when due under this Sublease as follows: (i) to the Head Landlord, Additional Rent, Head Rent and other amounts due and payable to the Head Landlord when due; and (ii) any remaining Rent and other amounts to the Sublandlord. Upon request of the Sublandlord, the Subtenant will provide the Sublandlord with evidence of payment of the amounts specified under subclause (i) above.

3.3 **Accrual of Rent**

Rent shall be considered as accruing from day to day hereunder from the Commencement Date and where it becomes necessary for any reason to calculate the Rent for an irregular period during the relevant Sublease Year, an appropriate apportionment and adjustment shall be made on a per diem basis based upon the relevant Sublease Year.

ARTICLE 4

USE OF THE LEASED PROPERTY

4.1 **Permitted Business and Uses**

From and after the Commencement Date, the Subtenant will use and operate the Leased Property in compliance with the provisions of the Head Lease at all times.

ARTICLE 5

HEAD LEASE

5.1 **Terms of Head Lease.**

(a) Except as herein otherwise expressly provided, all of the terms, covenants, conditions, agreements, requirements, restrictions and provisions of the Head Lease required to be performed or complied with by Sublandlord, as tenant under the Head Lease in respect of the Leased Property, are incorporated herein by reference as terms, covenants, conditions, agreements, requirements, restrictions and provisions of this Sublease to be performed and complied with by Subtenant for the benefit of Sublandlord, and Subtenant hereby expressly assumes the same for the benefit of Sublandlord. Except as herein otherwise expressly provided, all duties, obligations, liabilities and responsibilities of Sublandlord, as "tenant" or "lessee" under the Head Lease, shall be duties, obligations, liabilities and responsibilities of Subtenant to Sublandlord. Sublandlord shall have all of the rights and remedies of Head Landlord under the Head Lease as against Subtenant, including without limitation, the right of re-entry.

(b) Without limiting the generality of subparagraph (a) above, Subtenant shall obtain and maintain all insurance types and coverages specified in the Head Lease to be obtained and maintained by the "tenant" or "lessee" under the Head Lease, in amounts not less than those specified in the Head Lease, and Subtenant shall also obtain and maintain waiver of subrogation endorsements from its insurer. All policies of insurance obtained by Subtenant shall name Head Landlord as additional insured thereon in accordance with the Head Lease and shall also have Sublandlord as an additional insured and unless prohibited by the Head Lease, loss payee (in the case of damage to the Leased Property) thereunder, and all endorsements waiving the right of subrogation of Subtenant's insurers shall benefit Head Landlord and Sublandlord. Subtenant will deliver to Head Landlord

and Sublandlord annually certificates reflecting that Subtenant has obtained and is maintaining the required insurance coverages in the appropriate amounts.

(c) Subtenant may, upon prior consultation with Sublandlord, deal directly with Head Landlord in connection with all claims and disputes (including reconciliation of all payments and charges thereunder) between Head Landlord and Subtenant with respect to the Leased Property arising during the Term of this Sublease; provided, however, such actions shall in no event adversely impact Sublandlord's rights or obligations under the Head Lease and/or this Sublease.

(d) Except as expressly provided in this Sublease, Subtenant expressly acknowledges and agrees that Sublandlord shall not have any liability or responsibility of any kind or nature whatsoever for any act or omission of Head Landlord, or for any failure by Head Landlord to perform and comply with its duties, obligations, liabilities and responsibilities under the Head Lease. Notwithstanding the foregoing, however, Sublandlord shall at the request of Subtenant use commercially reasonable efforts to enforce such terms and conditions of the Head Lease, the failure of which will have a material adverse impact on the Subtenant's rights under this Sublease. All reasonable costs and expenses incurred by Sublandlord in performing its obligations under the foregoing sentence shall be reimbursed by Subtenant upon demand.

(e) Subtenant covenants and agrees that Subtenant will not do anything that would constitute a breach or default under the Head Lease or omit to do anything which Subtenant is obligated to do under the terms of this Sublease and which would constitute a breach or default under the Head Lease.

(f) This Sublease is subject and subordinate to the Head Lease.

(g) The terms and provisions of this Sublease are cumulative of and in addition to the provisions of the Head Lease.

(h) Sublandlord shall not amend, modify, consent to, grant any approval or take any action or omit to take any action under or with respect to the Head Lease during the Term that would have a material adverse effect on the rights and obligations of Subtenant under this Sublease. Without limiting in any manner the obligations of Subtenant under this Sublease, Sublandlord shall comply with the terms and conditions of the Head Lease during the Term and Sublandlord shall be solely responsible for any costs, expenses and charges of any kind arising from any default or breach by Sublandlord under the Head Lease (other than any default or breach which is caused by any default or breach by Subtenant under this Sublease).

ARTICLE 6

REPAIRS, MAINTENANCE AND ALTERATIONS

6.1 Maintenance and Repair

(a) During the Term, the Subtenant, at its own cost, shall maintain and repair the Leased Property in compliance with the Head Lease.

(b) Upon the expiry or earlier termination of this Sublease, the Subtenant shall deliver vacant possession of the Leased Property to the Sublandlord in the condition required by the Head Lease, free and clear of any mortgages, charges, liens or other Encumbrances of any nature or kind whatsoever.

6.2 Changes to the Leased Property

To the extent permitted pursuant to the Head Lease, the Subtenant shall be permitted to make all internal and external alterations, expansions, additions, modifications, renovations, restorations and other improvements to the Leased Property in its sole discretion from time to time during the Term, in each case without the consent of, or notice to, the Sublandlord. All such alterations shall be completed in compliance with the Head Lease and all Applicable Laws, and Subtenant shall, prior to commencing any alterations, obtain at its expense all necessary permits and licenses required by Applicable Laws and any applicable Head Landlord consents in respect of the performance and installation of the alterations. All alterations pursuant to this Section 6.2 shall be performed at the Subtenant's cost, and in a good and workmanlike manner. To the extent any notice is required to be delivered to the Head Landlord pursuant to the Head Lease in connection with any such alterations, the Subtenant shall deliver a copy of such notice to the Sublandlord concurrently with delivery to the Head Landlord.

6.3 Sublandlord's Work

Intentionally deleted.

ARTICLE 7

TRANSFERS

7.1 Assignment

The Subtenant shall not have the right at any time and from time to time, to assign, convey, mortgage or otherwise transfer or encumber, in whole or in part, this Sublease to any Person at any time unless permitted by the Head Lease and with the prior written consent of the Sublandlord, not to be unreasonably withheld, delayed or conditioned. Notwithstanding the foregoing, to the extent permitted pursuant to the Head Lease, the Subtenant may assign this Sublease, without the consent of, but upon prior written notice to, the Sublandlord, to the operator of an Acceptable Department Store.

7.2 **Subleasing**

If and to the extent permitted pursuant to the Head Lease, the Subtenant and any subtenant that is the operator of an Acceptable Department Store shall have the right at all times and from time to time, with the prior written consent of the Sublandlord, not to be unreasonably withheld, delayed or conditioned, to enter into subleases for any portion of the Leased Property. The Subtenant shall not be permitted to enter into a Sublease of the entire Leased Property, without the prior written consent of the Sublandlord, not to be unreasonably withheld, delayed or conditioned, provided that, so long as the Subtenant has obtained any Head Landlord consent required pursuant to the Head Lease, no consent of the Sublandlord but prior written notice to the Sublandlord shall be required for a Sublease of all or substantially all of the Leased Property to the operator of an Acceptable Department Store.

7.3 **No Release**

No assignment, conveyance, mortgage, sublease or other transfer or encumbrance will release the Subtenant from its obligations under the Sublease.

7.4 **Transfers by Sublandlord**

To the extent permitted pursuant to the Head Lease, the Sublandlord shall have the unrestricted right to sell, transfer, lease, charge or otherwise dispose of all or any part of its interest in the Leased Property or its interest in this Sublease (including any Sublandlord's Mortgage) at any time and from time to time. In connection with any such sale, transfer, lease, charge or disposal, the Sublandlord shall cause such transferee to assume the obligations of the Sublandlord under this Sublease in favour of the Subtenant. In the event of any sale, transfer or other disposition pursuant to which the Sublandlord absolutely disposes of its entire interest in the Leased Property, to the extent that the transferee of the Sublandlord agrees in writing with the Subtenant to assume the obligations of the Sublandlord under this Sublease (such agreement to be in form satisfactory to the Subtenant, acting reasonably) the Sublandlord shall thereupon, and without further agreement, be released of all liability under this Sublease to the extent such liability is assumed by the transferee.

ARTICLE 8

DEFAULT AND REMEDIES

8.1 **Event of Default**

(a) Any of the following constitutes an "**Event of Default**" under this Sublease:

(i) any default or event of default under the Head Lease arising from or relating to any default or breach by the Subtenant under this Sublease;

(ii) the Subtenant defaults in the payment of Rent and fails to remedy the default within ten (10) Business Days after written notice from the Sublandlord;

(iii) the Subtenant fails to maintain any required insurance, and such default continues for three (3) Business Days after written notice is given to the Subtenant;

(iv) the Subtenant commits a breach of this Sublease (other than a breach otherwise set out in this Section 8.1(a)) that has a material and adverse effect on the Leased Property and/or the Sublandlord, and:

(A) the Subtenant fails to remedy such breach within thirty (30) days after receipt of notice thereof from the Sublandlord; or

(B) if such breach cannot reasonably be remedied within thirty (30) days, the Subtenant fails to commence to remedy such breach within such thirty (30) days or thereafter fails to continue diligently and expeditiously to complete the remedy of such breach;

(v) the Subtenant becomes bankrupt or insolvent or takes the benefit of any statute for bankrupt or insolvent debtors (including, but not limited to, the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c.C-36, as amended), or makes any proposal, assignment or arrangement with its creditors;

(vi) a receiver or a receiver and manager is appointed for all or substantially all of the property of the Subtenant located in the Leased Property, which appointment is not set aside or revoked within thirty (30) days; and

(vii) steps are taken or proceedings are instituted for the dissolution, winding up or other termination of the existence of the Subtenant or for the liquidation of the assets of either or both of them other than in connection with a corporate reorganization of the Subtenant.

(b) Upon the occurrence of any Event of Default, the Sublandlord shall be entitled to all of the same rights and remedies as are available to the Head Landlord pursuant to the Head Lease.

8.2 **Remedies Cumulative, etc.**

(a) The remedies of the Sublandlord specified in this Sublease are cumulative and are in addition to any remedies of the Sublandlord under Applicable Laws. Without limitation, the Sublandlord will have the right to seek specific performance and other injunctive relief in respect of any default by the Subtenant under this Sublease. No remedy shall be deemed to be exclusive, and the Sublandlord may from time to time have recourse to one or more or all of the available remedies specified herein or at law or in equity.

(b) In the event of any breach by the Sublandlord under this Sublease, the Subtenant shall have the remedies of specific performance and other injunctive relief in respect of any breach by the Sublandlord under this Sublease, and the right to seek damages against the

Sublandlord (but not the right of set-off), it being acknowledged that a claim for damages may not adequately compensate the Subtenant for any such breach.

ARTICLE 9

ESTOPPEL CERTIFICATES, SUBORDINATION AND ATTORNMENT

9.1 Estoppel Certificates

Upon request of either party at any time and from time to time, the Sublandlord and the Subtenant shall execute and deliver to the other, or to any actual or proposed lender, purchaser or assignee of the other, within ten (10) Business Days after receipt of the request, a written instrument, duly executed:

(a) certifying that this Sublease has not been amended or modified and is in full force and effect or, if there has been a modification or amendment, that this Sublease is in full force and effect as modified or amended, and stating the modifications or amendments;

(b) specifying the date to which the Rent has been paid;

(c) stating whether, to the best knowledge of the party executing the instrument (without independent inquiry), the other party is in default and, if so, stating the nature of the default;

(d) with respect to the Head Lease, stating the then remaining term; and

(e) such other particulars as to the status of this Sublease, provisions thereof, and the obligations of the parties thereunder that the Person requesting such instrument may reasonably require.

9.2 Subordination and Attornment

This Sublease and the rights of the Subtenant hereunder shall have priority over all Sublandlord's Mortgages. Whenever requested by the Sublandlord or a Sublandlord's Mortgagee, the Subtenant shall, within five (5) Business Days after such request, enter into an agreement (a "**non-disturbance agreement**") with the Sublandlord's Mortgagee, in a form satisfactory to the Subtenant and the Sublandlord, both acting reasonably, whereby the Subtenant agrees that whenever requested by such Sublandlord's Mortgagee, notwithstanding the priority of this Sublease over the relevant Sublandlord's Mortgage, the Subtenant shall attorn to and become the tenant of such Sublandlord's Mortgagee, or any purchaser of the Leased Property upon realization, in the event of the exercise by the Sublandlord's Mortgagee of any of its mortgage remedies, for the then unexpired residue of the Term upon all the terms and conditions of this Sublease, provided that all of the Sublandlord's obligations and covenants under and in this Sublease (whether or not they run with the land) shall be complied with and the Sublandlord's Mortgagee agrees that the Subtenant's occupancy of the Leased Property shall not be disturbed except pursuant to this Sublease, provided that in no event shall the Sublandlord's

Mortgagee or any such purchaser have any liability in respect of any obligations or covenants of the Sublandlord relating to the period prior to the time the Sublandlord's Mortgagee or such purchaser becomes an owner or mortgagee in possession. If the Sublandlord's Mortgagee requires the subordination of this Sublease to its related Sublandlord's Mortgage, the Subtenant will also agree in such non-disturbance agreement to subordinate this Sublease to such Sublandlord's Mortgage on terms and conditions satisfactory to the Subtenant, including customary non-disturbance covenants from the Sublandlord's Mortgagee.

9.3 **Waiver of Distress Agreements in favour of ABL Lenders**

Upon written request of any ABL Lender, the Sublandlord shall enter into an agreement (a "**waiver of distress agreement**") with such ABL Lender in a form that is satisfactory to the Sublandlord, the Subtenant and such ABL Lender, each acting reasonably. Such waiver of distress agreement shall contain: (i) a waiver of distress or other liens by the Sublandlord in favour of such ABL Lender; (ii) a right for such ABL Lender to conduct a liquidation of inventory from the Leased Property for a limited period of time (but not less than one hundred and fifty (150) days) and upon such commercially reasonable terms and conditions as the parties agree, acting reasonably, provided that in no event shall such liquidation include any inventory or goods brought to the Leased Property for the purpose of such liquidation that were not a part of the Subtenant's inventory at the Leased Property in the ordinary course; and (iii) such other commercially reasonable terms and conditions agreed upon by the parties, each acting reasonably; provided that all of the foregoing terms and conditions shall be subject to any limitations imposed on such terms and conditions contained in the Head Lease.

ARTICLE 10

INDEMNITY

10.1 **Subtenant's Indemnity**

The Subtenant shall fully indemnify and save harmless the Sublandlord and all Sublandlord Persons from and against any and all Claims relating to or arising prior to or during the Term out of:

(a) any default or event of default under the Head Lease arising from or relating to any default or breach by the Subtenant, any Subtenant Person or any sub-subtenants or any other Person from time to time on the Leased Property at the invitation of the Subtenant, any Subtenant Person, any sub-subtenants or any other Person for whom the Subtenant is responsible at law, under this Sublease;

(b) the negligent acts or omissions or wilful misconduct by the Subtenant, any Subtenant Person or any sub-subtenants or any other Person from time to time on the Leased Property at the invitation of the Subtenant, any Subtenant Person, any sub-subtenants or any other Person for whom the Subtenant is responsible at law;

(c) any breach, violation or non-performance of any covenant, condition or agreement of this Sublease set forth and contained on the part of the Subtenant to

be fulfilled, kept, observed or performed whether such breach, violation or non-performance results from an act or omission of the Subtenant, any Subtenant Person or any sub-subtenant; or

(d) the use or occupation of the Leased Property by the Subtenant, any Subtenant Person, any sub-subtenant, or any other Person for whom the Subtenant is responsible at law.

Notwithstanding the foregoing, this indemnity does not apply to: (i) Claims to the extent they are caused, or contributed to by, a breach of this Sublease by the Sublandlord, or by the negligent acts or omissions or wilful misconduct of the Sublandlord or any Sublandlord Persons; (ii) the matters covered by the indemnity in Section 10.2 below, and (iii) any Claims for punitive or aggravated damages or losses made by the Sublandlord, Affiliates of the Sublandlord or any Sublandlord Persons.

10.2 **Sublandlord's Indemnity**

The Sublandlord shall fully indemnify and save harmless the Subtenant and the Subtenant Persons from and against any and all Claims relating to or arising during the Term out of:

(a) any default or event of default under the Head Lease arising from or relating to any default or breach by the Sublandlord or any Sublandlord Persons or any other Person from time to time on the Leased Property at the invitation of the Sublandlord or any Sublandlord Person or for whom the Sublandlord is responsible at law, under this Sublease;

(b) the negligent acts or omissions or wilful misconduct of the Sublandlord or any Sublandlord Persons or any other Person from time to time on the Leased Property at the invitation of the Sublandlord or any Sublandlord Person or for whom the Sublandlord is responsible at law; and

(c) any breach, violation or non-performance of any covenant, condition or agreement of this Sublease set forth and contained on the part of the Sublandlord to be fulfilled, kept, observed or performed whether such breach, violation or non-performance results from an act or omission of the Sublandlord or any Sublandlord Person.

Notwithstanding the foregoing, this indemnity does not apply to: (i) Claims to the extent they are caused, or contributed to by, a breach of this Sublease by the Subtenant, or by the negligent acts or omissions or wilful misconduct of the Subtenant, any Subtenant Persons or any sub-subtenants; (ii) the matters covered by the indemnity in Section 10.1 above; (iii) Claims waived under Section 10.4 hereof; and (iv) any Claims for consequential, special, punitive or aggravated damages or losses made by the Subtenant, Affiliates of the Subtenant or any Subtenant Person. Except for any Sublandlord liability under Section 10.2(a) above, in no event shall the Sublandlord be liable for any damages, direct or indirect, resulting from or contributed to by any interruption or cessation in supply of any utilities or heating, ventilating, air-conditioning and

humidity control and shall not be liable or responsible for any such injury, death, loss or damage to any persons or property caused or contributed to by any of the following: fire, explosion, steam, water, rain, snow, leakage, electricity or gas or by dampness or leaks from any pipes, appliances, plumbing works, roof, exterior walls or any other source whatsoever, and the Sublandlord shall not be liable or responsible in any way for any injury, death, loss or damage to any Person or property caused by any occupants of any adjoining property or by the public or by the construction of any public, quasi-public or private works or utilities.

10.3 **Actions Against Sublandlord**

The Subtenant shall, in any and every event in which the Sublandlord or any Sublandlord Person is made a party to any Claim to which the Subtenant's obligation to indemnify and save harmless the Sublandlord under the provision of this Article 10 (or any other provision of this Sublease) extends, if so requested by notice from the Sublandlord and any such Sublandlord Person, defend such Claim in the name of the Sublandlord with counsel acceptable to Sublandlord, acting reasonably, and shall pay all costs, expenses and reasonable legal fees in connection with the Claim; provided that the Subtenant may, in any such event, elect to settle any such claim and to pay or otherwise satisfy such settlement.

10.4 **Waiver of Recovery and Subrogation**

Notwithstanding any other provision of this Sublease, the Subtenant (on behalf of itself and the Subtenant Persons) hereby releases the Sublandlord and the Sublandlord Persons from liability for all Claims incurred by the Subtenant and the Subtenant Persons, and any Claims that the Subtenant or any Subtenant Persons may have against the Sublandlord or any of the Sublandlord Persons, to the extent of insurance proceeds actually paid to the Subtenant or any Subtenant Person with respect to such Claims under the policies of insurance maintained by the Subtenant or any Subtenant Person, or which would have been paid if the Subtenant had maintained with third-party insurers the insurance it is required to maintain under this Sublease and complying with all of its obligations thereunder. The provisions of this Section 10.4 shall be binding upon the Subtenant Persons without any further documentation but if requested by the Sublandlord the Subtenant shall deliver a written confirmation that the provisions of this Section 10.4 are binding upon them.

ARTICLE 11

GENERAL PROVISIONS

11.1 **Amendment of Agreement**

No alteration, amendment, change, waiver or supplement of or to this Sublease is binding upon either party unless it is in writing and signed by the both parties.

11.2 **Further Assurances**

Each of the parties hereto shall from time to time hereafter and upon any reasonable request of the other, execute and deliver, make or cause to be made all such further

acts, deeds, assurances and things as may be required or necessary to more effectually implement and carry out the true intent and meaning of this Sublease.

11.3 **Entire Agreement**

This Sublease constitutes the entire agreement between the parties hereto pertaining to the Subtenant's lease of the Leased Property. There are no covenants, promises, agreements, conditions or understandings, either oral or written, between the parties concerning this Sublease except those set out in this Sublease.

11.4 **Waiver**

No waiver of any of the provisions of this Sublease shall be deemed or shall constitute a waiver of any other provision (whether or not similar) nor shall any waiver constitute a continuing waiver unless otherwise expressed or provided. The Subtenant waives any statutory or other rights in respect of any abatement, set-off or compensation in its favour that may exist or come to exist in connection with Rents.

11.5 **Unavoidable Delay**

In the event that a party to this Sublease shall be delayed in the performance of any obligation under this Sublease, except the payment of Rent, Sales Taxes or Interest Charges or the performance of any other financial obligation, by reason of any Unavoidable Delay, and to the extent that the Sublandlord would be entitled to such relief pursuant to the Unavoidable Delay provisions of the Head Lease, then such party shall be deemed not to be in default of the performance of such obligation, and the time for the performance thereof shall be extended accordingly, but in no event shall any Unavoidable Delay relieve the Subtenant of its obligation to pay Rent, Sales Taxes or Interest Charges as they become due or to comply with its other financial obligations under this Sublease or to comply with the provisions of the Head Lease (except as otherwise provided in the Head Lease), nor shall it postpone or suspend any such obligations to pay Rent, Sales Taxes or Interest Charges or to perform such other financial obligations. If any party becomes aware of an Unavoidable Delay, it shall forthwith thereafter notify the other party thereof. Any party that is delayed in the performance of any of its obligations under this Sublease by reason of any Unavoidable Delay shall use all commercially reasonable efforts to minimize the delay and shall provide the other party with timely updates, in reasonable detail, in respect of the status of the Unavoidable Delay (and the expected consequential delay) until such time as the cause of the Unavoidable Delay has been eliminated.

11.6 **Brokerage Commissions**

Each of the Sublandlord and the Subtenant represent and warrant to the other that it has not retained a broker or real estate agent in respect of this Sublease or anything related to it and each of them agrees with the other that it will indemnify and hold harmless the other from any claims for commissions or fees with respect to this Sublease or any matter related to it from any broker or real estate agent whose claim is based upon the actions, agreements or representations of such indemnifying party.

11.7 **Notices**

(a) Any notice, demand, approval, consent, information, agreement, offer, payment, request or other communication (a "**Notice**" or "**notice**") to be given by the Sublandlord to the Subtenant or by the Subtenant to the Sublandlord under or in connection with this Sublease shall be in writing and shall be given by prepaid registered mail, return receipt requested, by courier or other actual delivery to the applicable addresses set out below, or by e-mail addressed or sent as set out below or to such other address, individual's attention as may from time to time be the subject of a notice:

Subtenant: Hudson's Bay Company
698 Lawrence Avenue West
Toronto, Ontario M6A 3A5
Attention: David Pickwoad, Senior Vice President & General Counsel
Facsimile: 416.256.2365
Email: david.pickwoad@hbc.com

Sublandlord: c/o Hudson's Bay Company
698 Lawrence Avenue West
Toronto, Ontario M6A 3A5
Attention: David Pickwoad, Senior Vice President & General Counsel
Facsimile: 416.256.2365
Email: david.pickwoad@hbc.com

with a copy to: Stikeman Elliott LLP
5300 Commerce Court West
199 Bay Street
Toronto, Ontario M5L 1B9

Attention: Doug Klaassen
Facsimile: 416.947.0866
Email: dklaassen@stikeman.com

and with a copy to: RioCan Real Estate Investment Trust
2300 Yonge Street, Suite 500
P.O. Box 2386
Toronto, Ontario M4P 1E4
Attention: Jonathan Gitlin, Senior Vice President, Investments
Facsimile: 416.866.3020
Email: jgitlin@riocan.com

and with a copy to: Fogler, Rubinoff LLP
77 King Street West
TD Centre, Suite 3000, P.O. Box 95
Toronto, Ontario M5K 1G8

Attention: Leneo Sdao
Facsimile: 416.941.8852
Email: lsdao@foglers.com

Any Notice shall be deemed to have been validly and effectively given and received: (i) if sent by prepaid registered mail, return receipt requested, on the third Business Day following the date of such mailing; (ii) if sent by courier or other actual delivery as permitted in accordance with the provisions of this Section 11.7, on the date of such delivery; and (iii) if sent by email, on the Business Day following the date such email is actually received; provided that in the case of any notice given by courier or other actual delivery, if such notice is received on any day that is not a Business Day, or at any time after 5:00 p.m. on a Business Day, then it shall be deemed to have been validly given and received on the next Business Day thereafter.

(b) Each of the parties agrees that if at any time there is any change in the address, individual's attention of any Person to whom any Notice to such party is to be given, or if it wishes to delete any Person to whom a copy of a Notice to such party must be given, then such party shall provide the other party with Notice of such change forthwith thereafter.

11.8 **Planning Act, Ontario**

This Sublease has been entered into subject to the express condition precedent that it shall not be effective to create or convey any interest in the Leased Property until the provisions of section 50 of the *Planning Act* (Ontario), as amended, supplemented, restated or replaced from time to time, have been complied with if same should be applicable. In the event that compliance with the *Planning Act* (Ontario) is required, the maximum term of this Sublease shall be deemed to be twenty-one (21) years less one (1) day, until such time until the provisions of the *Planning Act* (Ontario) have been complied with.

11.9 **Registration and Confidentiality**

The Subtenant will not register or permit the registration of this Sublease or any assignment or sublease or other document evidencing an interest of the Subtenant or anyone claiming through or under the Subtenant in this Sublease or the Leased Property.

11.10 **Amendments**

No amendment, supplement, restatement or termination of any provision of this Sublease is binding unless it is in writing and signed by each party to this Sublease at the time of the amendment, supplement, restatement or termination.

11.11 **Quiet Enjoyment**

If the Subtenant pays the rents herein reserved and observes and performs the covenants, conditions and agreements set out in this Sublease, in all material respects, the Subtenant may hold and use the Leased Property during the Term without any interruption or disturbance from the Sublandlord or any other Person or Persons lawfully claiming from or under the Sublandlord (provided that any work undertaken by the Sublandlord pursuant to Section 6.3 hereof will not constitute a breach of this Section 11.11). Notwithstanding any other provision of this Sublease, in the event of any breach of the provisions of this Section 11.11, the Subtenant shall have the right to claim, in addition to any claims for damages, specific performance or other injunctive relief, but excluding any special, consequential, punitive or aggravated damages or losses of any kind.

11.12 **Signage**

The Subtenant will be entitled, at its cost, to erect, maintain and replace all signs on the Leased Property to the extent permitted by, and in accordance with, the provisions of the Head Lease.

11.13 **Survival**

The covenants, agreements, obligations and liabilities of each of the Sublandlord and the Subtenant contained in this Sublease shall survive the expiration or earlier termination of this Sublease and shall continue in full force and effect thereafter.

[Remained of page intentionally left blank.]

IN WITNESS WHEREOF the parties have caused this Sublease to be duly executed by their respective duly authorized signing officers.

HUDSON'S BAY COMPANY, as general partner of, HBC YSS 1 LIMITED PARTNERSHIP

by _____

Name: David Pickwoad
Title: Senior Vice President & General Counsel

_____

Name:
Title:
I/We have authority to bind the corporation and limited partnership.

HUDSON'S BAY COMPANY

by _____

Name: David Pickwoad
Title: Senior Vice President & General Counsel

_____

Name:
Title:
I/We have authority to bind the corporation.

Appendix “G”

CREDIT AGREEMENT

THIS AGREEMENT is made as of January 26, 2024

BETWEEN

HBC YSS1 LIMITED PARTNERSHIP
(the **"Borrower"**),

- and -

HUDSON'S BAY COMPANY ULC COMPAGNIE DE LA BAIE D'HUDSON SRI
(as "**Nominee**")

- and -

RIOCAN REAL ESTATE INVESTMENT TRUST
(as "**Guarantor**"),

- and -

THE FINANCIAL INSTITUTIONS from time to time parties to this Agreement and designated as Lenders on the signature pages hereto (each, a "**Lender**" and collectively, the "**Lenders**")

-and-

ROYAL BANK OF CANADA
(the "**Administrative Agent**")

- and -

RBC CAPITAL MARKETS
(as "**Lead Arranger**" and "**Sole Bookrunner**")

WHEREAS the Borrower has requested the Credit Facility and the Lenders have agreed to provide the Credit Facility to the Borrower upon and subject to the terms and conditions set out in this Agreement;

AND WHEREAS Royal Bank of Canada will be the Administrative Agent as contemplated by Section 19.01 hereof;

AND WHEREAS it is a condition of providing the Credit Facility that the Guarantor guarantees the Obligations of the Borrower on the terms and conditions herein set forth;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the covenants and agreements herein contained the parties hereto agree as follows:

ARTICLE 1 - INTERPRETATION

1.01 Definitions

In this Agreement, unless something in the subject matter or context is inconsistent therewith:

"Additional Compensation" has the meaning set out in Section 13.01(3).

"**Adjusted Daily Compounded CORRA**" means, for purposes of any calculation, the rate per annum equal to (a) Daily Compounded CORRA for such calculation plus (b) the Daily Compounded CORRA Adjustment; provided that if Adjusted Daily Compounded CORRA as so determined shall be less than the Floor, then Adjusted Daily Compounded CORRA shall be deemed to be the Floor.

"**Adjusted Term CORRA**" means, for purposes of any calculation, the rate per annum equal to (a) Term CORRA for such calculation plus (b) the Term CORRA Adjustment; provided that if Adjusted Term CORRA as so determined shall ever be less than the Floor, then Adjusted Term CORRA shall be deemed to be the Floor.

"**Adjusted Term SOFR**" means, for purposes of any calculation, the rate per annum equal to (a) Term SOFR for such calculation plus (b) the Term SOFR Adjustment; provided that, if the Adjusted Term SOFR as so determined shall ever be less than the Floor, then the Adjusted Term SOFR shall be deemed to be the Floor.

"Administrative Questionnaire" means an administrative questionnaire in a form provided by the Administrative Agent.

"Advance" means the advance of funds made hereunder to the Borrower by the Lenders by way of a Loan.

"Affiliate" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Agreement" means this credit agreement, including its recitals and schedules.

"AMLA" means the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada)* and its associated regulations in effect as of the date hereof.

"Applicable Law" means (a) any domestic or foreign statute, law (including common and civil law), treaty, code, ordinance, rule, regulation, restriction or by-law (zoning or otherwise), (b) any judgement, order, writ, injunction, decision, ruling, decree or award, (c) any regulatory policy, practice, guideline or directive, or (d) any franchise, licence, qualification, authorization, consent, exemption, waiver, right, permit or other approval of any Governmental Authority, in each case having the force of law or otherwise being binding on or affecting the Person referred to in the context in which the term is used or binding on or affecting the property of such Person, provided that, notwithstanding the foregoing, "Applicable Law" shall include, without limitation,

published Canada Revenue Agency administrative positions and any rules, conventions or agreements with, or published by, Governmental Authorities or regulatory agencies to which a Lender is bound by, or subject to, as applicable."

"**Applicable Margin**" means, subject to the following sentences of this definition, the margins in basis points per annum set forth in and defined in Schedule D determined based on the then existing External Credit Rating. In respect of (i) Prime Rate Loans, the Applicable Margin shall be the applicable margin referred to in the column titled "Prime Rate Margin (bps)" in Schedule D; and (ii) CORRA Loans and Term SOFR Loans, the Applicable Margin shall be the applicable margin referred to in the column titled "CORRA / Term SOFR Margin (bps)" in Schedule D. Except as provided in Schedule D, the Applicable Margin shall be adjusted as of the date of any change in the External Credit Rating. For greater certainty, at the time of a change in an Applicable Margin applicable to a Term CORRA Loan or Term SOFR Loan (the "**Margin Adjustment Date**"), such adjusted Applicable Margin shall be applied from and after such date with respect to Term CORRA Loans or Term SOFR Loans, as applicable, made on or after the Margin Adjustment Date and shall not modify or otherwise affect the Applicable Margin applicable with respect to any outstanding Term CORRA Loan or Term SOFR Loan, as applicable, on such date.

"Appraisal" means, with respect to the Property, a "market value" appraisal of the Property prepared in accordance with the requirements for a Complete, Self-Contained Appraisal Report as defined by the Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Institute and conducted in accordance with the standards of the Appraisal Institute by an Appraiser, provided that the appraisals for the Property provided to the Administrative Agent as of the date hereof are deemed to constitute an Appraisal.

"Appraisal Institute" means the Appraisal Institute of Canada.

"Appraiser" means a professional real estate appraiser who is a member in good standing of the Appraisal Institute and who has a minimum of five years' experience in the subject property type and market.

"**Available Tenor**" means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (x) if such Benchmark is a term rate, any tenor for such Benchmark (or component thereof) that is or may be used for determining the length of an interest period pursuant to this Agreement or (y) otherwise, any payment period for interest calculated with reference to such Benchmark (or component thereof) that is or may be used for determining any frequency of making payments of interest calculated with reference to such Benchmark pursuant to this Agreement, in each case, as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of "Interest Period" pursuant to Section 2.11(4).

"**Benchmark**" means, initially, the Term CORRA Reference Rate or Daily Compounded CORRA, as the case may be; provided that if a Benchmark Transition Event has occurred with respect to the Term CORRA Reference Rate, Daily Compounded CORRA, or the then-current Benchmark, then "**Benchmark**" means the applicable Benchmark Replacement to the extent that

such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 2.11(1).

"**Benchmark Replacement**" means, with respect to any Benchmark Transition Event,

(a) where a Benchmark Transition Event has occurred with respect to Term CORRA Reference Rate, Daily Compounded CORRA; and

(b) where a Benchmark Transition Event has occurred with respect to a Benchmark other than the Term CORRA Reference Rate, the sum of: (i) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrower giving due consideration to (A) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (B) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement to the then-current Benchmark for Canadian Dollar-denominated syndicated credit facilities and (ii) the related Benchmark Replacement Adjustment.

If the Benchmark Replacement as determined pursuant to clause (a) or (b) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

"**Benchmark Replacement Adjustment**" means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower giving due consideration to (a) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (b) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for Canadian Dollar-denominated syndicated credit facilities at such time.

"**Benchmark Replacement Date**" means a date and time determined by the Administrative Agent, which date shall be no later than the earliest to occur of the following events with respect to the then-current Benchmark:

(a) in the case of clause (a) or (b) of the definition of "Benchmark Transition Event," the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or

(b) in the case of clause (c) of the definition of "Benchmark Transition Event," the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by the regulatory

supervisor for the administrator of such Benchmark (or such component thereof) to be non-representative; provided that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (c) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.

For the avoidance of doubt, the "**Benchmark Replacement Date**" will be deemed to have occurred in the case of clause (a) or (b) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

"**Benchmark Transition Event**" means the occurrence of one or more of the following events with respect to the then-current Benchmark:

(a) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(b) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Bank of Canada, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(c) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are not, or as of a specified future date will not be, representative.

For the avoidance of doubt, a "**Benchmark Transition Event**" will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

"**Benchmark Unavailability Period**" means, the period (if any) (a) beginning at the time that a Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.11, and (b) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.11.

"**Borrower**" means HBC YSS1 Limited Partnership (the general partner of which is Hudson's Bay Company ULC Compagnie De La Baie D'Hudson SRI) and its permitted successors and assigns.

"Business Day" means (a) other than in connection with Term SOFR Loans, a day which is not (i) a Saturday or a Sunday, or (ii) a day observed as a holiday under the laws of the Province of Ontario or the federal laws of Canada applicable therein, and (b) when used in connection with Term SOFR Loans, a U.S. Government Securities Business Day.

"Canadian Dollars" and **"Cdn. $"** mean the lawful money of Canada.

"Capital Lease" means a capital lease or a lease that should be treated as a capital lease under GAAP.

"Change in Applicable Laws" means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any Applicable Law, (b) any change in any Applicable Law or in the administration, interpretation or application thereof by any Governmental Authority or (c) the making or issuance of any Applicable Law by any Governmental Authority; provided that notwithstanding anything to the contrary, all requests, rules, guidelines, or directives promulgated by the Bank of International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Applicable Law", regardless of the date enacted, adopted or issued.

"Change of Control" means any course of action undertaken by any Person which is intended to result in, or would result (in the reasonable opinion of the Majority of the Lenders) in, a Change in Control, or the transfer of all or substantially all of the undertaking and assets of any Obligor. For the purposes hereof, "**Change in Control**" shall mean a change of Control of any of the Obligors.

For greater certainty, changes in the individuals comprising the board of trustees of the Guarantor or the board of directors of the Nominee shall not constitute a Change of Control unless there is a change in the majority of the board of trustees or the board of directors, as applicable, as the same exists on the date hereof (and excluding any change resulting from the death or incapacity of any trustee or the resignation or removal of any trustee or director, as applicable, for reason unrelated to an acquisition of Equity Interests in the Guarantor or the Nominee, as applicable).

"City" means City of Toronto, Ontario.

"Claims" means, in respect of any event, circumstance, matter or thing, all actions, proceedings, losses, damages, liabilities, taxes, claims, demands, judgments, rights (including set-off), remedies, costs and expenses of any nature or kind, including legal fees and disbursements on a full indemnity basis, and "**Claim**" means any one of them.

"Closing Date" means January 26, 2024.

"Collateral" means, collectively, the Property, all real and personal property (and the revenues, insurance proceeds (save as herein expressly excluded), issues, profits, proceeds and products therefrom) which are subject, or are intended or required to become subject, to the security or Encumbrance granted under any of the Loan Documents.

"Commitment" means, in respect of any Lender, the commitment by each Lender to provide the amount of Canadian Dollars set opposite its name in Schedule A annexed hereto (as such Schedule **A** may be amended from time to time pursuant to a provision hereof by which Commitments are modified, and a copy of which is delivered to the Borrower by the Administrative Agent), being the sum of the maximum aggregate amount of the Loans that such Lender is obliged to make, as such amount may be reduced from time to time by such Lender's Rateable Portion of the amount of any permanent repayments, reductions or prepayments required or made hereunder.

"Compliance Certificate" means the certificate required pursuant to Section 9.02(3), substantially in the form attached as Schedule 1.01(A), signed by any senior officer of the Guarantor.

"**Conforming Changes**" means, with respect to the use or administration of a Benchmark or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Prime Rate," the definition of "Business Day," the definition of "Interest Period" or any similar or analogous definition (or the addition of a concept of "interest period"), timing and frequency of determining rates and making payments of interest, timing of prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of breakage provisions and other technical, administrative or operational matters) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of any such rate or to permit the use and administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of any such rate exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

"**Consolidated EBITDA**" of the Guarantor for any period means Consolidated Net Income for such period increased by the sum of, without duplication (i) Consolidated Interest Expense for such period, (ii) depreciation and amortization expense for such period, and (iii) Consolidated Income Tax Expense for such period (other than income taxes, either positive or negative, attributable to extraordinary or non-recurring gains or losses or other non-cash gains or losses as

adjusted for in calculating Consolidated Net Income), determined on a consolidated basis in accordance with GAAP and including Proportionate Consolidation Adjustments.

"**Consolidated Gross Book Value**" means, at any time, the book value of the assets of the Guarantor, as shown on its then most recent consolidated balance sheet, excluding goodwill and future income tax assets, determined on a consolidated basis in accordance with GAAP and including Proportionate Consolidation Adjustments.

"**Consolidated Income Tax Expense**" of the Guarantor, for any period means the income tax expense of the Guarantor for such period, determined on a consolidated basis in accordance with GAAP and including Proportionate Consolidation Adjustments.

"**Consolidated Indebtedness**" of the Guarantor, as at any date means the consolidated Indebtedness of the Guarantor, as at such date determined in accordance with GAAP and including Proportionate Consolidation Adjustments.

"**Consolidated Interest Expense**" means, with respect to the Guarantor, for any period, the aggregate amount of interest expense of the Guarantor, adjusted in all cases for Proportionate Consolidation Adjustments in respect of Consolidated Indebtedness, and to the extent interest has been capitalized on projects that are under development or held for future development, the amount of interest so capitalized (including Proportionate Consolidation Adjustments), all as determined on a consolidated basis in accordance with GAAP.

"**Consolidated Net Income**" of the Guarantor, for any period means the net income (loss) of the Guarantor for such period determined on a consolidated basis in accordance with GAAP, excluding (i) any gain or loss attributable to the sale or other disposition of any asset or liability of the Guarantor and related transaction costs, (ii) any non-cash changes in fair value and other non-cash gains or losses of the Guarantor, determined on a consolidated basis in accordance with GAAP, (iii) other non-recurring items, and (iv) including Proportionate Consolidation Adjustments and including or excluding, as applicable, the related tax impact of items (i) to (iii).

"**Consolidated Secured Indebtedness**" of the Guarantor as at any date means the sum of Consolidated Indebtedness that is secured by any Encumbrance as at such date determined in accordance with GAAP and including Proportionate Consolidation Adjustments.

"**Consolidated Unsecured Indebtedness**" of the Guarantor as at any date means the sum of Consolidated Indebtedness (excluding Subordinated Indebtedness) that is not secured in any manner by any Encumbrance as at such date determined in accordance with GAAP and including Proportionate Consolidation Adjustments.

"Contingent Obligation" means, with respect to any Person, any obligation, whether secured or unsecured, of such Person guaranteeing or indemnifying, or has the practical effect of guaranteeing or indemnifying, any indebtedness, leases, dividends, letters of credit or other monetary obligations (the "primary obligations") of any other Person (the "primary obligor") in any manner, whether directly or indirectly, including any obligation of such Person as an account party in respect of a letter of credit or letter of guarantee issued to assure payment by the primary obligor of any such primary obligation and any obligations of such Person, whether or not

contingent, (i) to purchase any such primary obligation or any Property constituting direct or indirect security therefor, (ii) to advance or supply funds for the purchase or payment of any such primary obligation or to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase Property, securities or services primarily for the purpose of assuring the obligee under any such primary obligation of the ability of the primary obligor to make payment of such primary obligation, or (iv) otherwise to assure or hold harmless the obligee under such primary obligation against loss in respect of such primary obligation; provided, however, that the term "**Contingent Obligation**" does not include endorsements of instruments for deposit or collection in the ordinary course of business.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "**Controlling**" and "**Controlled**" have corresponding meanings.

"Conversion" means a conversion of a Loan pursuant to Section 2.04.

"Conversion Date" means the Business Day being the date on which the Borrower is deemed to have elected to convert one type of Loan into another type of Loan.

"**Conversion Notice**" means a notice, substantially in the form set out in Schedule 1.01(C), to be given to the Administrative Agent by the Borrower pursuant to Section 2.04.

"**CORRA**" means the Canadian Overnight Repo Rate Average administered and published by the Bank of Canada (or any successor administrator).

"**CORRA Loans**" means Term CORRA Loans and Daily Compounded CORRA Loans.

"**CORRA Margin**" means, for any period, the Applicable Margin with respect to CORRA Loans.

"Credit Facility" means the non-revolving secured term senior facility, in the maximum aggregate principal amount equal to the Credit Facility Commitment as reduced or terminated in accordance with the terms hereof.

"Credit Facility Commitment" means the aggregate amount of all Commitments of the Lenders under the Credit Facility as set forth in Schedule A, as reduced or terminated in accordance with the provisions of this Agreement.

"**Daily Compounded CORRA**" means, for any day (a "**Daily Compounded CORRA Rate Day**"), a rate per annum equal to CORRA for the day (such day, the "**Daily Compounded CORRA Determination Day**"), that is five (5) Business Days prior to (i) if such Daily Compounded CORRA Rate Day is a Business Day, such Daily Compounded CORRA Rate Day or (ii) if such Daily Compounded CORRA Rate Day is not a Business Day, the Business Day immediately preceding such Daily Compounded CORRA Rate Day, in each case, as CORRA is published by the administrator; provided, however, that if as of 5:00 p.m. (Toronto time) on any Daily Compounded CORRA Determination Day, CORRA for the applicable tenor has not been

published by the administrator and a Benchmark Replacement Date with respect to Daily Compounded CORRA has not occurred, then Daily Compounded CORRA will be CORRA as published by the administrator on the first preceding Business Day for which CORRA was published by the administrator so long as such first preceding Business Day is not more than three (3) Business Days prior to such Daily Compounded CORRA Determination Day; provided, that to the extent such rate as determined above shall, at any time, be less than the Floor, such rate shall be deemed to be Floor for all purposes herein.

"**Daily Compounded CORRA Adjustment**" means, with respect to Daily Compounded CORRA, a percentage equal to 0.29547% per annum (29.547 basis points).

"**Daily Compounded CORRA Determination Day**" has the meaning set forth in the definition of "Daily Compounded CORRA".

"**Daily Compounded CORRA Loan**" means a Loan made by the Lenders to the Borrower that bears interest at a rate based on Adjusted Daily Compounded CORRA.

"**Daily Compounded CORRA Rate Day**" has the meaning set forth in the definition of "Daily Compounded CORRA".

"**DBRS**" means Dominion Bond Rating Services.

"Debenture" means the demand debenture in the principal amount of Cdn. $100,000,000 to be granted by the Nominee in favour of the Administrative Agent constituting a first charge on the Property, which charge shall include the provisions of a general security agreement granting the Administrative Agent a first-priority security interest over all present and future personal property of the Nominee related to the Property, and which shall contain an assignment of property insurance proceeds.

"**Debt Service**" means for any period, the sum of (without duplication) (i) Consolidated Interest Expense for such period and (ii) all regularly scheduled principal payments made with respect to Consolidated Indebtedness during such period (other than any balloon, bullet or similar principal payable at maturity or which repays such Indebtedness in full).

"Debtor Relief Law" means any of the *Companies' Creditors Arrangement Act* (Canada), the *Bankruptcy and Insolvency Act* (Canada), the *Winding-up and Restructuring Act* (Canada), and any similar federal, provincial, state or foreign law for or in respect of the relief of debtors, conservatorship, bankruptcy, general assignment for the benefit of creditors, moratorium, arrangement, receivership, insolvency, reorganization or similar laws of Canada or other applicable jurisdictions from time to time in effect and any similar federal, provincial, state or foreign law for the relief of debtors affecting the rights of creditors generally.

"Default" means any event or condition, the occurrence of which would, with the lapse of time or giving of notice, or both, becomes an Event of Default.

"Defaulting Lender" means, subject to Section 13.04(1)(d) any Lender that (a) has failed to (i) fund all or any portion of its Loans within two Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies the Administrative Agent and the

Borrower in writing that such failure is the result of such Lender's determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Administrative Agent or any Lender any other amount required to be paid by it hereunder within two Business Days of the date when due, (b) has notified the Borrower or the Administrative Agent in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender's obligation to fund a Loan hereunder and states that such position is based on such Lender's determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three Business Days after written request by the Administrative Agent or the Borrower, to confirm in writing to the Administrative Agent and the Borrower that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and the Borrower), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, or (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within Canada, the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under clauses (a) through (d) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 13.04(1)(d)) upon delivery of written notice of such determination to the Borrower and each Lender.

"Direction and Acknowledgement" means the direction by the Borrower, as beneficial owner (on a limited recourse basis with recourse being limited to the Collateral subject to the provisions of Section 1.08(3)), to the Nominee, as nominee, to execute this Agreement, the Security and any other Loan Documents to which it is a party and an agreement that such Loan Documents shall bind the Borrower to the same extent as if the Borrower had executed them in the place of the Nominee.

"discretion" means in the sole, absolute, subjective and unreviewable discretion of the relevant Person.

"Disposition" means, with respect to a Person, any sale, assignment, transfer, conveyance, lease, licence or other disposition of any nature or kind whatsoever of any property or of any right, title or interest in or to any property, and the verb **"Dispose"** has a corresponding meaning.

"Distribution" means, in connection with the Property:

(i) any payment, declaration of dividend or other distribution, whether in cash or property, (but expressly excluding any distribution by way of the payment of dividends by the issuance of equity securities of an issuer) to any holder of shares of any class of such Person; or

(ii) any repurchase, redemption, retraction or other retirement or purchase for cancellation of shares of such Person, or of any options, warrants or other rights to acquire any of such shares; or

(iii) the payment by any Obligor of any royalty, consulting fee, management fee, bonus or other fee to any Affiliate or to any director, officer or other management personnel of such Affiliate or of any Obligor; or

(iv) making of any payment on account of any fees, principal, interest or otherwise on any subordinated debt,

and the verb **"Distribute"** has a corresponding meaning.

"Drawdown" means the advance of the Credit Facility by way of a Prime Rate Loan, a CORRA Loan or a Term SOFR Loan.

"Drawdown Date" means the date on which a Drawdown is made by the Borrower pursuant to the provisions hereof.

"Drawdown Notice" means a notice, substantially in the form set out in Schedule 1.01(D), to be given to the Administrative Agent by the Borrower pursuant to Section 2.04.

"Eligible Assignee" means any proposed assignee of an assignment pursuant to Article 20 that is:

(i) any Person, subject to Borrower consent (such consent not to be unreasonably withheld, and not required if an Event of Default has occurred and is continuing); or

(i) any Lender or an Affiliate of a Lender, and is a resident of Canada for the purposes of the *Income Tax Act* (Canada).

"Eligible Hedge Agreements" means the agreements (including, without limitation, in the case of swap transactions, the ISDA Master Agreements) entered into between a Lender and the Borrower in respect of any Eligible Hedge Arrangement entered into pursuant to the terms of this Agreement, such agreements to be in the forms required by such Lender (with such changes and/or supplements as may be reasonably requested by the Borrower and as may be agreed to by such Lender, acting reasonably), as such agreements may be amended, restated, supplemented or otherwise modified from time to time.

"Eligible Hedge Arrangement" means a rate swap transaction entered into by the Borrower with a Lender for the purpose of protecting or mitigating against risks in interest payable under

this Agreement (other than with respect to any Term CORRA Loans or Term SOFR Loans), but not for speculative purposes.

"Encumbrance" means, with respect to any Person, any mortgage, debenture, pledge, hypothec, lien, charge, assignment by way of security, hypothecation or security interest granted or permitted by such Person or arising by operation of law, in respect of any of such Person's property, or any consignment by way of security or Capital Lease of property by such Person as consignee or lessee, as the case may be, or any other security agreement, trust or arrangement having the effect of security for the payment of any debt, liability or other obligation, and **"Encumbrances"**, **"Encumbrancer"**, **"Encumber"** and **"Encumbered"** have corresponding meanings.

"Environmental Costs" means any and all claims (including, without limitation, personal injury, wrongful death, property damage, natural resource damage, strict liability and punitive damages), obligations, damages, losses, expenses, fines, penalties, fees, judgments, awards, amounts paid in settlement, costs of remedial or restoration work whether or not performed voluntarily (including, without limitation, any financial assurances required to be posted for completion of remediation and costs associated with administrative oversight), consultant, expert and legal fees (including, without limitation, the expenses of counsel for the Administrative Agent), investigations costs (including, without limitation, sampling, testing, analysis and monitoring of soil, water, air, building or other materials) incurred by the Administrative Agent or any Lender for any claim or cause of action as against the Administrative Agent or any Lender of any kind by any person arising directly or indirectly out of or in any way relating to any one or more of the following:

(i) the presence, suspected presence, release or suspected release of any Hazardous Substance on, in or into the air, soil, groundwater, surface water or improvements at, on or about, under or within the Property, or any portion thereof, or elsewhere in connection with the use, disposal, treatment, storage, generation, production, manufacturing, processing, refining, control, management, abatement, removal, handling, transfer or transportation to or from the Property of any Hazardous Substances not in compliance with Environmental Law, whether or not the presence or release of such Hazardous Substance is known or unknown by the parties hereto at the time this Agreement is executed;

(ii) any breach of any representation, warranty or covenant relating to Hazardous Substances and the Property made or given by any Obligor to the Administrative Agent and the Lenders or to any prospective or actual buyer or lessee of all or any portion of the Property;

(iii) any act or omission of any Obligor or any other person or entity including damages or injuries to the person or property of any third party, in connection with Hazardous Substances;

(iv) the failure of any Obligor to comply with any Environmental Law relating to any Hazardous Substance in, on, or around the Property;

(v) the failure of any Obligor to protect public health and safety that is or may be threatened by any Hazardous Substance being present or released in, on, or around the Property; or

(vi) the enforcement of the terms of this Agreement relating to Hazardous Substances or Environmental Laws.

"Environmental Law" means any Applicable Law relating to the environment, including those pertaining to:

(i) reporting, licensing, permitting, investigating, remediating and cleaning up in connection with any presence or Release, or the threat of the same, of Hazardous Substances; and

(ii) the manufacture, processing, distribution, use, treatment, storage, disposal, transport, handling and the like of Hazardous Substances, including those pertaining to occupational health and safety.

"Equity Interests" means, with respect to any Person, shares of capital stock of (or other ownership or profit interests in) such Person, warrants, options or other rights for the purchase or other acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or other acquisition from such Person of such shares (or such other interests), and other ownership or profit interests in such Person (including, without limitation, partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are authorized on any date of determination.

"Equivalent Amount" in one currency on any day means the amount of that currency into which a specified amount of another currency can be converted at the rate of exchange for such conversion as determined by the Administrative Agent, using the average rate of exchange for interbank transactions quoted by the Bank of Canada at approximately the close of business on such date (or, if not so quoted, the average rate of exchange for interbank transactions quoted by the Bank of Canada at approximately the close of business on the Business Day immediately preceding such date), and, if such average rate is for any reason unavailable, it shall mean the spot rate of exchange for wholesale transactions quoted by the Administrative Agent at approximately 4:00 p.m. (Toronto time) on such date in accordance with its usual practice, provided that if the Borrower has entered into an Eligible Hedge Agreement to hedge the amount of Term SOFR Loans against exchange rate fluctuations on terms satisfactory to the Administrative Agent, the Equivalent Amount of such Loan in Canadian Dollars will be the amount of Canadian Dollars provided for in such Eligible Hedge Agreement.

"**Erroneous Payment**" has the meaning set out in Section 18.04(1).

"**Erroneous Payment Deficiency Assignment**" has the meaning set out in Section 18.04(4)(a).

"**Erroneous Payment Impacted Credit Facility**" has the meaning set out in Section 18.04(4)(a).

"**Erroneous Payment Return Deficiency**" has the meaning set out in Section 18.04(4).

"Event of Default" has the meaning set out in Section 12.01.

"**Excess Amount**" has the meaning set out in Section 6.05.

"Excluded Taxes" means, with respect to the Administrative Agent, any Lender or any other recipient of any payment to be made by or on account of any obligation of the Borrower hereunder or under any other Loan Document, (a) taxes imposed on or measured by its net income, capital gains, or capital, and franchise taxes imposed on it by the jurisdiction (or any political subdivision thereof) under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located, (b) any branch tax, branch profits tax or any similar tax imposed by any jurisdiction or (c) any taxes imposed under FATCA.

"**External Credit Rating**" means the public corporate issuer rating of the Guarantor provided by the Rating Agencies providing such rating at the relevant time.

"FATCA" means Sections 1471 through 1474 of the Internal Revenue Code of 1986 of the United States of America (the "**IRC**"), as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with) and any current or future regulations or official interpretations thereof.

"**Fiscal Quarter**" means a period of three consecutive months in each Fiscal Year ending on March 31, June 30, September 30, and December 31, as the case may be, of such year.

"**Fiscal Year**" means in relation to any Person, its fiscal year commencing on January 1 of each calendar year and ending on December 31 of the same calendar year.

"**Floor**" a rate of interest equal to zero percent (0%).

"Force Majeure" means any of the following events which prevents or materially impairs the operation of the Property and is not caused by and is beyond the reasonable control of the Obligors: acts of God, floods, earthquakes, hurricanes, windstorms, severe weather conditions, lightning, fire, wars (whether declared or not), riots, insurrections, rebellions, civil commotions, sabotage, partial or entire failure of utilities, strikes, walkouts or other labour disruptions, delays in transportation, accidents, shortages of and inability to procure labour, materials and supplies (after all commercially reasonable efforts have been made by the Obligors to obtain replacement for such labour, materials and supplies) or orders, legislation, regulations and directives of any Governmental Authorities. For greater certainty, lack of funds, the state of the market or any wilful or negligent act or omission on the part of the Obligors (or any of them) does not constitute Force Majeure.

"**GAAP**" means generally accepted accounting principles in Canada as applicable to public entities that are from time to time approved by the Canadian Institute of Chartered Accountants, or any successor institute, and for greater certainty includes IFRS.

"General Assignment of Leases" means the assignment of the Leases and the rent thereunder made by the Nominee in favour of the Administrative Agent.

"Governmental Authority" means any person, board commission, branch or office of any federal, provincial, regional, municipal or other governmental department or any governmental body or any agency, parliament, legislature, or any regulatory authority, board of any government, parliament or legislature, authority, bureau, commission, department, or instrumentality thereof, or any court, tribunal or arbitrator, including, without limitation, any securities commission or stock exchange or any court or (without limitation to the foregoing) any other law, regulation or rule making entity (including, without limitation, any central bank, fiscal or monetary authority or authority regulating banks), having or purporting to have jurisdiction in the relevant circumstances over an Obligor, the whole or any part of the Property, the Administrative Agent or the Lenders or the transaction as the case may be and shall include a board or association of insurance underwriters, as well as any public utility supplying utility services to the Property. Notwithstanding anything herein to the contrary, (a) all requests, rules, guidelines, requirements and directives promulgated by the Administrative Agent or the Lenders for International Settlements, and Basel Committee on Banking Supervision (or any successor or similar authority) or by United States, Canadian or foreign regulatory authorities, in each case pursuant to Basel III, and (b) the Dodd-Frank Wall Street Reform and Consumer Protection Act (United States) and all requests, rules, guidelines, requirements and directives thereunder or issued in connection therewith or in implementation thereof, shall in each case be deemed to be enactments of an Governmental Authority regardless of the date enacted, adopted, issued or implemented.

"**Guarantor**" means RioCan Real Estate Investment Trust and its permitted successors and assigns.

"Hazardous Substance" means any substance or material that is prohibited, controlled or regulated by any Governmental Authority pursuant to Environmental Law, including pollutants, contaminants, dangerous goods or substances, toxic or hazardous substances or materials, wastes (including solid non-hazardous wastes and subject wastes), petroleum and its derivatives and by-products and other hydrocarbons, all as defined in or pursuant to any Environmental Law.

"**Head Lease**" means the head lease dated as of September 26, 2002, between the Head Landlord, as landlord, and the Store Ground Lessor, as tenant, as amended, restated, modified, supplemented and assigned from time to time.

"**Head Landlord**" means, collectively, OMERS Realty Corporation, OMERS Realty Holdings (Yorkdale) Inc., ARI YKD GP Inc. and ARI YKD Investments LP, and their respective successors and assigns.

"IFRS" mean the International Financial Reporting Standards for public entities as adopted by the Canadian Accounting Standards Board from time to time.

"**Indebtedness**" means (i) any obligation for borrowed money (including for greater certainty, the full principal amount of convertible debt), (ii) any obligation incurred in connection with the acquisition of property, assets or businesses, (iii) any obligation issued or assumed as the

deferred purchase price of property, (iv) any obligation under a Capital Lease, (v) obligations under letters of credit, guarantees and indemnities issued in respect of borrowed money and any reimbursement obligation or other obligation in connection with a bankers' acceptance or any similar instrument (excluding, for greater certainty, "performance" letters of credit issued in connection with construction or development relating to a property), (vi) all other indebtedness upon which interest charges are customarily paid by such Person and characterized as indebtedness under GAAP, (vii) the aggregate amount at which any securities of such Person that are not qualified by a prospectus and are redeemable or retractable at the option of the holder of such shares (except where the holder is such Person) may be redeemed or retracted prior to the Maturity Date for cash or obligations constituting Indebtedness or any combination thereof, and (viii) all Contingent Obligations incurred for the purpose of or having the effect of providing financial assistance to another entity.

"Indemnified Taxes" means Taxes other than the Excluded Taxes.

"Indemnitee" has the meaning set out in Section 16.01(2).

"**Interest Payment Date**" means (a) with respect to any Prime Rate Loan, the first Business Day of each calendar month, (b) with respect to any Term CORRA Loan, the last day of the Interest Period applicable to the Drawdown of which such Loan is a part; (c) with respect to any Daily Compounded CORRA Loan, the last day of each Interest Period applicable to the Drawdown of which such Loan is a part, and (d) with respect to any Term SOFR Loan, the last Business Day of each applicable Interest Period and, if any Interest Period is longer than three (3) months, the last Business Day of such three (3) month period during such Interest Period.

"Interest Period" means:

(i) with respect to each Prime Rate Loan, the period commencing on the Drawdown Date, as the case may be, and ending on the date selected or deemed to be selected by the Borrower or the Administrative Agent, as the case may be, for the Conversion of such Loan into another type of Loan or for the repayment of such Loan;

(ii) with respect to each Term CORRA Loan, the initial period (subject to availability) of one (1) month, three (3) months or such other period as the Administrative Agent and the Lenders permit commencing on and including the date on which a Conversion Notice is made, or the Rollover Date, as the case may be, applicable to such Term CORRA Loan and ending on and excluding the last day of such initial period, and thereafter, each successive period (subject to availability) of approximately one (1) month, three (3) months or such other permitted period as selected by the Borrower and notified to the Administrative Agent in writing commencing on and including the last day of the prior Interest Period;

(iii) with respect to each Daily Compounded CORRA Loan, the initial period (subject to availability) of approximately one (1) month or such other period as the Administrative Agent and the Lenders permit commencing on and including the date on which a Conversion Notice is made, or the Rollover Date, as the case may

be, applicable to such Daily Compounded CORRA Loan and ending on and excluding the last day of such initial period, and thereafter, each successive period (subject to availability) of approximately one (1) month or such other permitted period commencing on and including the last day of the prior Interest Period; and

(iv) with respect to each Term SOFR Loan, a period of one (1), three (3), six (6) months' duration, or such other period as the Administrative Agent and the Lenders, commencing on and including the date on which a Conversion Notice is made, or the Rollover Date, as the case may be, applicable to such Term SOFR Loan and ending on and excluding the last day of such initial period,

provided that in any case the last day of each Interest Period will be also the first day of the next Interest Period (provided that for the purposes of calculation of interest payable by the Borrower, the last day of each Interest Period shall not be included in such Interest Period but shall be included in the calculation of interest payable for the subsequent Interest Period, without duplication). If the last day of an Interest Period selected or deemed to be selected by the Borrower is not a Business Day, the Borrower will be deemed to have selected an Interest Period the last day of which is the Business Day next following the last day of the Interest Period otherwise selected unless such next following Business Day falls in the next calendar month in which event the Borrower will be deemed to have selected an Interest Period the last day of which is the Business Day immediately preceding the last day of the Interest Period otherwise selected and further provided that the last Interest Period hereunder must expire on or prior to the Maturity Date.

"**Joint Venture Arrangements**" means any real estate asset or operation in which the Guarantor participates where the Guarantor does not own 100% of the equity interests in the asset or operation.

"Lands" means the lands and premises municipally known as part of 3401 Dufferin Street, Toronto, Ontario, identified in Schedule B attached hereto. ***[NTD: Borrower to confirm.]***

"Lease" means any lease, sublease, agreement to lease, offer to lease, licence or right of occupation granted from time to time by or on behalf of the Borrower and/or the Nominee entitling the lessee, sublessee or grantee thereunder to use or occupy all or any part of the Property.

"**Lender Assignment and Assumption**" means an assignment and assumption entered into by a Lender and an assignee pursuant to Article 20 and accepted by the Administrative Agent in a form approved by the Administrative Agent.

"Lenders" means the Persons from time to time party to this Agreement and designated in Schedule **A** (which will be amended and distributed to all parties by the Administrative Agent from time to time as other Persons become Lenders) and "Lender" means any one of the Lenders and includes each of their successors and permitted assigns.

"Lenders' Counsel" means the firm of McCarthy Tétrault LLP, or such other firm of legal counsel as the Lenders may from time to time designate.

"**Limited Partnership Agreement**" means a Second Amended and Restated Limited Partnership Agreement dated November 25, 2015, as amended by an Amendment No. 1 to Second Amended and Restated Limited Partnership Agreement dated November 24, 2018, as may be further amended, supplemented, or restated from time to time.

"Loan" means any extension of credit by the Lenders under this Agreement, including by way of a Prime Rate Loan or a CORRA Loan outstanding under the Credit Facility.

"Loan Documents" means, collectively, (i) this Agreement, (ii) the Security, (iii) the Eligible Hedge Agreements, and (iv) all present and future agreements, documents, certificates and instruments delivered by any Obligor to the Administrative Agent or any Lender pursuant to or in respect of this Agreement or the Security, in each case as the same may from time to time be amended, and **"Loan Document"** means any one of the Loan Documents.

"**Majority of the Lenders**" means, at any time at which there are two Lenders hereunder, both Lenders; and at any time at which there are more than two Lenders hereunder, it is to be Lenders whose Commitments represent at least 66 2/3% of the dollar amount of the total Commitments and shall include at least two Lenders.

"Material Adverse Change" means any event or occurrence which, when considered individually or together with other events or occurrences, has a material adverse effect on (i) the business, assets, liabilities, operations, results of operations, condition (financial or other) or prospects of the Obligors, taken as a whole, (ii) the operation of the Property in its entirety, or (iii) the ability of any Obligor to perform its Obligations in all material respects. For greater certainty, "Material Adverse Change" does not include a change in general economic conditions unless same in turn causes any of the foregoing events.

"Material Licences" means, collectively, all licences, Permits or approvals issued by any Governmental Authority, or any applicable stock exchange or securities commission, to the Borrower, and which are at any time on or after the date of this Agreement:

(i) necessary or material to the business and operations of the Property, the breach or default of which would result in a Material Adverse Change; or

(ii) designated by a Lender as a Material Licence with respect to the Property, and provided that the Administrative Agent has notified the Borrower of such designation in writing,

including, without limitation, those Material Licences existing as of the date of this Agreement listed in Schedule 1.01(E).

"Material Property Agreements" means, collectively:

(i) the Store Ground Lease;

(ii) the Store Sublease;

(iii) the Limited Partnership Agreement;

(iv) each operating contract with respect to the Property having a term more than one year and which contemplates payments thereunder in excess of $1,000,000 per annum;

(v) any shared facilities and/or reciprocal easement agreements;

(vi) at any time all agreements, documents and instruments (other than Leases) now existing or from time to time entered into in the future or assigned to or obtained by the applicable Obligor with rights in the Property affecting or relating to the Property and which are material to the operation, use or ownership thereof; and

(vii) all planning approvals, permits, licences, development agreements and other material contracts with respect to the Property designated as Material Property Agreements by the Administrative Agent from time to time, provided that the Administrative Agent has notified the Borrower of such designation,

and includes, without limitation, those listed in Schedule 1.01(E).

"Maturity Date" has the meaning set out in Section 2.10.

"Nominee Agreement" means the nominee agreement for the Property made as of November 25, 2015 between the Borrower, as beneficial owner, and the Nominee, as nominee, as amended.

"Non-Defaulting Lender" means, at any time, each Lender that is not a Defaulting Lender at such time.

"**Non-Schedule I Lenders**" means those Lenders that are not banks or that are banks chartered under the *Bank Act* (Canada) and named in Schedule II or III thereto, and "Non-Schedule I Lender" means each such Lender.

"Obligations" means all obligations of the Obligors to the Administrative Agent or the Lenders under or in connection with this Agreement, the other Loan Documents, including all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Obligors to the Administrative Agent or the Lenders, or any of them, in any currency or remaining unpaid by the Obligors to the Administrative Agent or the Lenders, or any of them, under or in connection with this Agreement or the other Loan Documents whether arising from dealings between the Administrative Agent or the Lenders, or any of them, and the Obligors or from any other dealings or proceedings by which the Administrative Agent or the Lenders, or any of them, may be or become in any manner whatever a creditor or obligee of the Obligors pursuant to this Agreement and the other Loan Documents, and wherever incurred, and whether incurred by any Obligor alone or with another or others and whether as principal or surety, and all interest, fees, legal and other costs, charges and expenses relating thereto. For greater certainty, "Obligations" include all Indebtedness and liabilities of the Borrower to the Lenders or any of them pursuant to Eligible Hedge Agreements and the parties acknowledge and agree that the amount owing by the Borrower or owed to the Borrower under any Eligible Hedge Agreement for purposes of determining the amount thereof to be included in the determination of Obligations shall be the amount determined in accordance with the applicable Eligible Hedge Agreement.

"Obligors" means, collectively the Borrower, the Guarantor and the Nominee, and **"Obligor"** means the relevant one of such Persons as the context requires.

"Obligors' Counsel" means Fogler Rubinoff LLP, Stikeman Elliott LLP or such other firm of legal counsel as one or more of the Obligors may from time to time designate and that is acceptable to the Lenders.

"Organizational Documents" means, with respect to any Person, such Person's articles, memorandum or other charter documents, partnership agreement, joint venture agreement, declaration of trust, trust agreement, by-laws, unanimous shareholder agreement, or any and all other similar agreements, documents and instruments pursuant to which such Person is constituted, organized or governed.

"Other Taxes" means all present or future stamp or documentary taxes or any other similar excise or property taxes, charges or levies arising from any payment made hereunder or under any other Loan Document or from the execution, delivery or enforcement of this Agreement or any other Loan Document, but does not include Excluded Taxes.

"**Owner Parties**" means, collectively, the Borrower and the Nominee, and "**Owner Party**" means any one of them.

"**Payment Recipient**" has the meaning set out in Section 18.04(1).

"**Periodic Term CORRA Determination Day**" has the meaning assigned to it under the definition of Term CORRA.

"Permits" means, collectively, all permits, consents, orders, waivers, applications, authorizations, licences, certificates, approvals, registrations, franchises, rights, privileges and exemptions or the like issued or granted by any Governmental Authority or by any third party with respect to the Property (including, without limitation, any Permits relating to Environmental Laws).

"Permitted Encumbrances" means, with respect to the Property, the following:

(i) liens for Taxes, rates, assessments or other governmental charges or levies not yet due, or for which instalments have been paid based on reasonable estimates pending final assessments, or if due, the validity of which is being contested diligently and in good faith by appropriate proceedings by that Person, provided that if the aggregate amount being contested is in excess of Cdn. $100,000, the Borrower shall have deposited with the Administrative Agent collateral satisfactory to the Administrative Agent, to secure the payment of such Taxes and assessments;

(ii) undetermined or inchoate liens, rights of distress and charges incidental to construction, maintenance or current operations that have not at such time been filed or exercised and of which the Administrative Agent has not been given notice, or that relate to obligations not due or payable, or if due, the validity of which is being contested diligently and in good faith by appropriate proceedings by that Person;

(iii) reservations, limitations, provisos and conditions expressed in any original grant from the Crown or other grants of real or immovable property, or interests therein, that do not materially affect the use of the affected land for the purpose for which it is used by that Person;

(iv) permits, reservations, covenants, servitudes, right of access or user licenses, easements, rights-of-way and rights in the nature of easements (including, without limitation, licenses, easements, rights-of-way and rights in the nature of easements for railways, sidewalks, public ways, sewers, drains, gas and oil pipelines, steam and water mains or electric light and power, or telephone, telecommunication, television and telegraph conduits, poles, wires and cables) that do not materially impair the use of the affected land for the purpose for which it is used by that Person, or in respect of which satisfactory arrangements have been made for relocation so that such use will not, in the aggregate, be materially and adversely impaired, or which that Person is bound to enter into pursuant to any agreement with a Governmental Authority or with respect to any Material Property Agreements;

(v) title defects, irregularities or other matters relating to title that are of a minor nature and that in the aggregate do not materially impair the use of the affected property for the purpose for which it is used by that Person;

(vi) the right reserved to or vested in any Governmental Authority by the terms of any lease, licence, franchise, grant or permit acquired by that Person or by any statutory provision to terminate any such lease, licence, franchise, grant or permit, or to require annual or other payments as a condition to the continuance thereof;

(vii) the Encumbrance resulting from the deposit of cash or securities in connection with contracts, tenders or expropriation proceedings, or to secure workers' compensation, employment insurance, surety or appeal bonds, costs of litigation when required by law, liens and claims incidental to current construction, mechanics', warehousemen's, carriers' and other similar liens, and public, statutory and other like obligations incurred in the ordinary course of business;

(viii) security given to a public utility or any Governmental Authority when required by such utility or authority in connection with the operations of that Person in the ordinary course of its business;

(ix) the Encumbrance created by a judgment of a court of competent jurisdiction, or a claim (including claims pursuant to the *Construction Act* (Ontario)) filed, against that Person as long as the judgment or claim is being contested diligently and in good faith by appropriate proceedings by that Person and does not result in an Event of Default, provided that if such judgment or claim is a construction lien or is in the aggregate greater than Cdn. $500,000, the Borrower shall have either (A) in the case of any such judgment or claim that is not a construction lien, if acceptable to the Lenders, deposited with the Administrative Agent collateral satisfactory to the Lenders, to secure the payment of such judgment or claim, or (B) posted a payment

bond, or made payment into court, of such amount as is necessary to remove such Encumbrance;

(x) the Security;

(xi) encroachments by the Property or structures thereon over neighbouring lands (including public streets) and minor encroachments by neighbouring lands or structures thereon over the Property, so long as, in the former case, there are written agreements permitting such encroachments;

(xii) subdivision, development, servicing and site plan agreements, undertakings and agreements made pursuant to applicable planning and development legislation, entered into with or made in favour of any Governmental Authority, or public or private utility, relating to the Property;

(xiii) Leases relating to the Property that have been approved by the Administrative Agent or entered into in accordance with this Agreement and notices of them;

(xiv) all municipal by-laws and regulations and other municipal land use instruments, including, without limitation, official plans, zoning and building by-laws, restrictive covenants and other land use limitations, public or private, and other restrictions as to the use of the Property;

(xv) any Encumbrance described in Schedule 1.01(F);

(xvi) such other Encumbrances as are agreed to in writing by the Administrative Agent; and

(xvii) reciprocal agreements, shared facilities agreements, party wall agreements and rights of way.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"**Prime Rate**" means, on any day, the annual rate of interest equal to the greater of

(i) the annual rate of interest announced by Royal Bank of Canada and in effect as its prime rate at its principal office in Toronto, Ontario on such day for determining interest rates on Canadian Dollar denominated commercial loans in Canada; and

(ii) the annual rate of interest equal to the sum of (A) Adjusted Term CORRA (or the Benchmark Replacement, as applicable) for an interest period of one month in effect on such day, plus (B) 1.00% per annum,

and provided that in no event shall the Prime Rate be less than zero for the purposes of this Agreement.

"Prime Rate Loan" means a Loan in Canadian Dollars made by the Lenders to the Borrower with respect to which the Borrower has specified that interest is to be calculated by reference to the Prime Rate plus the Prime Rate Margin.

"Prime Rate Loan Interest Payment Date" means, with respect to each Prime Rate Loan, the first Business Day of each calendar month.

"Prime Rate Margin" means, for any period, the Applicable Margin with respect to Prime Rate Loans.

"Property" means the Lands and the department store consisting of approximately 303,438 square feet and known as "The Bay", and all landscaping, all plants, machinery, improvements and equipment and all other property whether free-standing or otherwise, auxiliary or ancillary thereto or connected therewith or added thereto, to be constructed on, above or under the surface of the Lands, in each case in respect of which the Borrower or the Nominee has a freehold or leasehold ownership interest.

"**Property Assets**" means any parcel of real property owned or leased (in whole or in part) by the Guarantor or any of its Subsidiaries.

"**Proportionate Consolidation Adjustments**" means accounting adjustments to reflect assets, liabilities, unitholders' equity, revenues and expenses on a proportionate basis in place of the Guarantor's use of equity accounting in accordance with GAAP with respect to real estate investments or interest in which the Guarantor participates.

"**Qualifying Joint Venture Arrangements**" means any Joint Venture Arrangement where the Guarantor owns and maintains at all times either (a) at least 50.1% of the equity and voting interests in such Joint Venture Arrangement, or (b) at least 50% of the equity and voting interests in such Joint Venture Arrangement and the Guarantor or a wholly-owned Subsidiary is a property and/or asset manager of such Joint Venture Arrangement.

"**Rateable Portion**" means, for any Lender, with respect to the Credit Facility, at any given time, with regard to any amount of money, the product obtained by multiplying that amount of money by the quotient obtained by dividing (i) that Lender's Commitment with respect to such Credit Facility or portion thereof by (ii) the aggregate of all of the Lenders' Commitments with respect to the Credit Facility or portion thereof at such time, as adjusted in accordance with the terms hereof.

"**Rating Agencies**" means DBRS and S&P.

"Related Persons" means, with respect to any Person, such Person's Affiliates and the directors, officers, employees, agents and advisors of such Person and such Person's Affiliates, and "**Related Person**" means any one of them.

"Release" means any release or discharge of any Hazardous Substance including any discharge, spray, injection, inoculation, abandonment, deposit, spillage, leakage, seepage, pouring, emission, emptying, throwing, dumping, placing, exhausting, escape, leach, migration, dispersal, dispensing or disposal.

"**Relevant Governmental Body**" means the Bank of Canada, or a committee officially endorsed or convened by the Bank of Canada, or any successor thereto.

"Relevant Jurisdiction" means, from time to time, with respect to a Person that is granting Security hereunder, any province or territory of Canada, any state of the United States or any other country or political subdivision thereof in which such Person has its chief executive office or chief place of business or has property that is subject to the Security.

"Repayment Notice" means the notice substantially in the form set out in Schedule 1.01(I).

"Requirements of Environmental Law" means all requirements of the common law or of statutes, regulations, by-laws, ordinances, treaties, judgments and decrees, and (to the extent that they have the force of law) rules, policies, guidelines, orders, approvals, notices, permits, directives and the like, of any Governmental Authority in Ontario relating to environmental or occupational health and safety matters (as they relate to exposure to a Hazardous Substance) and the assets and undertaking of such Person and the intended uses thereof in connection with such matters, including all such requirements relating to (i) the protection, preservation or remediation of the natural environment (namely, the air, land, surface water or groundwater), (ii) solid, gaseous or liquid waste generation, handling, treatment, storage, disposal or transportation, (iii) consumer, occupational or public safety and health (as they relate to exposure to a Hazardous Substance), and (iv) Hazardous Substances or conditions (namely, matters that are prohibited, controlled or otherwise regulated, such as contaminants, pollutants, toxic substances, dangerous goods, wastes, hazardous wastes, liquid industrial wastes, hazardous materials, petroleum and other materials such as urea formaldehyde and polyurethane foam insulation, asbestos or asbestos-containing materials, polychlorinated biphenyls (PCBs) or PCB contaminated fluids or equipment, lead based paint, explosives, radioactive substances, petroleum and associated products, above ground and underground storage tanks or surface impoundments).

"Requirements of Law" means, with respect to any Person, the Organizational Documents of such Person and any Applicable Law or any determination of a Governmental Authority, in each case applicable to or binding upon such Person or any of its business or property or to which such Person or any of its business or property is subject.

"Rollover" means, with respect to any CORRA Loan or Term SOFR Loan, the continuation of all or a portion of such Loan (subject to the terms and conditions hereof) for an additional Interest Period subsequent to the initial or any subsequent Interest Period applicable thereto.

"Rollover Date" means the date of commencement of a new Interest Period applicable to a CORRA Loan or Term SOFR Loan that is being rolled over.

"**Rollover Notice**" means a notice, substantially in the form set out in Schedule 1.01(B), to be given to the Administrative Agent by the Borrower pursuant to Section 2.04.

"**S&P**" means Standard & Poor's Ratings Group, a division of the McGraw-Hill Companies and its successors.

"Schedule I Lenders" means those banks that are chartered under the *Bank Act* (Canada) and named in Schedule I thereto, and **"Schedule I Lender"** means each such bank.

"Security" means the documents creating an Encumbrance in favour of, or any collateral held from time to time by, the Administrative Agent for and on behalf of the Lenders, in each case securing or intended to secure repayment of the Obligations, including all security described in Article 10.

"**SOFR**" means a rate per annum equal to the secured overnight financing rate as administered by the SOFR Administrator.

"**SOFR Administrator**" means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

"**SOFR Margin**" means, for any period, the Applicable Margin with respect to Term SOFR Loans.

"**Store Ground Lease**" means the ground lease dated as of September 26, 2002, between the Store Ground Lessor, as landlord, and the Borrower (as successor-in-interest to the Nominee), as tenant, as amended by a letter agreement dated October 24, 2002, as further amended by a letter agreement dated June 28, 2011, as further amended by an amending agreement dated as of April 3, 2014, in respect of the Lands, as amended, restated, modified, supplemented and assigned from time to time in accordance with the terms and conditions of this Agreement.

"**Store Ground Lessor**" means Yorkdale Shopping Centre Holdings Inc., its successors and assigns.

"**Store Ground Lessor Consent**" means the leasehold lender agreement dated as of January 26, 2024, between the Store Ground Lessor, the Head Lease Landlord, the Borrower and the Administrative Agent, in respect of the Head Lease and the Store Ground Lease.

"Store Sublease" means the sublease dated as of November 25, 2015, between the Borrower, as sublandlord, and the Nominee, as subtenant, as amended, restated, modified, supplemented and assigned from time to time in accordance with the terms and conditions of this Agreement.

"**Subordinated Indebtedness**" means Indebtedness of the Guarantor (or its successor) (i) that is expressly subordinate in right of payment to the Obligations and other amounts payable under the Loan Documents, (ii) that matures after the Maturity Date, and (iii) the payment of principal and interest of which can be satisfied, at the Guarantor's (or its successor's) sole option, through the issuance of Equity Interests.

"Subsidiary" means, at any time, with respect to any Person, any other Person, if at such time the first mentioned Person (i) owns, directly or indirectly, securities or other ownership interests in such other Person, having ordinary voting power to elect a majority of the board of directors or persons performing similar functions for such other Person, and (ii) directly or indirectly, through the operation of any agreement or otherwise, the ability to elect or cause the election of a majority of the board of directors or other persons performing similar functions for such other Person or otherwise exercise control over the management and policies of such other Person, and

in either case will include any other Person in like relationship to a Subsidiary of such first mentioned Person.

"Tax" and **"Taxes"** means all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto, and including any realty taxes, duties, rates, imposts, levies, assessments and other similar charges, whether general or special, ordinary or extraordinary, or foreseen or unforeseen, including municipal taxes, school taxes and local improvement charges and all related interest, penalties and fines which at any time may be levied, assessed, imposed or form an Encumbrances upon real property.

"**Term CORRA**" means, for any calculation with respect to a Term CORRA Loan, the Term CORRA Reference Rate for a tenor comparable to the applicable Interest Period on the day (such day, the "**Periodic Term CORRA Determination Day**") that is two (2) Business Days prior to the first day of such Interest Period, as such rate is published by the Term CORRA Administrator; provided, however, that if as of 1:00 p.m. (Toronto time) on any Periodic Term CORRA Determination Day the Term CORRA Reference Rate for the applicable tenor has not been published by the Term CORRA Administrator and a Benchmark Replacement Date with respect to the Term CORRA Reference Rate has not occurred, then Term CORRA will be the Term CORRA Reference Rate for such tenor as published by the Term CORRA Administrator on the first preceding Business Day for which such Term CORRA Reference Rate for such tenor was published by the Term CORRA Administrator so long as such first preceding Business Day is not more than three (3) Business Days prior to such Periodic Term CORRA Determination Day.

"**Term CORRA Adjustment**" means, with respect to Term CORRA, for an Interest Period of a duration of (a) one (1) month, a percentage equal to 0.29547% per annum (29.547 basis points), and (b) three (3) months, a percentage equal to 0.32138% per annum (32.138 basis points).

"**Term CORRA Administrator**" means Candeal Benchmark Administration Services Inc., TSX Inc., or any successor administrator.

"**Term CORRA Loan**" means a Loan made by the Lenders to the Borrower that bears interest at a rate based on Adjusted Term CORRA other than pursuant to clause (ii) of the definition of "Prime Rate".

"**Term CORRA Reference Rate**" means the forward-looking term rate based on CORRA.

"**Term SOFR**" means, for any Interest Period for a Term SOFR Loan, the Term SOFR Reference Rate (rounded upward to the nearest fifth decimal place, if necessary) for a tenor comparable to the applicable Interest Period on the day (the "**Term SOFR Determination Day**") that is two (2) U.S. Government Securities Business Days prior to the first day of such Interest Period, as such rate is published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m. (New York City time) on any Term SOFR Determination Day, the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as

published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Term SOFR Determination Day.

"**Term SOFR Adjustment**" means, with respect to Term SOFR, (i) 0.11448% (11.448 basis points) for an Interest Period of one month's duration, (ii) 0.26161% (26.161 basis points) for an Interest Period of three months' duration, and (iii) 0.42826% (42.826 basis points) for an Interest Period of six months' duration.

"**Term SOFR Administrator**" means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the Lender in its discretion, acting reasonably).

"**Term SOFR Determination Day**" has the meaning set out in the definition of "Term SOFR".

"**Term SOFR Loan**" means a Loan in U.S. Dollars that bears interest at a rate based on Adjusted Term SOFR.

"**Term SOFR Reference Rate**" means the forward-looking term rate based on SOFR.

"**Unadjusted Benchmark Replacement**" means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

"**Unitholders' Equity**" means, at any time, the aggregate amount of unitholders' equity of the Guarantor, as shown on the Guarantor's most recent consolidated balance sheet at such time, calculated in accordance with GAAP.

"**Unencumbered Property Assets**" means, as at any date, the Property Assets of the Guarantor other than Property Assets (a) that are Encumbered; (b) of any Subsidiary of the Guarantor that has incurred unsecured indebtedness for borrowed money (or guaranteed any such Indebtedness); or (c) the Guarantor designates in writing to the Administrative Agent shall not constitute an Unencumbered Property Asset under this Agreement (until the Guarantor designates otherwise in writing to the Administrative Agent), provided that, immediately following such designation, there is no Default under Section 9.05(e) of this Agreement.

"**Unencumbered Property Assets Value**" means the aggregate fair market value of the Guarantor's Unencumbered Property Assets (excluding the fair market value of all Properties located outside Canada), determined on a consolidated basis and using the valuation methodology described by the Guarantor in its most recently published annual or interim financial reporting, in each case prepared and determined in accordance with GAAP; provided that (a) Unencumbered Property Assets encompassing property under development, undeveloped land and non-income producing properties shall not in the aggregate exceed 5% of the Unencumbered Property Assets Value at any time for the purposes of the calculation in Section 9.05(e); (b) Unencumbered Property Assets encompassing Qualifying Joint Venture Arrangements shall not in aggregate exceed 15% of Unencumbered Property Assets Value at any time for the purposes of the calculation in Section 9.05(e); and (c) Unencumbered Property

Assets encompassing Qualifying Joint Venture Arrangements (as defined in clause (b) of the definition of Qualifying Joint Venture Arrangements) to which the Guarantor or any of its Subsidiaries is not the sole property and/or asset manager of such Qualifying Joint Venture Arrangement shall not in aggregate exceed 5% of Unencumbered Property Assets Value at any time for the purposes of the calculation in Section 9.05(e).

"**U.S. Government Securities Business Day**" means any day except for (i) a Saturday, (ii) a Sunday, or (iii) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

"United States Dollars", **"U.S. Dollars"** and **"U.S. $"** mean the lawful money of the United States of America.

1.02 Extended Meanings

In this Agreement words importing the singular number include the plural and vice versa, words importing any gender include all genders and words importing persons include individuals, corporations, limited and unlimited liability companies, general and limited partnerships, associations, trusts, unincorporated organizations, joint ventures and Governmental Authorities. The term "**including**" means "including without limiting the generality of the foregoing" and the term "**third party**" means any Person other than a Person who is a party to this Agreement. References to any document, instrument or agreement (i) shall include all exhibits, schedules and other attachments thereto, (ii) shall include all documents, instruments or agreements issued or executed in replacement thereof, and (iii) shall mean such document, instrument or agreement, or replacement or predecessor thereto, as amended, modified and supplemented from time to time in accordance with its terms and the terms of this Agreement and in effect at any given time. Reference in this Agreement or any Loan Document to any enactment, including any statute, law, by law or regulation, shall be deemed to include references to such enactment as re-enacted, amended or extended from time to time (save where expressly stated to the contrary), and references to any Loan Document (including schedules and exhibits thereto), Permitted Encumbrances "**as amended**" shall mean and be a reference to such documents, instruments or agreements as amended, modified and supplemented from time to time in accordance with its terms and the terms of this Agreement and in effect at any given time. Any reference to any Person shall include its successors and permitted assigns in the capacity indicated, and in the case of any Governmental Authority, any Person succeeding to its functions and capacities. Any reference to Requirements of Law and Applicable Laws shall include all references to such Requirements of Law and Applicable Laws as amended, supplemented or replaced. The Loan Documents are the result of negotiations between, and have been reviewed by each Obligor, each Lender and their respective counsel. Accordingly, the Loan Documents shall be deemed to be the product of all parties thereto, and no ambiguity shall be construed in favour of or against any Obligor or any Lender except as expressly provided under the Loan Documents. Upon an acceleration of the Loans following the occurrence of an Event of Default pursuant to Section 12.02, any reference in this Agreement or any Loan Document to an Event of Default that has occurred and is "continuing" shall be deemed to be an Event of Default that has occurred and is continuing for all times thereafter unless otherwise agreed in writing by

the Lenders in their sole discretion; and the terms "**continued**", "**continuation**" and "**discontinuation**" shall have corresponding meanings.

1.03 Accounting Principles

(1) Where the character or amount of any asset or liability or item of revenue or expense is required to be determined, or any consolidation or other accounting computation is required to be made, for the purpose of this Agreement or any Loan Document, such determination or calculation will, to the extent applicable and except as otherwise specified herein or as otherwise agreed in writing by the parties, be made in accordance with GAAP applied on a consistent basis.

(2) Each of the parties hereto acknowledges that the financial covenants and financial ratios contained in this Agreement have been established and agreed upon on the basis of the current accounting policies, practises and calculation methods or components thereof adopted by the Obligors on a consolidated basis and made on a basis consistent with GAAP. If at any time any change in GAAP applicable to the Borrower or the Guarantor would affect the computation of any financial ratio or requirement set forth in this Agreement, and the Borrower, the Guarantor or the Administrative Agent (on the instructions of the Majority of the Lenders) shall so require, the Administrative Agent, the Guarantor and the Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP; provided that, until so amended, (i) such ratio or replacement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) the applicable Obligors shall provide to the Administrative Agent financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP.

1.04 Interest Calculations and Payments; Interest Rate Disclaimer

(1) All interest payments to be made under this Agreement will be paid without allowance or deduction for deemed re-investment or otherwise, both before and after maturity and before and after default and/or judgment, if any, until payment of the amount on which such interest is accruing, and interest will accrue on overdue interest, if any.

(2) Unless otherwise stated, wherever in this Agreement reference is made to a rate of interest "*per annum*" or a similar expression is used, such interest will be calculated on the basis of (a) a calendar year of 365 days or 366 days, as the case may be, for Prime Rate Loans, (b) a calendar year of 365 days for CORRA Loans, and (c) a calendar year of 360 days for Term SOFR Loans, and in each case using the nominal rate method of calculation and not the effective rate method of calculation or on any other basis that gives effect to the principle of deemed reinvestment of interest. Interest will continue to accrue after maturity and default and/or judgment, if any, until payment thereof, and interest will accrue and be compounded monthly on overdue interest, if any.

(3) For the purposes of the *Interest Act* (Canada) and disclosure under such act, whenever interest to be paid under this Agreement is to be calculated on the basis of a year of

365 days or any other period of time that is less than a calendar year, the yearly rate of interest to which the rate determined pursuant to such calculation is equivalent is the rate so determined multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by either 365 or such other period of time, as the case may be.

(4) Notwithstanding anything herein to the contrary, the Administrative Agent shall calculate all fees and interest according to the terms of this Agreement and any other agreement entered into between the Borrower and the Administrative Agent and the Lenders in connection with the Credit Facility. For greater certainty all such calculations shall be without duplication of any day such that neither interest nor fees shall be calculated in respect of the same day twice.

(5) The Administrative Agent does not warrant or accept responsibility for, and shall not have any liability with respect to (a) the continuation of, administration of, submission of, calculation of or any other matter related to the Prime Rate, Term CORRA, Daily Compounded CORRA, Adjusted Term CORRA, Adjusted Daily Compounded CORRA, Term SOFR, Adjusted Term SOFR or any component definition thereof or rates referred to in the definition thereof, or any alternative, successor or replacement rate thereto (including any Benchmark Replacement), including whether the composition or characteristics of any such alternative, successor or replacement rate (including any Benchmark Replacement) will be similar to, or produce the same value or economic equivalence of, or have the same volume or liquidity as, the Prime Rate, Term CORRA, Daily Compounded CORRA, Adjusted Term CORRA, Adjusted Daily Compounded CORRA, Term SOFR, Adjusted Term SOFR or any other Benchmark prior to its discontinuance or unavailability, or (b) the effect, implementation or composition of any Conforming Changes. The Administrative Agent and its affiliates or other related entities may engage in transactions that affect the calculation of the Prime Rate, Term CORRA, Daily Compounded CORRA, Adjusted Term CORRA, Adjusted Daily Compounded CORRA, Term SOFR, Adjusted Term SOFR, any alternative, successor or replacement rate (including any Benchmark Replacement) or any relevant adjustments thereto, in each case, in a manner adverse to the Borrower. The Administrative Agent may select information sources or services in its reasonable discretion to ascertain the Prime Rate, Term CORRA, Daily Compounded CORRA, Adjusted Term CORRA, Adjusted Daily Compounded CORRA, Term SOFR, Adjusted Term SOFR or any other Benchmark, in each case pursuant to the terms of this Agreement, and shall have no liability to any Borrower, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service

1.05 Permitted Encumbrances

The inclusion of reference to Permitted Encumbrances in any Loan Document is not intended to subordinate and will not subordinate any Encumbrance created by any of the Security to any Permitted Encumbrance.

1.06 Currency

Unless otherwise specified in this Agreement, all references to currency (without further description) are to lawful money of Canada.

1.07 Conflicts

In the event of a conflict between the provisions of this Agreement and the provisions of any other Loan Document, then, unless such Loan Document or an acknowledgement from the Obligors and the Administrative Agent relative to such Loan Document expressly states that this Section 1.07 is not applicable to such Loan Document, notwithstanding anything else contained in such other Loan Document, the provisions of this Agreement will prevail and the provisions of such other Loan Document will be deemed to be amended to the extent necessary to eliminate such conflict.

1.08 Nature of Obligors' Liability

(1) Subject to Sections 1.08(2) and 1.08(3), nothing in any of the Loan Documents shall mean, nor be construed to mean, that the recourse of the Administrative Agent and the Lenders against the Obligors is anything other than full recourse with regard to its obligations hereunder, the manner and order of realization or the exercise of remedies hereunder or under the Security. Except where stated otherwise, the nature of the Obligors' obligations shall be joint and several.

(2) Notwithstanding any other provision of the Loan Documents, the Administrative Agent and Lenders acknowledge and agree that the obligations and liabilities of the Guarantor under any Loan Document are not personally binding upon, and resort shall not be had to, nor shall recourse or satisfaction be sought from the private property of any of:

(a) the unit holders of the Guarantor;

(b) annuitants under a plan of which a unit holder of the Guarantor acts as a trustee or carrier; and

(c) the officers, trustees, employees or agents of the Guarantor.

(3) Notwithstanding anything to the contrary contained herein, in respect of recourse against the Owner Parties only, the obligations of and rights and remedies against each of the Owner Parties only hereunder and the other Loan Documents to which such Owner Party is a party shall be performed, satisfied and paid out of and recourse shall be limited to, and enforcement taken against, only the Collateral and no other recourse shall be had, judgment issued or execution or other process levied against any Owner Party or against any assets of any Owner Party other than the Collateral (for greater certainty, nothing herein shall limit or restrict the right of the Administrative Agent or the Lenders to name any of the Owner Parties as a party in any action, proceeding or other remedial or enforcement proceeding so long as no monetary judgment or claim is sought or enforced against its assets, other than the Collateral).

1.09 Authorization and Direction

The Obligors represent and warrant that the Nominee is the bare trustee and nominee for holding legal title to the Property solely for the Borrower, pursuant to the Nominee Agreement. The Borrower irrevocably and unconditionally authorizes and directs the Nominee to execute and deliver to the Administrative Agent and the Lenders, and to perform all of its obligations under, this Agreement and the other Loan Documents to be executed by the Nominee and such other agreements, instruments and documents as may be necessary or desirable from time to time to give effect to this Agreement and the other Loan Documents.

1.10 Schedules

The following are the Schedules attached hereto and incorporated by reference and deemed to be part hereof:

Schedule A	-	Lenders and Commitments
Schedule B	-	Legal Description of Lands
Schedule C	-	Certificate re: Identity
Schedule 1.01(A)	-	Compliance Certificate
Schedule 1.01(B)	-	Rollover Notice
Schedule 1.01(C)	-	Conversion Notice
Schedule 1.01(D)	-	Drawdown Notice
Schedule 1.01(E)	-	Material Licences and Material Property Agreements
Schedule 1.01(F)	-	Additional Permitted Encumbrances
Schedule 1.01(I)	-	Repayment Notice
Schedule 8.01(14)	-	Ownership Structure
Schedule D	-	Applicable Margins
Schedule E	-	Benchmark Replacement Provisions (SOFR)

ARTICLE 2- THE CREDIT FACILITY

2.01 Credit Facility

Subject to the terms and conditions of this Agreement, the Lenders establish the Credit Facility in favour of the Borrower, which Credit Facility is non-revolving and available by way of Prime Rate Loans, CORRA Loans and/or Term SOFR Loans.

The aggregate of all Loans outstanding under the Credit Facility shall not at any time exceed the Commitment.

2.02 Purpose of Credit Facility

The Credit Facility is being made available to the Borrower to provide funds for the purpose of interim refinancing the Property and the balance being distributed to the Borrower.

2.03 Manner of Borrowing

Subject to the terms and conditions hereof, the Borrower may make a single Drawdown under the Credit Facility by way of a Prime Rate Loan. Any amounts not drawn down on the Closing Date under the Credit Facility shall be cancelled.

2.04 Drawdowns, Conversions and Rollovers

(1) The Borrower must give the Administrative Agent a Drawdown Notice, Conversion Notice or Rollover Notice, as the case may be, on or prior to 11:00 a.m. (Toronto time) on the day which is two (2) Business Days prior to the proposed Drawdown Date, Conversion Date or Rollover Date, as applicable. The Drawdown Date and each Conversion Date and Rollover Date must be a Business Day.

(2) Subject to the provisions of this Agreement, the Borrower may (i) convert the whole or any part of any type of Loan into any other type of Loan, or (ii) roll over any CORRA Loans or Term SOFR Loans on the last day of the applicable Interest Period therefor, by giving the Administrative Agent a Conversion Notice or Rollover Notice, as the case may be.

(3) The maximum amount outstanding under the Credit Facility at any time shall not exceed the Credit Facility Commitment.

(4) If the Borrower fails to deliver a Conversion Notice or a Rollover Notice to the Administrative Agent for any maturing CORRA Loan or Term SOFR Loan as provided in this Section 2.04, then on the last day of the Interest Period applicable to such CORRA Loan or Term SOFR Loan, as applicable, such CORRA Loan or Term SOFR Loan shall be converted automatically into a Prime Rate Loan in the principal amount of such CORRA Loan or the Equivalent Amount of such Term SOFR Loan, determined on the date of Conversion thereof.

2.05 Lenders' Obligations

Upon receipt of a Drawdown Notice, the Administrative Agent shall forthwith notify the Lenders of the proposed Drawdown Date of each Lender's Rateable Portion of the Loan. Each Lender shall, on or before 11:00 a.m. (Toronto time) on the Drawdown Date specified by the Borrower in the applicable Drawdown Notice, credit the Administrative Agent's account with the amount of such Lender's Rateable Portion of such Loan. By 2:00 p.m. (Toronto time) on the same date, subject to Sections 7.02 and 18.01, the Administrative Agent shall pay to the Borrower in accordance with the irrevocable direction set out in the Drawdown Notice, the full amount of the amounts so credited.

2.06 Irrevocability

Each Drawdown Notice, Conversion Notice and Rollover Notice given by the Borrower hereunder is irrevocable and will oblige the Borrower to take the action contemplated on the date specified therein.

2.07 Account of Record

The Administrative Agent shall open and maintain books of account evidencing all Loans and all other amounts owing by the Borrower to the Lenders hereunder. The Administrative Agent shall enter in the foregoing accounts details of all amounts from time to time owing, paid or repaid by the Borrower hereunder. The information entered in the foregoing accounts shall constitute *prima facie* evidence, absent manifest error, of the Obligations of the Borrower to the Lenders hereunder with respect to all Loans and all other amounts owing by the Borrower to the Lenders hereunder. After a request by the Borrower, the Administrative Agent shall promptly advise the Borrower of such entries made in its books of account.

2.08 Interest on Excess Loans, Unpaid Costs and Expenses

Unless the payment of interest is otherwise specifically provided for herein, where the Borrower fails to pay any amount required to be paid by it hereunder when due having received notice that such amount is due (including, without limitation, the portion of any Loan made under a Credit Facility hereunder that exceeds the Commitment), the Borrower shall pay interest on such unpaid amount from the time such amount is due until paid at an annual rate equal to the Prime Rate plus the Prime Rate Margin plus 2.0% per annum (for greater clarity, such higher rate shall not apply to overdue interest on Loans).

2.09 Inability to Determine Rates

(1) Subject to Section 2.11, if, on or prior to the first day of any Interest Period for any Term CORRA Loan or Daily Compounded CORRA Loan, as applicable:

(a) the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that "Adjusted Term CORRA" or "Adjusted Daily Compounded CORRA", as applicable, cannot be determined pursuant to the definition thereof, for reasons other than a Benchmark Transition Event, or

(b) the Majority of the Lenders determines that for any reason in connection with any request for a Term CORRA Loan or Daily Compounded CORRA Loan, as applicable, or a conversion thereto or a continuation thereof that Term CORRA or Daily Compounded CORRA, as applicable, for any requested Interest Period with respect to a proposed Term CORRA Loan or Daily Compounded CORRA Loan, as applicable, does not adequately and fairly reflect the cost to such Lenders of making and maintaining such Loan, and the Majority of the Lenders has provided notice of such determination to the Administrative Agent,

the Administrative Agent will promptly so notify the Borrower and each Lender.

(2) Upon delivery of such notice by the Administrative Agent to the Borrower under Section 2.09(1), any obligation of the Lenders to make Term CORRA Loans or Daily Compounded CORRA Loans, as applicable, and any right of the Borrower to continue Term CORRA Loans or Daily Compounded CORRA Loans, as applicable, or to convert Prime Rate Loans to Term CORRA Loans or Daily Compounded CORRA Loans, as applicable, shall be suspended (to the extent of the affected Term CORRA Loans or Daily Compounded CORRA

Loans, as applicable, or affected Interest Periods) until the Administrative Agent (with respect to Section 2.09(1)(b), at the instruction of the Majority of the Lenders) revokes such notice.

Upon receipt of such notice by the Administrative Agent to the Borrower under Section 2.09(1), (i)(x) the Borrower may revoke any pending request for a borrowing of, conversion to or continuation of Term CORRA Loans or Daily Compounded CORRA Loans, as applicable, (to the extent of the affected Term CORRA Loans or Daily Compounded CORRA Loans, as applicable, or affected Interest Periods); (y) in respect of Term CORRA Loans, the Borrower may elect to convert any such request into a request for a Drawdown of or conversion to Daily Compounded CORRA Loans; or, failing such revocation or election, (z) the Borrower will be deemed to have converted any such request into a request for a Drawdown of or conversion to Prime Rate Loans, in the amount specified therein and (ii) (x) in respect of Term CORRA Loans, the Borrower may elect to convert any outstanding affected Term CORRA Loans at the end of the applicable interest Period, into Daily Compounded CORRA Loans, and (y) otherwise, or failing such election, any outstanding affected Term CORRA Loans or Daily Compounded CORRA Loans, as applicable, will be deemed to have been converted, at the end of the applicable Interest Period, into Prime Rate Loans. Upon any such conversion, the Borrower shall also pay accrued interest on the amount so converted, together with any additional amounts required pursuant to Section 6.02.

2.10 Maturity Date

The Borrower will repay the outstanding principal amount of all Loans and all other related Obligations under the Credit Facility on January 26, 2027 (the "**Maturity Date**") provided that where such date is not a Business Day, the Maturity Date shall be the first Business Day preceding such date. Subject to the provisions of Section 12.02, the Borrower shall repay and there shall become due and payable on the Maturity Date, the Loans under the Credit Facility, and all accrued and unpaid interest thereon and pay such other amounts as are then owing to the Administrative Agent and the Lenders hereunder or under the other Loan Documents.

2.11 Benchmark Replacement Setting

(1) Benchmark Replacement Notwithstanding anything to the contrary herein or in any other Loan Document, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior any setting of the then-current Benchmark, then (x) if a Benchmark Replacement is determined in accordance with clause (a) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document and (y) if a Benchmark Replacement is determined in accordance with clause (b) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m. (Toronto time) on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this

Agreement or any other Loan Document so long as the Administrative Agent has not received, by such time, written notice of objection to such Benchmark Replacement from the Majority of the Lenders. If the Benchmark Replacement is Adjusted Daily Compounded CORRA, all interest payments will be payable on the last day of each Interest Period. No Eligible Hedge Agreement shall be deemed to be a "Loan Document" for purposes of this Section 2.11.

(2) Conforming Changes In connection with the use, administration, adoption or implementation of a Benchmark Replacement, the Administrative Agent will have the right to make such Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.

(3) Notices; Standards for Decisions and Determinations The Administrative Agent will promptly notify the Borrower and the Lenders of (i) the implementation of any Benchmark Replacement and (ii) the effectiveness of any such Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement. The Administrative Agent will notify the Borrower of (x) the removal or reinstatement of any tenor of a Benchmark pursuant to Section 2.11(4) and (y) the commencement of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 2.11 including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section 2.11.

(4) Unavailability of Tenor of Benchmark Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including Term CORRA) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion or (B) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is not or will not be representative, then the Administrative Agent may modify the definition of "Interest Period" (or any similar or analogous definition) for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is not or will not be representative for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may modify the definition of "Interest Period" (or any similar or analogous definition) for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(5) Benchmark Unavailability Period Upon the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrower may revoke any pending request for a Drawdown of, conversion to or continuation of Loans, which are of the type that have a rate of interest determined by reference to the then-current Benchmark, to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Borrower will be deemed to have converted any such request into a request for a Drawdown of or conversion to, (i) for a Benchmark Unavailability Period in respect of Term CORRA, Daily Compounded CORRA Loans, and (ii) for a Benchmark Unavailability Period in respect of a Benchmark other than Term CORRA, Prime Rate Loans.

(6) Amendments The Administrative Agent and the Borrower may, without the consent of any Lender, enter into amendments or modifications to this Agreement or any of the other Loan Documents or to enter into additional Loan Documents as the Administrative Agent deems appropriate in order to implement any Benchmark Replacement or any Conforming Change or otherwise effectuate the terms of this Section 2.11 in accordance with the terms hereof.

2.12 Circumstances Requiring Canadian Dollar Loans

If, in connection with any Term SOFR Loan, any Lender determines in good faith and notifies the Borrower that (i) by reason of circumstances affecting financial markets inside or outside Canada, deposits of U.S. Dollars are unavailable to such Lender; or (ii) any change in Applicable Laws has made it unlawful for such Lender to make or maintain or to give effect to its obligations in respect of Term SOFR Loans as contemplated hereby, then:

(a) the right of the Borrower to select a Term SOFR Loan shall be suspended from the date of such notice thereof by the Administrative Agent to the Borrower until the relevant Lender determines, and has given notice of such determination to the Administrative Agent and the Borrower, that the circumstances causing the suspension no longer exist (which it shall do as soon as practicable thereafter);

(b) if any such Term SOFR Loan is not yet outstanding, any applicable request for a Conversion to such Term SOFR Loan shall be suspended from the date of notice thereof by the Administrative Agent to the Borrower until the relevant Lender determines, and has given notice of such determination to the Administrative Agent and the Borrower, that the circumstances causing the suspension no longer exist (which it shall do as soon as practicable thereafter); and

(c) if any Term SOFR Loan is already outstanding at any time when the right of the Borrower to select a Term SOFR Loan is suspended, it and all other Term SOFR Loans shall be converted automatically into a Prime Rate Loan on the last day of the then current Interest Period applicable thereto (or on such earlier date as may be required to comply with any Applicable Laws) in a principal amount equal to the Equivalent Amount in Canadian Dollars of such Term SOFR Loan determined on the date of Conversion thereof.

2.13 SOFR Benchmark Replacement

Notwithstanding anything to the contrary contained herein, all Term SOFR Loans shall be subject to the terms and conditions of Schedule E.

2.14 CORRA Licensing

(1) Each Lender hereby (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and its respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party:

(a) it has all necessary licenses and approvals from TMX Datalinx (or any successor licensor of the Term CORRA Reference Rate) required for the use of the Term CORRA Reference Rate with respect to the issue of Canadian Dollar loans and other loan products including the making or advance of Loans or other grants or extensions of credit pursuant to or as otherwise contemplated under this Agreement and the other Loan Documents;

(b) without limiting clause (a) above, it has all other necessary permits, approvals or licenses necessary for such Lender to perform its obligations as a Lender under this Agreement and the other Loan Documents; and

(c) all such licenses, permits and approvals are in good standing and full force and effect and such Lender has done and will do all things necessary to comply, preserve, renew and keep in full force and such licenses, permits and approvals; and

(2) the Administrative Agent shall be entitled to rely on the forgoing representations of each Lender and shall have no obligation and shall not be responsible to verify or confirm the existence or validity of any such licenses, permits or approvals of any Lender or to monitor or verify such Lender's compliance with, or the status and standing of, any such license, permits or approvals and the Administrative Agent shall have no liability to the Borrower, any Lender or any other Person or entity for any damages of any kind in connection with the foregoing.

ARTICLE 3- DISBURSEMENT CONDITIONS

3.01 Conditions Precedent to Drawdown

The obligation of the Lenders to make the Drawdown is subject to and conditional upon the prior satisfaction of the following conditions precedent:

(a) the Administrative Agent will have received a Drawdown Notice by the time required under Section 2.04(1) and (1);

(b) the representations and warranties deemed to be repeated pursuant to Section 8.02 will continue to be true and correct in all material respects as if made on and as of the Drawdown Date;

(c) no Default or Event of Default will have occurred and be continuing on the Drawdown Date, or would result from making the requested advance;

(d) a Material Adverse Change will not have occurred and be continuing;

(e) the Administrative Agent will have received certified copies of the Organizational Documents of each Obligor, the resolutions authorizing the execution and delivery of, and performance of each Obligor's respective obligations under, the Loan Documents (including, without limitation, this Agreement) and the transactions contemplated herein and therein, as applicable, and a certificate as to the incumbency of the officers of the relevant Obligors executing the Loan Documents and any other documents to be provided pursuant to the provisions hereof;

(f) except as otherwise agreed by the Lenders, certificates of status or comparable certificates for all Relevant Jurisdictions of each of the Borrower and the other Obligors will have been delivered to the Administrative Agent;

(g) the Lenders will have completed their due diligence with respect to the Obligors and the Property, and will have received all financial, corporate and other information requested by the Lenders, including receipt and review of:

(i) (A) Up to date (i) operating statements for the Property for the three month period ending September 30, 2023 (ii) operating statements for the Property for the year ended December 31, 2022, and (iii) rent roll for the Property; (B) the most recent financial statements of the Guarantor (including (i) statements for the three months ending September 30, 2023 and (ii) the annual financial statements required pursuant to Section 9.02(1) for the Fiscal Year ending on December 31, 2022); and (C) 2024 operating budget in respect of the Property together with a one year projection budget and timeline of capital expenditures for the Property;

(ii) all Leases and Material Property Agreements (including, without limitation, satisfactory review and approval of the Limited Partnership Agreement), and all Permitted Encumbrances;

(iii) a certificate from the City or a copy of the relevant tax bill issued by the City and evidence of payment thereof satisfactory to the Administrative Agent, evidencing that realty Taxes levied against the Lands are current;

(iv) a Phase I and, if necessary, a Phase II environmental report (as required by the Phase I report) with respect to the Property, each of which must be addressed to the Administrative Agent or accompanied by a letter from the environmental consultant addressed to the Administrative Agent that permits the Administrative Agent to rely on such reports;

(v) a property condition assessment with respect to the Property, which must be addressed to the Administrative Agent or accompanied by a letter from the consultant addressed to the Administrative Agent that permits the Administrative Agent to rely on such report;

(vi) an Appraisal for the Property, the contents of which shall be satisfactory to the Administrative Agent in its sole discretion together with a reliance letter issued by the author thereof permitting the Administrative Agent to rely upon such Appraisal (such letter to be in a form acceptable to the Administrative Agent);

(vii) if required by any Lender, such Lender shall have completed such site visits and investigations in respect of the Property as it deems appropriate and shall be satisfied with the results of same;

(viii) the Administrative Agent shall have received the estoppel certificate in form and substance satisfactory to the Lenders, acting reasonably, in respect of the Store Sublease;

(ix) if available, a current survey and reference plan of the Lands prepared by an accredited surveyor, acceptable to the Administrative Agent, showing the boundaries of the Lands, the location of the buildings and structures situate thereon and the location of encroachments, easements or rights-of-way;

(x) evidence satisfactory to the Lenders that the Borrower's insurance is satisfactory and complies with this Agreement (and in respect of which the independent insurance consultant retained by the Administrative Agent shall have provided a written report to the Administrative Agent confirming same, together with all insurance certificates);

(xi) any other documents related to the Property that the Lenders deem necessary; and

(xii) such financial and other information or documents relating to the Obligors as the Lenders may reasonably require,

and the results of such due diligence will be satisfactory to the Lenders in their sole discretion;

(h) except as otherwise agreed by the Lenders, the Administrative Agent will have received certified copies of all shareholder approvals and true copies of all regulatory, governmental and other approvals, if any, required in order for the Obligors to enter into this Agreement and the other Loan Documents and to perform their obligations hereunder;

(i) all releases, discharges and postponements that are required in the discretion of the Lenders (in registrable form where necessary) with respect to all Encumbrances

affecting the collateral Encumbered by the Security that are not Permitted Encumbrances, if any, will have been delivered to the Administrative Agent;

(j) the Administrative Agent will have received payment of all fees and expenses (including the fees and disbursements of the Lender's Counsel) payable to the Lenders that are due and payable at such time (provided that invoices/notices have been submitted to the Borrower);

(k) duly executed copies of the Security and all other Loan Documents and deliveries in connection therewith will have been delivered to the Administrative Agent and all such Loan Documents will have been duly registered, filed and recorded in all Relevant Jurisdictions where required by Applicable Law or where the Lenders considers it necessary, in its sole discretion, to do so;

(l) the Administrative Agent shall have received one or more currently dated opinions of Obligors' Counsel as to such matters and in such form acceptable to the Administrative Agent and Lender's Counsel addressed to the Administrative Agent and Lender's Counsel, with respect to each Obligor including, without limitation, enforceability, creation and perfection of security interest and non-contravention of the Organizational Documents and Applicable Laws;

(m) all registrations and filings shall have been made which the Administrative Agent determines to be necessary or advisable to preserve and protect the Security, including, without limitation, obtaining a title insurance policy in favour of the Administrative Agent in form which is satisfactory to the Administrative Agent;

(n) the Administrative Agent will have received an identity certificate with respect to the Borrower and the other applicable Obligors substantially in the form attached at Schedule C and any applicable documentation required by the Lenders in respect of anti-money laundering requirements in a form acceptable to each Lender;

(o) the Lenders will have received from the Borrower all required identification and other due diligence materials required to allow the Lenders to comply with their obligations under all applicable anti-money laundering and anti-terrorism laws and regulations to which each Lender may be subject (including, without limitation, the AMLA);

(p) the Administrative Agent will have received a Compliance Certificate from the Guarantor acceptable to the Lenders;

(q) the Administrative Agent shall have received all other reports and deliveries required hereunder for the period prior to such Drawdown Date;

(r) the Drawdown must have occurred no later than January 31, 2024;

(s) delivery of a true copy of and satisfactory review by the Administrative Agent of the Store Ground Lease and the Head Lease;

(t) the Borrower shall have delivered the Store Ground Lessor Consent to the Administrative Agent;

(u) each Lender (on the advice of Lenders' Counsel, as applicable) shall have confirmed its satisfaction with each of the foregoing conditions precedent to the Administrative Agent on or before 11:00 a.m. (Toronto time) of the Business Day prior to the Drawdown detailed in the Drawdown Notice required by Section 3.01(a) (whereby each Lender that has not indicated its satisfaction on or before such time shall be deemed to have been so satisfied); and

(v) all other terms and conditions of this Agreement upon which the Borrower may obtain a Loan that have not been waived will have been fulfilled in all material respects,

provided that all documents delivered pursuant to this Section 3.01 must be in full force and effect, and in form and substance satisfactory to the Lenders.

3.02 Waiver

The conditions set forth in Section 3.01 are inserted for the sole benefit of the Lenders and may be waived by the Lenders, in whole or in part (with or without terms or conditions), in respect of the Drawdown.

ARTICLE 4 - PAYMENTS OF INTEREST AND COMMITMENT FEES

4.01 Interest on Prime Rate Loans

The Borrower will pay interest on each Prime Rate Loan during each Interest Period applicable thereto in Canadian Dollars at a rate *per annum* equal to the sum of (i) the Prime Rate in effect from time to time during such Interest Period plus (ii) the Prime Rate Margin. Each determination by the Administrative Agent of the Prime Rate applicable from time to time during an Interest Period will, in the absence of manifest error, be binding upon the Borrower. Such interest will be payable in arrears on each Prime Rate Loan Interest Payment Date for such Loan for the period from and including the Drawdown Date, Conversion Date or preceding Prime Rate Loan Interest Payment Date, as the case may be, for such Loan to but excluding such Prime Rate Loan Interest Payment Date (or, if such Prime Rate Loan Interest Payment Date follows the repayment of such Loan or the Conversion of such Loan, to but excluding the date of such repayment or Conversion) and will be calculated on the principal amount of the Prime Rate Loan outstanding during such period and on the basis of the actual number of days elapsed in a year of 365 days or 366 days, as the case may be. Changes in the Prime Rate will cause an immediate adjustment of the interest rate applicable to such Loan without the necessity of any notice to the Borrower.

4.02 Interest on CORRA Loans

(1) The Borrower will pay interest on each Term CORRA Loan during each Interest Period applicable thereto in Canadian Dollars at a rate *per annum* equal to the sum of (a) Adjusted Term CORRA in effect from time to time during such Interest Period, plus (b) the CORRA Margin. Any amount of principal of, or interest on, any such Term CORRA Loan which is not paid when due (whether at stated maturity, by acceleration or otherwise) shall be payable on demand and shall bear interest (both before and after judgment), from the date on which such amount is due until such amount is paid in full, at a rate per annum equal to Adjusted Term CORRA in effect from time to time plus the CORRA Margin. Accrued interest on each Term CORRA Loan will be (a) calculated daily and payable in arrears on (i) each Interest Payment Date for such Term CORRA Loan for the period from and including the Drawdown Date, Conversion Date, Rollover Date or preceding Interest Payment Date, as the case may be, for such Term CORRA Loan to but excluding such Interest Payment Date (or, if such Interest Payment Date follows the repayment of such Term CORRA Loan or the Conversion of such Term CORRA Loan, to but excluding the date of such repayment or Conversion), and (ii) on the day on which such Term CORRA Loan becomes due and payable in full pursuant to the provisions hereof; and (b) calculated on the principal amount of such Term CORRA Loan outstanding during such period and on the basis of the actual number of days elapsed in a year of 365 days.

(2) The Borrower will pay interest on each Daily Compounded CORRA Loan during each Interest Period applicable thereto in Canadian Dollars at a rate *per annum* equal to the sum of (a) Adjusted Daily Compounded CORRA in effect from time to time during such Interest Period, plus (b) the CORRA Margin. Any amount of principal of, or interest on, any such Daily Compounded CORRA Loan which is not paid when due (whether at stated maturity, by acceleration or otherwise) shall be payable on demand and shall bear interest (both before and after judgment), from the date on which such amount is due until such amount is paid in full, at a rate per annum equal to Adjusted Daily Compounded CORRA in effect from time to time plus the CORRA Margin. Accrued interest on each Daily Compounded CORRA Loan will be (a) calculated daily and payable in arrears on (i) each Interest Payment Date for such Daily Compounded CORRA Loan for the period from and including the Drawdown Date, Conversion Date, Rollover Date or preceding Interest Payment Date, as the case may be, for such Daily Compounded CORRA Loan to but excluding such Interest Payment Date (or, if such Interest Payment Date follows the repayment of such Daily Compounded CORRA Loan or the Conversion of such Daily Compounded CORRA Loan, to but excluding the date of such repayment or Conversion), and (ii) on the day on which such Daily Compounded CORRA Loan becomes due and payable in full pursuant to the provisions hereof; and (b) calculated on the principal amount of such Daily Compounded CORRA Loan outstanding during such period and on the basis of the actual number of days elapsed in a year of 365 days.

4.03 Interest on Term SOFR Loans

The Borrower will pay interest on each Term SOFR Loan during each Interest Period applicable thereto in U.S. Dollars at a rate *per annum* (expressed on the basis of a 360 day year) equal to the sum of (a) the Adjusted Term SOFR plus (b) the SOFR Margin, in each case, from time to time during such Interest Period. Each determination by the Administrative Agent

of the Adjusted Term SOFR with respect to an Interest Period applicable from time to time during such Interest Period will, in the absence of manifest error, be binding upon the Borrower. Such interest will be payable in arrears on each Interest Payment Date for such Term SOFR Loan for the period from and including the Conversion Date, Rollover Date or preceding Interest Payment Date, as the case may be, for such Term SOFR Loan to but excluding such Interest Payment Date and will be calculated on the principal amount of the Term SOFR Loan outstanding during such period and on the basis of the actual number of days elapsed divided by 360. Changes in the Adjusted Term SOFR will result in an immediate adjustment of the interest rate applicable to such Term SOFR Loan without the necessity of any notice to the Borrower. The Administrative Agent shall provide notice of such adjustment to the Borrower as soon as practical thereafter.

4.04 Intentionally Omitted

4.05 Maximum Rate of Interest

Notwithstanding anything contained herein to the contrary, the Borrower will not be obliged to make any payment of interest or other amounts payable to the Lenders hereunder in excess of the amount or rate that would be permitted by Applicable Law or would result in the receipt by the Lenders of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)). If the making of any payment by the Borrower would result in a payment being made that is in excess of such amount or rate, the Lenders will determine the payment or payments that are to be reduced or refunded, as the case may be, so that such result does not occur.

4.06 Upfront and Other Fees

In consideration of the Lenders providing the Credit Facility pursuant to the terms of this Agreement, the Borrower will pay, on the date of the Drawdown, the Administrative Agent for the account of the Lenders (each as to their Rateable Portion, an upfront fee in the amount of Cdn. $101,250 (being 0.045% per annum of the Credit Facility Commitment). The Borrower shall pay such other fees in amounts, and on the terms and conditions, agreed to in writing with the Administrative Agent and the Borrower. All such written arrangements will constitute a Loan Document hereunder.

ARTICLE 5 – INTENTIONALLY OMITTED

ARTICLE 6- REPAYMENT

6.01 Mandatory Repayment

(1) The Borrower shall repay in full all of the Loans, accrued and unpaid interest and all other Obligations in full under the Credit Facility on the earlier of (i) the Maturity Date, or (ii) subject to the provisions of Sections 6.01(2) and 9.03 below, the Disposition of the Property (or any material portion thereof), or the financing or refinancing of the Property (or any portion thereof) (including mortgages, mortgage bonds or other secured credit facility).

(2) The Borrower shall repay Loans outstanding under the Credit Facility from the following amounts (on the express understanding and agreement that any such repayment(s) shall result in a corresponding permanent reduction in the Commitment:

(a) 100% of net proceeds of property insurance in respect of the Property, if not required to be applied towards replacement, restoration or rebuilding of same, on the terms and conditions set out in Section 9.01(8); and

(b) 100% of the net proceeds of any financing or Disposition of the Property (or any portion thereof) (which amount, together with any additional amount paid by the Borrower, shall be not less than the outstanding amount of the Credit Facility (which shall be cancelled in conjunction therewith)).

6.02 Repayment Compensation

In the event of (a) the payment of any principal of any Term CORRA Loan, Daily Compounded CORRA Loan or Term SOFR Loan, as applicable, prior to the last day of an Interest Period (including as a result of an Event of Default), (b) the conversion of any Term CORRA Loan, Daily Compounded CORRA Loan or Term SOFR Loan, as applicable, other than on the last day of the Interest Period, (c) the failure to borrow, convert, continue or prepay any Loan on the date specified in any notice delivered pursuant hereto, or (d) the assignment of any Term CORRA Loan, Daily Compounded CORRA Loan or Term SOFR Loan, as applicable, other than on the last day of the Interest Period, then, in any such event, the Borrower shall, after receipt of a written request by any Lender affected by any such event (which request shall set forth in reasonable detail the basis for requesting such amount), compensate each Lender for the loss, cost and expense attributable to such event. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section delivered to the Borrower shall be presumptively correct absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within ten (10) days after receipt of such demand.

6.03 Intentionally Omitted

6.04 Voluntary Prepayments

The Borrower may at any time and from time to time prepay without penalty (subject to Section 6.02) to the Administrative Agent for the account of the Lenders, the whole or any part of any Loan together with accrued interest thereon to the date of such prepayment provided that:

(a) the Borrower shall give a Repayment Notice to the Administrative Agent at least three (3) Business Days prior to the prepayment date;

(b) such prepayment shall be a permanent reduction of the Credit Facility; and

(c) each such prepayment shall be in a minimum amount of the lesser of (i) Cdn. $500,000, and (ii) the principal amount of all Loans outstanding immediately prior to

such prepayment, and any such prepayment in excess of Cdn. $500,000 shall be in increments of Cdn. $100,000, and integral multiples thereof.

6.05 Excess Amount

Following a daily calculation, if the Administrative Agent determines that on any day as a result of currency fluctuations the aggregate of (a) Loans in Canadian Dollars then outstanding under the Credit Facility, and (b) the Equivalent Amount in Canadian Dollars of Loans in U.S. Dollars then outstanding under the Credit Facility, on such day exceeds the Credit Facility Commitment by greater than 2% (in each case, the amount of the excess being referred to herein as an "**Excess Amount**"), the Administrative Agent will notify the Borrower that such an event has occurred, and the Borrower will within five (5) Business Days following receipt of such notice (and provided that it has not received a subsequent notice from the Administrative Agent that as a result of further currency fluctuation within the previous five (5) Business Days such Excess Amount no longer exists) pay to the Administrative Agent the Excess Amount, which amount the Administrative Agent shall, at the Borrower's option, either (x) apply to repay Loans and other Obligations under the Credit Facility in an amount equal to the Excess Amount, or (y) hold in an interest bearing cash collateral account as security for the Obligations (and subject to the security interests created by the Security) and apply in payment of same as they mature, with the interest thereon paid to the Borrower unless an Event of Default is then continuing, in which case such interest shall be applied by the Administrative Agent in accordance with the terms hereof, provided that if at any time there is no longer an Excess Amount, as determined by the Administrative Agent, any funds held in the cash collateral account as set forth in this clause (y) shall be returned to the Borrower, unless an Event of Default is then continuing.

ARTICLE 7- PLACE AND APPLICATION OF PAYMENTS

7.01 Place of Payment of Principal, Interest and Fees

All payments of principal, interest, fees and other amounts to be made by the Borrower to the Administrative Agent for the account of the Lenders pursuant to this Agreement shall be made for value on the day such amount is due and, if such day is not a Business Day, on the Business Day next following, by deposit or transfer thereof to the account of the Administrative Agent designated by the Administrative Agent for such purpose or at such other place as the Administrative Agent and the Borrower may from time to time agree.

7.02 Funds

Each amount advanced, disbursed or paid hereunder shall be advanced, disbursed or paid, as the case may be, in such form of funds as may from time to time be customarily used for Canadian Dollars or U.S. Dollars, as applicable, in Toronto, Ontario, in the settlement of banking transactions similar to the banking transactions required to give effect to the provisions of this Agreement on the day such advance, disbursement or payment is to be made, and, in any event, subject to the provisions of Section 2.04.

ARTICLE 8 - REPRESENTATIONS AND WARRANTIES

8.01 Representations and Warranties

The Borrower represents and warrants to the Administrative Agent and each of the Lenders as follows, and acknowledges and confirms that the Administrative Agent and each of the Lenders are relying upon such representations and warranties:

(1) Existence and Qualification Each Obligor (i) that is a corporation or company has been duly incorporated, amalgamated or continued, as the case may be, and is validly subsisting as a corporation or company under the laws of its jurisdiction of incorporation, amalgamation, or continuance, as the case may be, (ii) that is not a corporation or company has been duly created or established as a partnership or other entity and validly exists under the laws of the jurisdiction in which it has been created or established, and (iii) is duly qualified to carry on business in all jurisdictions in which it carries on its business and has all Material Licences required to conduct such business.

(2) Power and Authority Each Obligor has the power, authority and right (i) to enter into and deliver, and to exercise its rights and perform its obligations under, the Loan Documents to which it is a party and all other instruments and agreements delivered by it pursuant to any of the Loan Documents, and (ii) to own its property and carry on its business as currently conducted and as currently proposed to be conducted by it. Without limiting the foregoing, each of the Obligors has all necessary power and authority to own its respective interest in the Property.

(3) Execution, Delivery, Performance and Enforceability of Documents The execution, delivery and performance of each of the Loan Documents to which any Obligor is a party, and every other instrument or agreement delivered by it pursuant to any Loan Document, has been duly authorized by all actions, if any, required on its part and by its directors (or where applicable partners, members or managers), and each of such documents has been duly executed and delivered and, to the best of the knowledge of each Obligor, as applicable, constitutes a valid and legally binding obligation of the particular Obligor enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, reorganization, arrangement, winding-up, moratorium and other similar laws of general application limiting the enforcement of creditors' rights generally and to general equitable principles.

(4) Loan Documents Comply with Applicable Laws, Organizational Documents and Contractual Obligations Neither the entering into nor the delivery of, and neither the consummation of the transactions contemplated in nor compliance with the terms, conditions and provisions of, the Loan Documents by any Obligor conflicts with or will conflict with, or results or will result in any breach of, or constitutes a default under or contravention of, any Requirements of Law applicable to it or any of its, or if applicable, its general partner's or partners', Organizational Documents, or results or will result in the creation or imposition of any Encumbrance other than Permitted Encumbrances except in favour of the Administrative Agent upon any of its property, including, in the case of the Owner Parties, the Property.

(5) Consents Respecting Loan Documents Each Obligor has obtained, made or taken all consents, approvals, authorizations, declarations, registrations, filings, notices and other

actions whatsoever required as to the date hereof in connection with the execution and delivery by it of each of the Loan Documents to which it is a party and the consummation of the transactions contemplated in the Loan Documents.

(6) Taxes Each of the Obligors has paid or made adequate provision for the payment of all Taxes levied on it or on its property (including the Property) or income that are due and payable, including interest and penalties, or has accrued such amounts in its financial statements for the payment of such Taxes, except Taxes that are not material in amount or that are not delinquent (or if delinquent are being contested in good faith, and in respect of which non-payment would not individually or in the aggregate constitute, or be reasonably likely to cause, a Material Adverse Change, and, if the aggregate amount of same is in excess of Cdn. $100,000, in respect of which the Obligors have deposited with the Administrative Agent or the appropriate Governmental Authority collateral satisfactory to the Administrative Agent or such Governmental Authority, as the case may be, to secure the payment of such Taxes and so long as the Administrative Agent is satisfied that its Security is not in jeopardy), and there is no material action, suit, proceeding, investigation, audit or claim now pending, or to its knowledge threatened, by any Governmental Authority regarding any Taxes that is reasonably likely to cause a Material Adverse Change nor has it agreed to waive or extend any statute of limitations with respect to the payment or collection of Taxes.

(7) Judgments, Etc. No Obligor is subject to any judgment, order, writ, injunction, decree or award, or to any restriction, rule or regulation (other than customary or ordinary course restrictions, rules and regulations consistent or similar with those imposed on other Persons engaged in similar businesses) that has not been stayed or of which enforcement has not been suspended and that individually or in the aggregate constitutes, or is reasonably likely to cause, a Material Adverse Change.

(8) Absence of Litigation There are no actions, suits or proceedings pending or, to the best of the Obligors' knowledge and belief, after due inquiry and all reasonable investigation, threatened against or affecting any Obligor that are reasonably likely to cause, either separately or in the aggregate, a Material Adverse Change. None of the Obligors is in default with respect to any Applicable Law in a manner or to an extent that could reasonably be expected to cause a Material Adverse Change.

(9) Title to Lands The Nominee is the registered owner and the Borrower is the beneficial owner of the leasehold interest in and to the Lands, in each case with good and marketable leasehold title thereof, and any other real and personal property of any nature which is part of the Property, in each case free and clear of all Encumbrances except Permitted Encumbrances, and no Person has any agreement or right to acquire an interest in the Property, save and except pursuant to Permitted Encumbrances.

(10) Labour Relations No Owner Party is engaged in any unfair labour practice that could reasonably be expected to cause a Material Adverse Change, and there is no unfair labour practice complaint pending against any Owner Party or, to the best of their knowledge, threatened against any Owner Party, before any Governmental Authority that if adversely determined could reasonably be expected to cause a Material Adverse Change. No grievance or arbitration arising out of or under any collective bargaining agreement is pending against any

Owner Party or to the best of the Owner Parties' knowledge, threatened against either of them that are reasonably likely to cause a Material Adverse Change. To the best of the Borrower's knowledge, no strike, labour dispute, slowdown or stoppage is pending against any Owner Party or, to the best of its knowledge, threatened against either of them and no union representation proceeding is pending with respect to any employees of any Owner Party, except (with respect to any matter specified in this sentence, either individually or in the aggregate) such as could not reasonably be expected to cause a Material Adverse Change.

(11) Compliance with Laws To the best of the knowledge of the Borrower, none of the Obligors is in default under any Applicable Law where such default could reasonably be expected to cause a Material Adverse Change. To the best of the knowledge of the Borrower, the Property is in compliance in all material respects with all Applicable Law, including, without limitation, all Environmental Law where non-compliance could reasonably be expected to cause a Material Adverse Change. Further, to the best of the knowledge of the Obligors, there are no facts known or which ought reasonably to be known which could give rise to a notice of non-compliance with any Applicable Law where such non-compliance could reasonably be expected to cause a Material Adverse Change.

(12) Changes to Applicable Law To the best of the knowledge of the Borrower, there are no pending or proposed changes to Applicable Law which would render illegal or materially restrict the operation of the Property.

(13) No Default No Default or Event of Default has occurred and is continuing. No Obligor is in violation of, or in default under, any agreement, mortgage, franchise, licence, judgment, decree, order, statute, rule or regulation which is material to its or their interests in the Property which violation or default is reasonably likely to constitute, or could reasonably be expected to constitute, or cause, a Material Adverse Change nor will execution, delivery and performance of this Agreement, the Loan Documents to which they are a party or any of the agreements provided for or contemplated hereby result in any such violation.

(14) Ownership Structure The ownership structure of the Borrower and the Property is as set out in Schedule 8.01(14).

(15) Relevant Jurisdictions The Relevant Jurisdictions for each Obligor (other than the Nominee) is Ontario. The Relevant Jurisdiction for the Nominee is British Columbia.

(16) Security To the best of the knowledge of the Borrower, the Security is effective to create in favour of the Administrative Agent as security for the Obligations described therein, a legal, valid, binding and enforceable security interest in the collateral described therein and the proceeds thereof, subject however to any applicable bankruptcy, insolvency, re-organization, arrangement, winding-up, moratorium and other similar laws of general application limiting the enforcement of creditors' rights generally and to general equitable principles.

(17) Material Property Agreements, Material Licences and Permitted Encumbrances

(a) True copies of each of the Material Property Agreements and Material Licences existing as of the date of this Agreement have been delivered to the Administrative Agent.

(b) With respect to each of the Material Property Agreements: (A) it is in full force and effect and has not, except as has been disclosed to (and consented to, where required hereunder) the Administrative Agent, been amended; (B) to the extent an Obligor is a party thereto, it has been duly executed and delivered and constitutes a valid and binding obligation of such Obligor; and (C) no Obligor has received any notice or claim of a default or breach which is reasonably likely to constitute, or could reasonably be expected to constitute, or cause, a Material Adverse Change.

(c) With respect to each of the Material Property Agreements and each of the Permitted Encumbrances: (A) all obligations and covenants, the non-compliance with which is reasonably likely to constitute, or could reasonably be expected to constitute, or cause, a Material Adverse Change, required to be met or complied with on the part of any Obligor have been complied with and with respect to any other party thereto have been met or complied with to the best of its knowledge; and (B) no default or event, which with the giving of notice or a lapse of time or both would constitute a default on the part of any Obligor exists which is reasonably likely to constitute, or could reasonably be expected to constitute, or cause, a Material Adverse Change.

(d) No event has occurred and is continuing that would constitute a material breach of or a material default under any Material Property Agreement or Material Licence, and each Material Property Agreement to which any Obligor is a party is binding upon it and, to the best of the Obligors' knowledge, is a binding agreement of each other Person who is a party thereto.

(18) Work Orders To the best of the knowledge of the Borrower, there are no outstanding judgments, writs of execution, seizures, injunctions or directives against any Obligor, nor any work orders or directives or notices of deficiency capable of resulting in work orders or directives, with respect to the Property which constitute, or could reasonably be expected to constitute, or cause, a Material Adverse Change or that are reasonably likely to constitute, or could reasonably be expected to constitute, or cause, a Material Adverse Change on the ability of such Obligor to perform its obligations under this Agreement or any Loan Document.

(19) Condition of Property To the best of the knowledge of the Borrower, all buildings and improvements comprising part of the Property are in good physical condition, and there are no material defects or extraordinary repairs required in connection therewith except as disclosed in writing to, and approved by, the Administrative Agent.

(20) Financial Statements All of the financial statements that have been furnished to the Administrative Agent and the Lenders in connection with this Agreement are complete in all material respects and such financial statements fairly present the financial position of each applicable Obligor as of the dates referred to therein and have been prepared in accordance with GAAP. The Guarantor does not have any liabilities (contingent or other) or other obligations of the type required to be disclosed in accordance with GAAP, that are not fully disclosed in its financial statements provided to the Administrative Agent.

(21) No Material Adverse Change

(a) Since the date of each Obligor's most recent annual financial statements and the Property's most recent annual operating statements provided to the Administrative Agent in connection with this Agreement, there has been no condition (financial or otherwise), event or change in the Guarantor's business, liabilities, operations, results of operations, assets or prospects which constitutes, or could reasonably be expected to constitute, or cause, a Material Adverse Change; and

(b) Since the date of the most recent financial statements of the Property provided to the Administrative Agent, there has been no condition (financial or otherwise), event or change, in any Obligor's business, liabilities, operations, results of operations, assets or prospects which constitutes, or could reasonably be expected to constitute, or cause, a Material Adverse Change.

(22) Environmental Matters

(a) To the best of the knowledge of the Borrower, the Property is in full compliance in all material respects with all Environmental Law; the Borrower is not aware of, nor has it received notice of, any past, present or future condition, event, activity, practice or incident that may interfere with or prevent the material compliance or continued material compliance of the Property or the Borrower in all respects with all Environmental Law; and the Borrower has obtained all material licences, permits and approvals in connection with the Property that are currently required under all Environmental Law and are in material compliance with the provisions of such licences, permits and approvals.

(b) Other than as disclosed in the environmental report(s) delivered by the Borrower to the Administrative Agent pursuant to Section 3.01(g)(iv), the Borrower is not aware that any Hazardous Substances exist on, about or within, or have been used, generated, stored, transported, disposed of on, or Released from the Lands other than in material accordance and compliance with all Environmental Law.

(c) The use that the Borrower has made of the Lands will not result in the use, generation, storage, transportation, accumulation, disposal, or Release of any Hazardous Substances on, in or from the Lands except in material accordance and compliance with all Environmental Law.

(d) There is no action, suit or proceeding, or, to its knowledge, any investigation or inquiry, before any Governmental Authority pending or, to its knowledge, threatened against the Borrower with respect to the Property relating in any way to any Environmental Law that would or could reasonably be expected to cause a Material Adverse Change.

(e) Other than as disclosed in the environmental report(s) delivered by the Borrower to the Administrative Agent pursuant to Section 3.01(g)(iv), the Borrower has not (i) with respect to the Lands, incurred any current and outstanding liability for any clean-up or remedial action under any Environmental Law with respect to current or past operations, events, activities, practices or incidents relating thereto, (ii) received any

material outstanding written request for information (other than information to be provided in the normal course in connection with applications for licences, permits or approvals) by any Person under any Environmental Law with respect to the condition, use or operation of the Property, (iii) received any outstanding written notice or claim under any Environmental Law with respect to any material violation of or liability under any Environmental Law or relating to the presence of Hazardous Substance on or originating from the Lands, that, in any such case, would or could reasonably be expected to cause a Material Adverse Change, or (iv) ever been convicted of an offence or subjected to any judgment, injunction or other proceeding for non-compliance with any Environmental Law with respect to the Lands or been fined or otherwise sentenced or settled such prosecution or other proceeding short of conviction for non-compliance with any Environmental Law with respect to the Lands.

(f) Copies of all material analysis and monitoring data for soil, ground water, surface water and the like and reports pertaining to any environmental assessments/audits, including without limitation any inspections, investigations and tests, relating to the Lands that were obtained, are in the possession or control of, or were carried out on behalf of, the Borrower have been delivered to the Administrative Agent.

(g) Since acquiring its interests in the Lands, the Borrower has maintained all environmental and operating documents and records relating to the Lands substantially in the manner and for the time periods required in all material aspects by Environmental Law and Material Licences.

(h) The Borrower has not defaulted in reporting in any material respect to any applicable Governmental Authority in relation to the Lands on the happening of an occurrence which it is or was required by any Environmental Law to report.

(23) Material Licences All Material Licences from third parties and Governmental Authorities, being as of the date hereof those listed in Schedule 1.01(E), have been obtained.

(24) Zoning, Uses and Expropriation

(a) Except as disclosed in writing to and approved by the Administrative Agent, the Property is zoned to permit the current operation of the Property.

(b) The existing uses of the Property comply in all material respects with all Applicable Law.

(c) It has not received notice of any proposed rezoning of all or any part of the Property that would be reasonably likely to cause a Material Adverse Change in respect of the operation of the Property or otherwise.

(d) It has not received notice of any expropriation of all or any part of the Lands.

(25) Undisclosed Liabilities There are no liabilities (including contingent liabilities) that, in the aggregate, are material in respect of the Property, which have not been previously

disclosed in writing to and approved by the Administrative Agent. There are no liabilities (including contingent liabilities) that, in the aggregate, are material in respect of the Obligors, or their respective businesses, which under GAAP should have been disclosed as of the date of their respective last financial statements and have not been disclosed in such financial statements.

(26) Liens The Borrower has not received notice of any Encumbrances (including, without limitation, of any claims for construction liens with respect to work or services performed or materials supplied) related to the Property, other than Permitted Encumbrances.

(27) Insolvency None of the Obligors (i) has committed any act of bankruptcy, (ii) is insolvent, or has proposed, or given notice of its intention to propose, a compromise or arrangement to its creditors generally, (iii) has made any petition for a receiving order in bankruptcy filed against it, made a voluntary assignment in bankruptcy, taken any proceeding with respect to any compromise or arrangement, taken any proceeding to have itself declared bankrupt or wound-up, taken any proceeding to have a receiver appointed of any part of its assets, has had any Encumbrancer take possession of its property, or (iv) has had an execution or distress become enforceable or become levied on, in the case of the Borrower, any or, in the case of any other Obligor, any material portion, of its assets and property.

(28) No Infringement To the best of the knowledge of the Borrower after due enquiry, the operation of the Property does not infringe and will not infringe upon any patents, trademarks, trade names, service marks or copyrights, domestic or foreign, or any other industrial property or intellectual property of any other Person, which infringement would constitute, or could reasonably be expected to constitute, or cause, a Material Adverse Change.

(29) Setbacks To the best of the knowledge of the Borrower, the location of any buildings on the Property are within the boundary lines of the Property as a whole and are in compliance with all applicable setback requirements.

(30) Full Disclosure All information provided or to be provided to the Administrative Agent and the Lenders in connection with the Credit Facility is, to the Obligors' knowledge, true and correct in all material respects and none of the documentation furnished to the Administrative Agent and the Lenders by or on behalf of it, to its knowledge, omits or will omit as of such time, a material fact necessary to make the statements contained therein not misleading in any material way, and all expressions of expectation, intention, belief and opinion contained therein were honestly made on reasonable grounds after due and careful inquiry by it (and any other Person who furnished such material on behalf of it).

(31) Residency Each Owner Party is not a non-resident for the purposes of Section 116 of the *Income Tax Act* (Canada).

(32) Store Ground Lease

(a) The Store Ground Lease or a notice regarding the Store Ground Lease has been duly registered on title to the Lands and, to the best of the Borrower's knowledge, there have been no amendments or modifications to the terms of the Store Ground Lease since its registration, except by written instruments, all of which have been disclosed to the Administrative Agent.

(b) The Store Ground Lease is not subject to any Encumbrance superior to, or of equal priority with, the Debenture (including, without limitation, the rights of any fee mortgage, if any) other than the Store Ground Lessor's related sublandlord interest and any Permitted Encumbrances.

(c) The Store Ground Lease is in full force and effect and no default by the tenant thereunder or, to the best of the Borrower's knowledge, by the Store Ground Lessor, has occurred, nor to the best of the Borrower's knowledge is there any existing condition which, but for the passage of time or giving of notice, would result in a default by the Borrower, as tenant thereunder or under the terms of the Store Ground Lease.

(33) Leases

(a) Except as disclosed to the Administrative Agent, all Leases are in full force and effect.

(b) The landlord under each of the Leases is not in material default or in material breach of any of its obligations thereunder, the landlord thereunder has not received from any tenant a notice of a material default or material breach by the landlord of any of its obligations thereunder and there is no event or condition existing, with or without the giving of notice or lapse of time or both, which would entitle any tenant thereunder to terminate any of its obligations in respect thereof.

(c) Except as disclosed to the Administrative Agent in writing, there are no Leases with the federal government or agents thereof.

8.02 Survival and Repetition of Representations and Warranties

The representations and warranties set out in this Article shall survive the execution and delivery of this Agreement and the making of the Drawdown and each Conversion or Rollover.

ARTICLE 9 - COVENANTS

9.01 Borrower Positive Covenants

So long as any amount payable hereunder is outstanding or the Credit Facility is available hereunder, the Borrower covenants and agrees with the Administrative Agent and each of the Lenders that it shall:

(1) Timely payment Make due and timely payment of the Obligations required to be paid by it and punctually perform its other Obligations hereunder and under the other Loan Documents to which it is a party at the time and place and in the manner provided hereunder and under the other Loan Documents.

(2) Conduct of Business, Maintenance of Existence, Compliance with Laws Engage in business of the same general type as now conducted by it; carry on and conduct its business and operations in a proper, efficient and businesslike manner, in accordance with good business practice; subject to Section 9.03(2), preserve, renew and keep in full force and effect its and the Borrower's existence; and take all reasonable action to maintain all rights, privileges and franchises necessary in the normal conduct of its business and to comply in all material respects with all Material Property Agreements, Material Licences and Requirements of Law, including Requirements of Environmental Law.

(3) Further Assurances Use reasonable commercial efforts to provide the Administrative Agent with such other documents, opinions, consents, acknowledgments and agreements as are reasonably necessary to implement this Agreement and the other Loan Documents from time to time.

(4) Access to Information Promptly provide the Administrative Agent with all information reasonably requested by it from time to time at reasonable intervals in connection with this Agreement concerning its financial condition and the Property (including, without limitation, the Leases, Material Property Agreements and Material Licences), and during normal business hours and from time to time at reasonable intervals upon reasonable notice, permit representatives of the Administrative Agent to inspect the Property and to examine its financial records regarding (and only regarding) the Property, and to discuss its financial condition with its senior officers and its auditors, the reasonable expense of all of which will be paid by the Borrower.

(5) Obligations and Taxes Pay or discharge, or cause to be paid or discharged, before the same will become delinquent (i) all Taxes imposed upon it or upon its income or profits or in respect of its business or property (including the Property) and file all tax returns in respect thereof, (ii) all lawful claims for labour, materials and supplies, and (iii) all required payments under any of its Indebtedness; provided, however that it will not be required to pay or discharge or to cause to be paid or discharged any such amount so long as the validity or amount thereof is being contested in good faith by appropriate proceedings and an appropriate financial reserve in accordance with GAAP and satisfactory to the Administrative Agent has been established.

(6) Use of Credit Facility Use the proceeds of the Credit Facility only for the purposes specified in Section 2.02.

(7) Insurance

For so long as any amounts are due hereunder:

(a) It shall maintain or cause to be maintained:

A. all risks insurance (including the perils of flood, earthquake and sewer backup) on property of the Borrower or any other Obligor (or property for which they are obliged to insure pursuant to Leases or other agreements relating to the Property) of every description located in or on the Property on a replacement cost basis without a requirement to rebuild on the same

site and not subject to any co-insurance provisions or a stated-amount coinsurance clause shall apply;

B. boiler and machinery insurance on a comprehensive basis on all machinery and equipment of the Borrower or any other Obligor or for which they may be liable located at the Property, on a replacement cost basis;

C. business interruption insurance under the property and boiler and machinery insurance policies referred to in Section 9.01(7)(a)A and B, adequate to reimburse all lost revenues relating to the Property for a term of not less than 18 months;

D. commercial general and umbrella liability insurance, including insurance against claims for personal injury, death, property damage or other loss arising out of the business of the Borrower or any other Obligor or the operation of the Property and extended to include coverage for contractual liability, contingent employer's liability, and liability in respect of collapse and explosion with a minimum limit of liability for any one occurrence of Cdn. $25,000,000;

E. such other insurance as may be required to meet the obligations of the Borrower or any other Obligor under any of the Material Property Agreements; and

F. such other insurance as the Administrative Agent upon consultation with the independent insurance consultant may reasonably require from time to time;

all with insurance companies having a Best's B++ rating at time of placement and at all times thereafter with such insurance companies having comparable claims paying ability as approved by the Administrative Agent acting reasonably. Such insurance is to be in such form and amounts and with such deductibles as are customary in the case of owners of properties similar to the Property and in any event as are acceptable to the Administrative Agent.

(b) The all-risk, boiler and machinery and business interruption insurance policies referred to in Section 9.01(7)(a) shall:

A. name the Borrower and the relevant other Obligors as first named insureds thereunder and as additional insureds all those required to be named as additional insureds under any of the Material Property Agreements,

B. name the Administrative Agent as mortgagee and loss payee and have attached the standard Insurance Bureau of Canada mortgage clause with respect to the all-risk and business interruption policies, and the boiler and machinery underwriters' standard mortgage clause with respect to the machinery insurance policy;

C. provide that no cancellation or termination thereof or material change therein, for any reason whatsoever, shall take effect unless the insurer concerned has given the Administrative Agent not less than 30 days' prior written notice of such proposed action;

D. contain a waiver by the insurer or insurers of all rights of subrogation or indemnity or any other claim to which such insurer or insurers might otherwise be entitled against the Administrative Agent;

E. contain a breach of conditions clause; and

F. otherwise be in such form as the Administrative Agent shall reasonably require;

and such insurance policies may contain reasonable deductibles per occurrence as approved by the Administrative Agent;

(c) The third party liability insurance policies referred to in Section 9.01(7)(a) shall:

A. name the Administrative Agent as an additional insured to the extent that such policies relate to the Property or the operation thereof;

B. provide that no cancellation or termination thereof or material change therein, for any reason whatsoever, shall take effect unless the insurer concerned has given the Administrative Agent not less than 30 days' prior written notice of such proposed action;

C. contain a waiver by the insurer of all rights of subrogation or indemnity or any other claim to which the insurer might otherwise be entitled against the Administrative Agent;

D. contain a cross-liability clause and a severability of interests clause; and

E. otherwise be in such form as the Administrative Agent shall reasonably require.

The Borrower will provide detailed certificates of insurance for all policies required hereunder to be purchased and maintained by the Borrower in form acceptable to the Lenders, provided that the Lenders shall, pursuant and subject to the provisions of Section 9.01(4), be entitled to review at the Borrower's offices or the offices of the Borrower's insurance broker, the underlying policies of insurance relating to such certificates of insurance.

(8) Proceeds of Insurance With regard to the insurance described in Section 9.01(7), the Permitted Encumbrances and Material Property Agreements having priority over the Security, the following shall apply:

(a) So long as no Default or Event of Default has occurred and is continuing, the proceeds of all such insurance (other than workers' compensation insurance, errors

and omissions insurance and third party liability insurance which may be remitted to the Borrower without condition or further action by the Administrative Agent or the Lenders) shall be dealt with as follows:

(i) If the total amount of such proceeds equals or exceeds Cdn. $5,000,000, they shall be payable directly into an escrow account of the Borrower (which account shall be held with the Administrative Agent and subject to the security interest created by the Security) to be disbursed by the Administrative Agent against receipts payable in not more than 30 days for expenses incurred in repairing the damage or destruction or replacing property in respect of which the insurance is payable, for release by the Administrative Agent to the Borrower to be applied by the Borrower in repairing the damage or destruction or replacing property in respect of which the insurance is payable upon receipt of:

A. an officer's certificate of the Borrower stating that the proceeds of such insurance together with other funds held or arranged by the Borrower are sufficient to fully repair, rebuild or replace the damage or destruction in respect of which the insurance proceeds are payable;

B. a letter of undertaking of the Borrower to fully repair, rebuild and replace the damage or destruction in respect of which the insurance proceeds are payable; and

C. evidence satisfactory to the Administrative Agent and the Lenders that the proceeds of insurance together with the other funds held or arranged by the Borrower will be sufficient to repair, replace or rebuild the damage or destruction in respect of which the insurance proceeds are payable.

(ii) The proceeds of any business interruption insurance shall be payable to the Borrower, as its interest may appear, to be applied on account of ongoing obligations of the Borrower hereunder or in respect of the Property as the same fall due from time to time.

(iii) The proceeds of all insurance held by the Administrative Agent shall, unless and until the same are applied or released to the Borrower as aforesaid, constitute continuing collateral security for the Borrower's obligations and liabilities in respect of amounts outstanding hereunder. The Administrative Agent shall place such funds in interest-bearing term deposits with the interest thereon to accrue to the benefit of the Borrower.

(iv) If the total amount of such proceeds is less than Cdn. $5,000,000 they shall be released to the Borrower subject to delivery of the documents set out in Section 9.01(8)(a)(i)A, B and C.

(b) If an Event of Default has occurred and is continuing:

(i) The proceeds of all insurance other than workers' compensation insurance, errors and omissions insurance and third party liability insurance shall be payable to the Administrative Agent and subject to the Security, to be applied by it, at its option, in reduction of the amounts outstanding hereunder or released by the Administrative Agent to the Borrower upon receipt of:

A. an officer's Certificate of the Borrower stating that the proceeds of such insurance together with other funds held or arranged by the Borrower are sufficient to fully repair, rebuild or replace the damage or destruction in respect of which the insurance proceeds are payable;

B. a letter of undertaking of the Borrower to fully repair, rebuild and replace the damage or destruction in respect of which the insurance proceeds are payable; and

C. evidence satisfactory to the Administrative Agent and the Lenders that the proceeds of insurance together with the other funds held or arranged by the Borrower will be sufficient to repair, replace or rebuild the damage or destruction in respect of which the insurance proceeds are payable.

(ii) The proceeds of any business interruption insurance shall be payable to the Administrative Agent to be held by the Administrative Agent as additional security for the payment of all amounts payable hereunder, to be applied on account of ongoing obligations of the Borrower hereunder or in respect of the Property as the same fall due from time to time and, to the extent of any surplus, firstly to arrears of such payments and thereafter, if the Administrative Agent has opted to release proceeds of insurance to the Borrower pursuant to and in accordance with Section 9.01(8)(b)(i), then the balance of the proceeds of business interruption insurance shall be payable to the Borrower, failing which the balance, if any, remaining after application of such proceeds as aforesaid shall be paid to the Administrative Agent as partial prepayment of the Loans.

(iii) The proceeds of all insurance held by the Administrative Agent shall, unless and until the same are applied or released to the Borrower as aforesaid, constitute continuing collateral security for the Borrower's obligations and liabilities in respect of amounts outstanding hereunder. The Administrative Agent shall place such funds in interest-bearing term deposits with the interest thereon to accrue to the benefit of the Borrower (but subject to the security interest created under the Security).

(9) Insurance Information It shall provide or cause to be provided to the Administrative Agent and the independent insurance consultant such information relating to the Property or the Loan Documents, as may be reasonably requested and which is within its

possession or control. The reasonable fees and costs of the independent insurance consultant shall be paid for by the Borrower.

(10) Notice of Default Promptly notify the Administrative Agent of any Default or Event of Default that would apply to it of which it becomes aware, using reasonable diligence, and detailing the steps it is taking, if any, to cure same.

(11) Notice of Material Adverse Change Promptly notify the Administrative Agent of any Material Adverse Change or any matter which constitutes, or could reasonably be expected to constitute, or cause, a Material Adverse Change that would apply to it of which it becomes aware, using reasonable diligence.

(12) Notice of Litigation Promptly notify the Administrative Agent on becoming aware of the occurrence of any litigation, dispute, arbitration or other proceeding the result of which if determined adversely would be a judgement or award against it would reasonably be expected to be in an amount in excess of the amount set out in Section 12.01(n) or otherwise result in a Material Adverse Change to it, and from time to time provide the Administrative Agent with all reasonable information requested by the Administrative Agent concerning the status of any such proceeding.

(13) Other Notices Promptly notify the Administrative Agent on becoming aware:

(a) of any Change of Control;

(b) of any labour controversy which would likely constitute, or could reasonably be expected to constitute, or cause, a Material Adverse Change;

(c) of the occurrence of an event of Force Majeure, describing in reasonable detail the effects of such event on the operation of the Property, the action which the Borrower intends to take to remedy such event and the estimated date when the event of Force Majeure will be remedied and will cease to impair operation of the Property;

(d) of the cessation of any event of Force Majeure;

(e) of any circumstance of which it has notice or is aware which could result in a material breach of or default or non-performance by any party under the Material Property Agreements or of any condition entitling any party to terminate its obligations thereunder;

(f) of any damage to or destruction of any Property that forms part of the Property which might give rise to an insurance claim if the cost of any repairs to or replacement of assets of the Borrower exceeds Cdn. $1,000,000;

(g) of any material instrument related to the Property of which the Borrower has notice or is registered against title to the Property and provide to the Administrative Agent a true copy of such instrument;

(h) of any threatened expropriation or notice of expropriation with respect to the Lands, such notice to be delivered forthwith upon the Borrower becoming aware of such threatened expropriation or its receipt of notice of such proceedings, and the Borrower hereby covenants and agrees that no such claim shall be compromised or settled without the prior written consent of the Administrative Agent;

(i) of any non-compliance with Environmental Law relating to the Property, and of any notice, investigation, non-routine inspection or material inquiry by any Governmental Authority in connection with any Environmental Law relating to the Property, in each case which would likely constitute, or could reasonably be expected to constitute, or cause, a Material Adverse Change;

(j) of the exercise of any tenant right of first offer under the Store Ground Lease or any written communication received by the Borrower alleging default under the Store Ground Lease; and

(k) of any change in the External Credit Ratings or of any Rating Agency ceasing to provide an External Credit Rating.

(14) Environmental Compliance

(a) Operate the Property in a manner such that no material obligation, including a clean-up or remedial obligation, will arise under any Environmental Law; provided, however, that if any such claim is made or any such obligation arises, it will immediately satisfy or contest such claim or obligation at its own cost and expense, and promptly notify the Administrative Agent upon learning of (i) the existence of Hazardous Substances located on, above or below the surface of the Lands or contained in the soil or water constituting such land (except those being stored, used, contained or otherwise handled in substantial compliance with Environmental Law), or (ii) the occurrence of any reportable Release of Hazardous Substances into the air, land surface water or ground water that has occurred on or from the Property, or (iii) any other event or occurrence relating to the Property which, in the opinion of the Borrower, is likely to give rise to a notice of non-compliance in any material respect with any Environmental Law.

(b) Comply, and cause any other party that is acting under its authority to comply, in all material respects with all Environmental Law (including, but not limited to, obtaining any Material Licences or similar authorizations) relating to the Property.

(c) Use its reasonable commercial efforts not to cause or permit a Release of any Hazardous Substance at, on or under the Property except in compliance with Environmental Law.

(d) Provide the Administrative Agent with an environmental site assessment/audit report of the Property, or an update of such assessment/audit report (i) upon the written request of the Administrative Agent if in its reasonable opinion there is a concern about the Borrower's compliance (as it relates to the Property) or the Property's compliance in all material aspects with Environmental Law, all in scope, form and

content satisfactory to the Administrative Agent, (ii) if such assessment/audit report has been prepared at the request of or on behalf of any Governmental Authority, or (iii) if an Event of Default relating to an environmental matter has occurred, and the Administrative Agent has made a written request to the Borrower for such an assessment/audit report or update, within thirty (30) Business Days after such request, and all such assessments/audits reports or updates thereof shall be at the Borrower' expense and risk; an environmental site assessment/audit may include, for purposes of this Section, without limitation, any inspection, investigation, test, sampling, analysis, monitoring pertaining to air, land and water relating to the Property reasonably required under the circumstances giving rise to the request for the assessment/audit report.

(e) Not use the Property, or permit it to be used, to generate, manufacture, refine, treat, transport, store, handle, dispose, transfer, produce or process Hazardous Substances except in compliance with all Environmental Law.

(f) Maintain in all material respects all environmental and operating documents and records, including, without limitation, Material Licences and orders, relating to the Property in the manner and for the time periods required by Environmental Law.

(15) Security Provide, or cause to be provided, to the Administrative Agent with the Security required from time to time pursuant to Article 10 in accordance with the provisions of such Article, accompanied by supporting resolutions, certificates and opinions in form and substance satisfactory to the Administrative Agent and Borrower, both acting reasonably, and do all such further acts and execute and deliver all such documents and instruments as may from time to time be reasonably requested by the Administrative Agent, to ensure that the Security constitutes at all times valid, enforceable, and perfected first priority Encumbrances against the Property (subject only to Permitted Encumbrances).

(16) Maintenance of Property Keep all of its property necessary for the Property in good working order and condition, normal wear and tear excepted, except to the extent that the failure to do so would not individually or in the aggregate be reasonably likely to cause a Material Adverse Change.

(17) Intentionally Omitted

(18) Adequate Books In the case of the Property and financial statements in relation thereto, maintain adequate books, accounts and records in accordance with GAAP.

(19) Material Property Agreements

(a) At all times be and remain in full compliance in all material respects with all of its covenants, agreements and obligations in and diligently enforce all its material rights under all Material Property Agreements. The Borrower shall not alter, amend or waive, in any material respect, any of its rights under or permit any termination or surrender of any Material Property Agreement without the prior written consent of the Administrative Agent (which shall not be unreasonably withheld) unless such alterations, amendments, waivers, terminations or surrenders, as applicable, reflect, in

all material respects, good business practice, are in the ordinary course of business, and such material terms as a prudent owner of a similar property would accept having regard to all relevant factors at the time.

(b) Advise the Administrative Agent in writing of all new Material Property Agreements (or any material amendments of existing Material Property Agreements) entered into forthwith following the entering into thereof and shall deliver forthwith a copy thereof to the Administrative Agent. The Borrower shall provide written notice to the Administrative Agent of any assignment made by a contracting party to a Material Property Agreement.

(20) Access Permit the Administrative Agent (through their agents, officers or employees), for the purposes of monitoring compliance with the covenants and obligations of the Borrower hereunder, at their risk, to visit and inspect the Property, to conduct tests, measurements and surveys in relation to the Property, provided that such tests, measurements and surveys are conducted in accordance with prudent industry practice and Applicable Law and/or are required as a result of the reasonable concerns of the Administrative Agent as to non-compliance with such covenant and obligation, and to be advised as to the same by the officers, engineers and advisers of the Borrower (or such other Persons as may be appropriate), all at such reasonable times and intervals as the Administrative Agent may desire upon reasonable prior notice and in the presence of the Borrower if it so desires. Such visits, inspections, measurements, reviews and tests shall be at the cost of the Borrower, provided such expenses are reasonably incurred. Any such visit, inspection, examination, discussion or tests shall not be deemed to be supervision, charge, management, control or occupation by the Administrative Agent for purposes of any environmental or other liabilities.

(21) Peaceable Entry From and after the occurrence of an Event of Default and for so long as it is subsisting, the Administrative Agent shall, subject to Permitted Encumbrances, be lawfully entitled to peaceably and quietly enter into, have, hold, use, occupy, possess and enjoy the Property with its appurtenances without suit, hindrance, interruption or denial by it, any other Obligor or any other person whomsoever.

(22) Remedy of Force Majeure Use its reasonable commercial efforts to remedy or cause to be remedied any event of Force Majeure or causes thereof; provided that notwithstanding the foregoing, no party shall be required to settle strikes of its employees or of employees of its contractors, sub-contractors and others on terms which it reasonably regards as unreasonable.

(23) Management and Control of Property It shall ensure that the Property is diligently managed, leased, used and operated: (i) in compliance in all materials respects with Applicable Law, (ii) at the standard of that of a prudent owner of comparable property, and (iii) in a proper and efficient manner with a view to preserving and protecting: (A) the Property at the same or higher standard as when it became subject to the Security hereunder, and (B) the earnings, incomes, rents, and profits thereof.

(24) Encumbrances Unless the same shall constitute a Permitted Encumbrance, it shall, and shall cause the other Obligors to discharge, in a timely manner, all encumbrances against the Property from time to time.

(25) Title Defend the Borrower's and the Nominee's title to the Property and every part thereof against the claims of all Persons whomsoever and do, observe and perform all obligations and all things necessary or expedient to be done, observed or performed by virtue of any Applicable Law for the purpose of creating, maintaining and keeping maintained the Security constituted by the Loan Documents as valid and effective security with the priority required hereunder.

(26) Store Ground Lease Observe, as tenant under the Ground Lease, the following:

(a) pay (or cause to be paid) promptly when due and not allow to become delinquent any payments of rent, additional rent or any other amounts required to be paid under the terms of the Store Ground Lease;

(b) not to amend, alter, modify, restate or supplement the Store Ground Lease in any material respect without first obtaining the consent of the Administrative Agent, such consent not to be unreasonably withheld, provided that if the amendment, alteration, modification, restatement or supplement is as to increasing the rent, shortening the term, not exercising any renewal or changing the area and/or description of the leased premises, the Administrative Agent's consent may be arbitrarily withheld in the Administrative Agent's sole discretion;

(c) not to enter into any agreement to surrender or terminate the Store Ground Lease or take any steps or give any notice the effect of which would be to initiate and/or cause a surrender or termination of the Store Ground Lease;

(d) exercise such rights of renewal and/or extension of the term of the Store Ground Lease as and when permitted to do so under the terms of the Store Ground Lease, and give to the Administrative Agent not less than thirty (30) days' prior notice thereof when exercising such rights; and

(e) observe and perform in all of its material respects all obligations under the Store Ground Lease in accordance with its terms and within the time periods required under the terms of the Store Ground Lease.

(27) Non-Disturbance Agreements. Simultaneously with the execution of any future Lease in respect of which the Administrative Agent makes a specific request, and following the Closing Date, the Borrower shall use its commercially reasonable efforts to obtain from the tenant thereunder an attornment and non-disturbance agreement in the Administrative Agent's standard form (or such other form as the Administrative Agent and such tenant may agree upon provided that in the event that the Administrative Agent and such tenant cannot agree upon a form of non-disturbance agreement, the Administrative Agent agrees that it shall enter into a priority agreement with the tenant granting priority to such tenant's Lease over the Security so long as the tenant agrees to attorn to the Administrative Agent). Where any other tenant under a

Lease requests the Borrower to obtain a non-disturbance agreement from the Administrative Agent in respect of such Lease, the foregoing sentence shall apply, *mutatis mutandis*.

(28) Up-to-date Appraisals The Borrower shall, upon the request of the Administrative Agent, deliver to the Administrative Agent an up-to-date Appraisal of the Property, such Appraisal to be delivered no later than 60 days after the Administrative Agent's request therefor.

(29) Soil Vapour Assessment Within three (3) months after the Closing Date, (a) cause to be completed a soil vapour assessment with respect to the lower level of the building comprising the Property and, if required, sample indoor air with respect to the Property, in accordance with the recommendations set out in the Phase One Environmental Assessment dated as of May 10, 2023, conducted by OHE Consultants, and deliver the results of such soil vapour assessment and, if applicable indoor air sampling, to the Administrative Agent, and (b) if required by the Administrative Agent, acting reasonably (on the basis of the results of such soil vapour assessment and, if applicable, indoor air sampling), implement any mitigation measures resulting from the findings of the soil vapour assessment and, if applicable, indoor air sampling.

9.02 Reporting Requirements

So long as this Agreement is in force, each of the Obligors as applicable will deliver to the Administrative Agent:

(1) Annual Reports

(a) Within 120 days from the last day of each Fiscal Year, the annual unaudited financial statements of the Borrower, and within 90 days from the last day of each Fiscal Year, the annual audited financial statements of the Guarantor, including, in each case, where applicable, balance sheet, statement of income and retained earnings, statement of changes in financial position, source and application of funds for such Fiscal Year, which will be prepared in accordance with GAAP; and

(b) Within 120 days from the last day of each Fiscal Year for the Property, an annual operating budget in respect of the Property together with a timeline of capital expenditures for the Property.

(2) Quarterly Reports

(a) Within 60 days of the end of each applicable Fiscal Quarter of the Borrower (other than the fourth Fiscal Quarter in each Fiscal Year), quarterly unaudited financial statements of the Borrower, including, in each case, where applicable, balance sheet, statement of income and retained earnings, statement of changes in financial position and source and application of funds for such Fiscal Quarter, which will be prepared in accordance with GAAP, and be certified by an officer of the Borrower;

(b) Within 45 days of the end of each applicable Fiscal Quarter of the Guarantor (other than the fourth Fiscal Quarter in each Fiscal Year), quarterly unaudited financial statements of the Guarantor, including, in each case, where applicable, balance sheet, statement of income and retained earnings, statement of changes in financial position

and source and application of funds for such Fiscal Quarter, which will be prepared in accordance with GAAP, and be certified by an officer of the Guarantor; and

(c) Within (i) 60 days of the end of each Fiscal Quarter (excluding the fourth Fiscal Quarter), and (ii) 120 days from the end of each Fiscal Year, a quarterly operating statement and an up to date rent roll, showing tenant name, unit number, square feet leased, annual net rent, and lease term.

(3) Compliance Certificate A Compliance Certificate from the Guarantor concurrently with the delivery of the financial statements referred to in Sections 9.02(1) and 9.02(2) (including statements confirming compliance with the applicable provisions of Section 9.05 hereof).

(4) Insurance Reporting Concurrently with the renewal or placement of any insurance required to be maintained by Section 9.01(7) or 9.01(8), delivery to the Administrative Agent of certificates of insurance relating to such insurance or make available for review at the Borrower's offices or the offices of the Borrower's insurance broker such certificates of insurance.

(5) Realty Taxes Delivery of evidence (satisfactory to the Administrative Agent) of the payment of all realty taxes relating to the Property, such evidence to be delivered within 60 days of each calendar year-end.

(6) Other Information Such other information as the Administrative Agent may reasonably request respecting the Obligors or the Property.

(7) KYC Documentation and Anti-Money Laundering. The Obligors acknowledge that the Lenders have certain anti-money laundering and anti-terrorism responsibilities under various laws and regulations and that from time to time a Lender (including any prospective assignee or participant) may request information in order to comply with Applicable Laws and internal requirements (including any applicable "know your customer" or "know your client" requirements). The Obligors covenant and agree, upon request, to promptly provide the Lenders such additional information as may be reasonably requested. Each Obligor shall also provide the Administrative Agent with prompt written notice of any change in beneficial owners (except in the case of the Guarantor), key officers or directors after the date of this Agreement. The Obligors covenant and agree that the proceeds of the Drawdown under the Credit Facility shall not be required or invested in order to support domestic or international terrorism and shall not be directly or indirectly derived from activities that may contravene Applicable Laws, including anti-money laundering laws and regulations.

9.03 Negative Covenants – Obligors

So long as this Agreement is in force, each Obligor covenants and agrees that they shall not:

(1) No Sale of Property In respect of the Borrower only, other than (a) the Disposition of premises under Leases as permitted hereunder, (b) Dispositions otherwise contemplated in Sections 10.04 or 10.05, or (c) Dispositions of machinery or equipment that is

being replaced or is obsolete, Dispose of, or permit the Disposition of, the Property or any part thereof or interest therein unless approved unanimously by the Lenders acting in their sole discretion.

(2) No Change of Control Permit the occurrence of any Change of Control of any of the Obligors.

(3) No Consolidation, Amalgamation, etc. (i) consolidate, amalgamate or merge with any other Person, enter into any corporate reorganization or other transaction intended to effect or otherwise permit a change in its existing corporate structure, or (ii) liquidate, wind-up or dissolve itself, or permit any liquidation, winding-up or dissolution.

(4) No Change of Name Change its name without providing the Administrative Agent with 30 days' prior written notice thereof.

(5) No Distributions/Restricted Payments In respect of the Borrower only, make any Distribution during the presence and existence of an Event of Default.

(6) No Encumbrances In respect of the Borrower only, Create, incur, assume or permit to exist any Encumbrance upon the Collateral or any part thereof or interest therein except Permitted Encumbrances.

(7) No Change to Year End In respect of the Borrower only, make any change to its Fiscal Year end.

(8) No Continuance Continue into any other jurisdiction without the consent of the Majority of the Lenders, which consent will not be unreasonably withheld.

(9) Amendments to Organizational Documents Amend any of its Organizational Documents in a manner that would be materially prejudicial to the interests of any of the Lenders or the Administrative Agent under the Loan Documents.

(10) Amendments to Material Property Agreements Except as otherwise contemplated in Section 9.01(19)(a), amend, vary or alter in any material way (it being acknowledged that any increase in the amounts of any payments due under the Management Agreement), consent to any assignment or transfer of, or waive or surrender any of its material rights or material entitlements under, any Material Property Agreements.

(11) Leasing In respect of the Borrower only, enter into, or permit the Nominee to enter into, any Leases or renew, amend, terminate, forfeit or cancel any Leases in respect of the Property unless such Leases, amendments, renewals, terminations, forfeitures or cancellations reflect in all material respects good business practice and such material terms as a prudent owner of a similar property would accept having regard to all relevant factors and the leasing practice in the market at the relevant time. In respect to the Store Sublease, the Borrower shall obtain the prior written consent of the Administrative Agent in respect thereof (such consent not to be unreasonably withheld or delayed).

(12) Concerning Leases Generally In respect of the Borrower only, accept or require, or permit the Nominee to accept or require, payment of rent or other moneys payable by a tenant under any Lease in respect of the Property that would result in more than one month of such rent or other moneys being prepaid under such Lease other than:

(a) prepaid rent or deposits on account of rent which represents the portion of the cost of construction of the relevant demised premises which exceeds the portion of such cost which was used as the basis for determining the basic rental otherwise payable under such Lease; or

(b) amounts representing a bona fide pre-calculation of any amount that is required to be paid under such Lease in addition to basic rental, including amounts payable with respect to taxes and maintenance of the Property and any applicable percentage rentals; or

(c) lease surrender payments and security deposits made by the tenant under such Lease.

(13) Residency Become a non-resident of Canada within the meaning of Section 116 of the *Income Tax Act* (Canada).

(14) Intentionally Omitted

(15) Intentionally Omitted

(16) Not To Remove, Destroy In respect of the Borrower only, destroy, remove, permit to be destroyed or removed any of the buildings, plant, machinery or equipment comprising part of the Property; provided that:

(a) nothing herein shall prevent the removal of any such property from one part of the Property to another or the temporary removal of any such property for the purposes of repair; and

(b) it and/or the relevant Obligor may remove, dismantle, sell, exchange or otherwise dispose of any plant, machinery or equipment which has become obsolete, worn out, replaced or unserviceable if such plant, machinery or equipment is replaced by plant, machinery or equipment of at least equal performance or if such plant, machinery or equipment so dealt with is unnecessary for use in the conduct of its business at the Property; provided that such removal or other disposal does not impair the successful operation of the Property.

9.04 Intentionally Omitted

9.05 Guarantor Financial Covenants

So long as this Agreement is in force, the Guarantor covenants with the Administrative Agent and the Lenders to:

(a) **Total Indebtedness Ratio**. Maintain at all times a ratio of Consolidated Indebtedness to Consolidated Gross Book Value of not more than 60%, such to be tested quarterly as at the end of each Fiscal Quarter. The calculation shall reflect Proportionate Consolidation Adjustments.

(b) **Secured Indebtedness Ratio**. Maintain at all times a ratio of Consolidated Secured Indebtedness to Consolidated Gross Book Value of not more than 40%, such to be tested quarterly as at the end of each Fiscal Quarter. The calculation shall reflect Proportionate Consolidation Adjustments.

(c) **Debt Service Coverage Ratio**. Maintain at all times a ratio of Consolidated EBITDA to Debt Service of not less than 1.50:1.00, such to be tested quarterly as at the end of each Fiscal Quarter calculated on a rolling four Fiscal Quarter basis. The calculation shall reflect Proportionate Consolidation Adjustments.

(d) **Minimum Unitholders' Equity**. Maintain at all times Unitholders' Equity of not less than the sum of (i) Cdn. $5,000,000,000 and (ii) 75% of the net proceeds received in connection with any equity offerings made by the Guarantor after the date of this Agreement.

(e) **Unencumbered Property Assets Ratio**. Maintain at all times a ratio of Unencumbered Property Assets Value to Consolidated Unsecured Indebtedness of not less than 1.50:1.00, such to be tested quarterly as at the end of each Fiscal Quarter. The calculation shall reflect Proportionate Consolidation Adjustments.

ARTICLE 10- SECURITY

10.01 Security

As general and continuing security for the payment and performance of the Obligations, the security described below will be granted to the Administrative Agent for and on behalf of the Lenders and shall be in form satisfactory to the Lenders:

(a) the Debenture;

(b) the General Assignment of Leases;

(c) the Direction and Acknowledgement; and

(d) such other security as the Lenders require, which is contemplated by this Agreement or which security more fully gives effect to the security contemplated by this Agreement.

10.02 Registration

The Borrower shall, at its expense, register, file or record, or cause the registration, filing or recordation of, the Security in all offices where such registration, filing or

recording is necessary or of advantage to the creation, perfection and preserving of the security applicable to it including, without limitation, any land registry offices as required hereunder. The Borrower shall renew, or shall cause to be renewed, such registrations, filings and recordings from time to time as and when required to keep them in full force and effect. The forms of Debenture and other Loan Documents have been prepared based upon Applicable Law in effect at the date hereof and recognize that such laws may change. The Administrative Agent shall have the right to require that any such forms be amended to reflect any changes in such laws, whether arising as a result of statutory amendments, court decisions or otherwise, in order to confer upon the Administrative Agent the security interests intended to be created thereby, except that in no event shall the Administrative Agent require that any such amendment be effected if the result thereof would be to grant the Administrative Agent greater rights than is otherwise contemplated herein. The Borrower authorizes, and shall cause each other Obligor to authorize, the Obligor's Counsel or the Lenders' Counsel to register, if required, by any land registrar, this Agreement or notice thereof on title.

10.03 After Acquired Property and Further Assurances

Each Owner Party will from time to time execute and deliver all such further deeds or other instruments of conveyance, assignment, transfer, mortgage, pledge or charge in connection with all property related to the Property acquired by such Owner Party after the date hereof, or as may be required to properly perfect the security interest of the Administrative Agent in any property related to the Property.

10.04 Non-Material Dealings with Property Generally

Unless there is an Event of Default that is continuing, the Borrower may in the ordinary course of business at any time and from time to time:

(a) without receiving any consideration therefor, Dispose of, exchange, surrender or grant any part or parts of any of the then-existing Property (not constituting a material portion thereof) or any licenses, easements, rights-of-way or rights in the nature of easements in respect of any part or parts of any of the then-existing Property or to a municipality or other Governmental Authority or transit commission or utility, or to an owner, lessee or licensee of any lands adjacent to then-existing Property or separated therefrom by a public street or to such other Person as shall be designated by a Governmental Authority or such aforementioned owner, lessee or licensee (which may or may not include the grant or Disposition to the Borrower of any land or any license or licenses, or easements, rights-of-way or rights in the nature of easements in, over, under or in respect of other lands), and the Administrative Agent shall release same from the Security or postpone the Security, as applicable, upon receipt of a written request of the Borrower or the Obligors' Counsel to the Administrative Agent stating that such grant, exchange, surrender or Disposition is necessary or desirable without regard to any consideration received by the Borrower therefor for the servicing or operation of the Property and would not cause a Material Adverse Change;

(b) accept any ancillary lands, licenses, easements, rights-of-way or rights in the nature of easements which shall thereafter form part of the Property on such terms as the Borrower may determine (provided such additional lands or rights shall be made subject to the Security on terms and conditions satisfactory to the Lenders); and

(c) create or permit to be created any Encumbrance of the type referred to in the definition of Permitted Encumbrances provided any applicable provisions of this Agreement are complied with.

10.05 Lot Line Adjustments/Easements, etc. relating to the Property

Unless there is an Event of Default that is continuing, the Borrower may in the ordinary course of business at any time and from time to time, without receiving any consideration therefor, Dispose of, exchange, surrender or grant any part or parts of any of the then-existing Property or any licenses, easements, rights-of-way or rights in the nature of easements in respect of any part or parts of any of the then-existing Property in order to adjust lot lines or boundaries, or grant easements or other rights-of-way, relating to the Property or any component thereof as may be necessary to the good and proper operation of each portion of the Property, and the Administrative Agent shall, if necessary, amend or postpone or partially discharge the Security, as applicable, upon receipt of a written request of the Borrower or the Obligors' Counsel to the Lenders setting forth the required action and the details of same (including an explanation as to the necessity thereof) and confirmation that same shall not result in a Material Adverse Change and the Administrative Agent is authorized to take such actions as may be necessary to effect same (provided that the Administrative Agent may require such opinions of Obligors' Counsel to be delivered in conjunction therewith as the Lenders may require).

10.06 Independent Investigation by Administrative Agent and Lenders

Notwithstanding any other provision of this Article 10, before taking any action provided for in this Article 10, the Administrative Agent shall advise the Lenders as to the details of the matter and shall seek the instruction of the Lenders in relation thereto and the Administrative Agent shall not make or take (and the Borrower agrees that the Administrative Agent shall not be obliged to make or take) respectively, any action which the Lender (and a Majority of the Lenders, in cases where there is more than one Lender) instructs the Administrative Agent not to make or take, as the case may be, without causing to be made such independent investigations and/or seeking such advice from the Lenders' Counsel as the Lender or a Majority of the Lenders, as applicable, acting reasonably, may see fit, prior to any such release being made or action being taken so as to satisfy themselves that the conditions relating to the making of such release or the taking of such action as set forth in this Article 10 have been met and the reasonable expense thereof shall be paid by the Borrower, or if paid by the Administrative Agent or the Lenders shall be repaid by the Borrower upon reasonable notice given by the Administrative Agent or the Lenders to the Borrower with interest at the rate of interest per annum equal to the Prime Rate plus the Prime Rate Margin from the date of such demand.

10.07 Eligible Hedge Agreements

(1) The Security shall secure all Obligations owing under or in respect of the Eligible Hedge Agreements on a *pari passu* basis with all other Obligations. For greater certainty, if any Lender has entered into an Eligible Hedge Agreement and such Lender thereafter ceases to have any outstanding Commitments hereunder, the obligations and amounts owing under such Eligible Hedge Agreements entered into and in effect at the time such Lender ceases to have any outstanding Commitments hereunder shall continue to be secured by the Security and shall continue to rank *pari passu* with all other Obligations.

(2) Notwithstanding payment and performance in full of all of the Obligations (other than the Obligations under the Eligible Hedge Agreements), the Security shall continue to secure the Obligations of the Borrower under all outstanding Eligible Hedge Agreements and the Borrower shall not be entitled to a discharge of the Security until all Eligible Hedge Agreements have been terminated and all amounts, if any, owing by the Borrower in respect thereof have been paid to the applicable Lender(s) thereunder or replacement security satisfactory to such Lender(s) in its or their sole discretion acting reasonably has been provided by the Borrower.

ARTICLE 11- GUARANTEE

11.01 Guarantee and Indemnity

(1) The Guarantor hereby unconditionally and irrevocably guarantees payment and performance of the Obligations of the Borrower (including, without limitation, any Obligation of the Borrower to indemnify the Administrative Agent and each Lender hereunder).

(2) If any or all of the Obligations are not duly paid and are not recoverable under Section 11.01(1) for any reason whatsoever, the Guarantor hereby, unconditionally and irrevocably, will, as a separate and distinct obligation, indemnify and save harmless the Administrative Agent and each Lender from and against any losses resulting from the failure of any Obligor to pay the Obligations.

(3) If any or all of the Obligations are not duly paid and are not recoverable under Section 11.01(1) or the Administrative Agent and each Lender is not indemnified under Section 11.01(2), in each case, for any reason whatsoever, the Obligations will, as a separate and distinct obligation, be paid by and be recoverable from the Guarantor, as primary obligor.

11.02 Obligations Absolute

The liability of the Guarantor hereunder is absolute and unconditional and is not affected by:

(a) any lack of validity or enforceability of this Agreement or any other Loan Document;

(b) any impossibility, impracticability, frustration of purpose, illegality, Force Majeure or act of Governmental Authority;

(c) the bankruptcy, winding-up, liquidation, dissolution, arrangement, insolvency or other similar proceeding affecting any Obligor or any other Person, the amalgamation of or any change in the status, function, control or ownership of any Obligor or any other Person;

(d) any lack or limitation of power, incapacity or disability on the part of any Obligor or of the directors, partners or agents thereof or any other irregularity, defect or informality on the part of any Obligor in its Obligations; or

(e) any other law, regulation or other circumstance that might otherwise constitute a defence available to, or a discharge of, any Obligor in respect of any or all of the Obligations.

11.03 No Release

The liability of the Guarantor hereunder is not released, discharged, limited or in any way affected by anything done, suffered or permitted by the Administrative Agent and each Lender or any other Person in connection with any duties or liabilities of any Obligor to the Administrative Agent and each Lender or any Security including any loss of or in respect of any Security. Without limiting the generality of the foregoing and without releasing, discharging, limiting or otherwise affecting in whole or in part the liability of the Guarantor hereunder, without obtaining the consent of or giving notice to the Guarantor, the Lenders may, subject to the terms of this Agreement and specifically the relationship between the Lenders:

(a) discontinue, reduce, increase or otherwise vary the credit of any Obligor in any manner whatsoever;

(b) make any change in the time, manner or place of payment under, or in any other term of, any Loan Document or the failure on the part of any Obligor to carry out any of its obligations under any Loan Document;

(c) grant time, renewals, extensions, indulgences, releases and discharges to any Obligor;

(d) take or abstain from taking or enforcing the Security or from perfecting Security;

(e) accept compromises from any Obligor;

(f) apply all money at any time received from any Obligor or from the Security upon such part of the Obligations as the Lenders may see fit or change any such application in whole or in part from time to time as each of them may see fit; and

(g) otherwise deal with each Obligor and all other Persons and the Security as the Lenders may see fit.

11.04 No Exhaustion of Remedies

The Lenders are not bound or obligated to exhaust their recourse against any Obligor or other Person or any Security it or they may hold, or take any other action before being entitled to demand payment from any Obligor hereunder or any other Loan Document.

11.05 *Prima Facie* Evidence

Any account settled or stated in writing by or between the Administrative Agent and any Obligor will be, in the absence of manifest error, *prima facie* evidence that the balance or amount thereof appearing due to the Lenders is so due.

11.06 No Set-Off

In any claim by any Lender or the Administrative Agent against the Guarantor, the Guarantor may not assert any set-off or counterclaim that the Guarantor or any other Obligor may have against the Lender or the Administrative Agent.

11.07 Continuing Guarantee

The Obligations of the Guarantor hereunder will constitute and be continuing obligations and will apply to and secure any ultimate balance due or remaining due to the Lenders and the Administrative Agent and will not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to any such Person. The Obligations of the Guarantor hereunder will continue to be effective even if at any time any payment of any of the Obligations is rendered unenforceable or is rescinded or must otherwise be returned by the recipient of such payment upon the occurrence of any action or event, including the insolvency, bankruptcy or reorganization of any Obligor or otherwise, all as though such payment had not been made.

11.08 Waivers by the Guarantor

The Guarantor hereby irrevocably waives acceptance hereof, presentation, demand, protest and any notice of this Agreement, as well as any requirement that at any time any action be taken by any Person against the Guarantor, any other Obligor or any other Person.

11.09 Demand

The Guarantor will make payment to the Lenders of the Obligations and all other amounts payable by them under Section 11.10 forthwith after demand therefor is made to it. The Guarantor will also make payment to the Administrative Agent of 100% of all costs and expenses incurred by the Lenders and the Administrative Agent in enforcing the provisions of this Article 11 against the Guarantor.

11.10 Interest

The Guarantor will pay interest to the Lenders at the Prime Rate plus the Prime Rate Margin plus 1% *per annum* on the unpaid portion of all amounts payable by the Guarantor

hereunder, such interest to accrue from and including the date of demand on the Guarantor, and will be compounded monthly.

11.11 Assignment and Postponement

All debts and liabilities, present and future, of the Borrower to the Guarantor are hereby assigned to the Administrative Agent and postponed to the Obligations, and, following an Event of Default that remains uncured, all money received by the Guarantor in respect thereof will be held in trust for the Lenders and forthwith upon receipt will be paid over to the Administrative Agent, the whole without in any way lessening or limiting the liability of the Guarantor hereunder and this assignment and postponement is independent of the guarantee, indemnity and primary obligor obligations contained in this Article 11 and will remain in full force and effect until, in the case of the assignment, the liability of the Guarantor under this Agreement has been discharged or terminated and, in the case of the postponement, until all Obligations are performed and indefeasibly paid in full.

11.12 Subrogation; Contribution

The Guarantor will not be entitled to subrogation or to contribution from any other Person by reason of any payment hereunder until indefeasible payment in full of all Obligations and the termination of the Commitments. Thereafter, the Administrative Agent will, at the Guarantor's request and expense, execute and deliver to the Guarantor appropriate documents, without recourse and without representation and warranty, except as to the amount owing, necessary to evidence the transfer by subrogation to the Guarantor of an interest in the Obligations and any Security held therefor resulting from such payment by the Guarantor.

ARTICLE 12- DEFAULT

12.01 Events of Default

The occurrence of any one or more of the following events (each such event being referred to as an **"Event of Default"**) will constitute a default under this Agreement:

(a) if the Borrower defaults in payment of any principal of any Loan when the same is due and payable, whether acceleration or otherwise;

(b) if the Borrower fails to pay any interest, fees or other Obligations (other than any principal amount) when due and such default continues for three (3) Business Days after notice of such default has been given by the Administrative Agent to the Borrower;

(c) if any Obligor breaches any covenant in Sections 9.01(26) or 9.03;

(d) if the Guarantor breaches any covenant in Section 9.05;

(e) if any Obligor neglects to observe or perform, in any material respect, any covenant or obligation contained in this Agreement or any other Loan Document on its part to

be observed or performed (other than a covenant or condition whose breach or default in performance is specifically dealt with elsewhere in this Section 12.01 or such Loan Document) and such Obligor fails to remedy such default within 30 days from the earlier of (i) the date such Obligor becomes aware of such default, and (ii) the date the Administrative Agent delivers written notice of the default to such Obligor, or where the Majority of the Lenders (having regard to the subject matter of the default) have agreed, that such default cannot be cured within such 30 days, such longer period as is required so long as such Obligor is diligently proceeding at all times to cure such default and provided that, in any event, such cure period shall not extend longer than four months without the consent of the Majority of the Lenders, acting in their sole discretion;

(f) if any information, representation or warranty given or made by any Obligor in this Agreement, any Loan Document or in any certificate or other document at any time delivered hereunder to the Administrative Agent or any Lender proves to have been incorrect or misleading in any material respect on and as of the date that it was made or was deemed to have been made and such Obligor fails to remedy such default within ten (10) Business Days of the occurrence of such event (or such longer period as the Majority of the Lenders may agree to having regard to the nature of such default and provided the affected Obligor is proceeding diligently to cure such default);

(g) if any Obligor ceases or threatens to cease to carry on business generally or admits its inability or fails to pay its debts generally;

(h) if any Obligor denies, to any material extent, its obligations under any Loan Document or claims any of the Loan Documents to be invalid or withdrawn in whole or in part;

(i) any of the Loan Documents or any material provision of any of them becomes unlawful or is changed by virtue of legislation or by a Governmental Authority, if any Obligor does not, within 15 Business Days of receipt of notice of such Loan Document or material provision becoming unlawful or being changed, replace such Loan Document with a new agreement that is in form and substance satisfactory to the Lenders, or amend such Loan Document to the satisfaction of the Lenders;

(j) if a decree or order of a court of competent jurisdiction is entered adjudging an Obligor a bankrupt or insolvent or approving as properly filed a petition seeking the winding-up of an Obligor under the *Companies' Creditors Arrangement Act* (Canada), the *Bankruptcy and Insolvency Act* (Canada), the *United States Bankruptcy Code* or the *Winding-up and Restructuring Act* (Canada) or any other bankruptcy, insolvency or analogous laws or issuing sequestration or process of execution against any substantial part of the assets of an Obligor or ordering the winding-up or liquidation of its affairs, and any such decree or order continues unstayed and in effect for a period of 30 days;

(k) if any Obligor becomes insolvent, makes any assignment in bankruptcy or makes any other assignment for the benefit of creditors, makes any proposal under the *Bankruptcy and Insolvency Act* (Canada) or any comparable law, seeks relief under the *Companies' Creditors Arrangement Act* (Canada), the *United States Bankruptcy Code*, the *Winding-up and Restructuring Act* (Canada) or any other bankruptcy, insolvency or analogous law, is adjudged bankrupt, files a petition or proposal to take advantage of any act of insolvency, consents to or acquiesces in the appointment of a trustee, receiver, receiver and manager, interim receiver, custodian, sequestrator or other Person with similar powers of itself or of all or any substantial portion of its assets, or files a petition or otherwise commences any proceeding seeking any reorganization, arrangement, composition or readjustment under any applicable bankruptcy, insolvency, moratorium, reorganization or other similar law affecting creditors' rights or consents to, or acquiesces in, the filing of such a petition;

(l) if an Encumbrancer takes possession, by appointment of a receiver, receiver and manager or otherwise, of: (i) all or any material part of the Lands, or (ii) all or any material part of the remainder of the Property;

(m) if proceedings are commenced for the dissolution, liquidation or voluntary winding-up of any Obligor, or for the suspension of the operations of any Obligor unless such proceedings are being actively and diligently contested in good faith;

(n) if a final judgment or decree for the payment of money due has been obtained or entered against any Obligor in an amount, when combined with any other such judgment or decrees, is in an amount in excess of, in the case of the Borrower or the Nominee, Cdn. $5,000,000, or in the case of the Guarantor, Cdn. $35,000,000, and such judgment or decree has not been and remained vacated, discharged or stayed pending appeal within the applicable appeal period or the applicable Obligor has not demonstrated to the satisfaction of the Lenders that it has the financial ability to satisfy such judgement or decree without adversely affecting in any material way, such Obligor's ability to perform its obligations under the Loan Documents;

(o) if (i) the Borrower fails to make any payment when such payment is due and payable to the Lenders and the Administrative Agent or defaults in the observance or performance of any other agreement or condition in relation to any Indebtedness (other than the Loan and other Obligations) to the Lenders and the Administrative Agent that is not cured within the applicable grace periods provided in connection with such Indebtedness; or (ii) any Obligor fails to make any payment when such payment is due and payable to any Person or defaults in the observance or performance of any other agreement or condition in relation to any Indebtedness (other than the Loan and other Obligations) to any Person or Persons that in the aggregate principal amount then outstanding is, in either or both cases, in excess of, in the case of the Guarantor, Cdn. $35,000,000, or in the case of the Borrower or the Nominee, Cdn. $5,000,000 or contained in any instrument or agreement evidencing, securing or relating thereto and such default or other condition has not been remedied within any applicable grace period and such Person to whom such payment is due and payable is entitled to accelerate the payments owing;

(p) if any Security ceases to constitute a valid and perfected first priority security interest (subject only to Permitted Encumbrances) and, provided the Lenders are satisfied that their position will not be prejudiced, the applicable Obligor has failed to remedy such default within ten Business Days of becoming aware of such fact;

(q) if an event of default occurs under any Material Property Agreement resulting in, or is likely to result in, a Material Adverse Change and which default is not cured or remedied within five (5) Business Days from the date the Borrower becomes aware or ought to have become aware of such default;

(r) if, except as permitted under Section 9.03(2), there is any reorganization of any Obligor or any consolidation, merger or amalgamation of any Obligor with any other company or companies, the effect of which would likely be a Material Adverse Change, or if a Change of Control occurs;

(s) if in the opinion of any Lender, a Material Adverse Change has occurred; or

(t) if the Borrower defaults in payment of any Obligations under an Eligible Hedge Agreement when due and payable or is otherwise in default of any Eligible Hedge Agreement beyond any cure period provided therein.

12.02 Acceleration and Enforcement

(1) If any Event of Default occurs:

(a) the outstanding principal amount or face amount, as the case may be, of all Loans and all other Obligations will, upon notice in writing from the Administrative Agent (acting in accordance with the direction of the Majority of the Lenders), become immediately due and payable with interest thereon, at the rate or rates determined as herein provided, to the date of actual payment thereof, all without notice, presentment, protest, demand, notice of dishonour or any other demand or notice whatsoever, all of which are hereby expressly waived by the Borrower; provided, if any Event of Default described in Section 12.01(j) or (k) with respect to any Obligor occurs, the Commitments (if not theretofore terminated) will automatically terminate and the outstanding principal amount or face amount, as the case may be, of all Loans and all other Obligations will automatically be and become immediately due and payable; and

(b) the Administrative Agent (acting in accordance with the direction of the Majority of the Lenders) may exercise any right or recourse and proceed by any action, suit, remedy or proceeding against any Obligor authorized or permitted by law for the recovery of all the Obligations to the Lenders and, whether or not the Administrative Agent (acting in accordance with the direction of the Majority of the Lenders) has exercised any of their respective rights under the foregoing clause (a), proceed to exercise any and all rights hereunder and under the Security.

(2) The Administrative Agent (acting in accordance with the direction of the Majority of the Lenders) is not under any obligation to the Obligors or any other Person to realize upon

any collateral or enforce the Security or any part thereof or to allow any of the collateral to be dealt with or Disposed of. The Administrative Agent (acting in accordance with the direction of the Majority of the Lenders) is not responsible or liable to the Obligors or any other Person for any loss or damage arising from such realization or enforcement or the failure to do so or for any act or omission on their respective parts or on the part of any director, officer, employee, agent or adviser of any of them in connection with any of the foregoing, save as a result of the gross negligence or wilful misconduct of any such party.

12.03 Intentionally Omitted

12.04 Remedies Cumulative

For greater certainty, it is expressly understood and agreed that the respective rights and remedies of the Administrative Agent and/or the Lenders hereunder or under any other Loan Document or instrument executed pursuant to this Agreement are cumulative and are in addition to and not in substitution for any rights or remedies provided by law or by equity; and any single or partial exercise by the Administrative Agent and/or the Lenders in accordance with the provisions hereof of any right or remedy for a default or breach of any term, covenant, condition or agreement contained in this Agreement or other Loan Document or instrument executed pursuant to this Agreement shall not be deemed to be a waiver of or to alter, affect or prejudice any other right or remedy or other rights or remedies to which the Administrative Agent and/or the Lenders may be lawfully entitled for such default or breach. Any waiver by the Administrative Agent and/or the Lenders of the strict observance, performance or compliance with any term, covenant, condition or other matter contained herein and any indulgence granted, either expressly or by course of conduct, by the Administrative Agent and/or the Lenders shall be effective only in the specific instance and for the purpose for which it was given and shall be deemed not to be a waiver of any rights and remedies of the Administrative Agent and/or the Lenders under this Agreement or any other Loan Document or instrument

12.05 Perform Obligations

If an Event of Default has occurred and is continuing and if any Obligor has failed to perform any of its covenants or agreements in the Loan Documents, the Administrative Agent and/or the Lenders may, but will be under no obligation to, perform any such covenants or agreements in any manner deemed fit by the Lenders without thereby waiving any rights to enforce the Loan Documents. The reasonable expenses (including any legal costs) paid by the Lenders and the Administrative Agent in respect of the foregoing will be an Obligation and will be secured by the Security.

12.06 Third Parties

It is not necessary for any Person dealing with the Lenders, the Administrative Agent or any other agent of the Lenders to inquire whether the Security has become enforceable, or whether the powers that the Lenders or the Administrative Agent are purporting to exercise may be exercised, or whether any Obligations remain outstanding upon the security thereof, or as to the necessity or expediency of the stipulations and conditions subject to which any sale is to

be made, or otherwise as to the propriety or regularity of any sale or other disposition or any other dealing with the collateral charged by such Security or any part thereof.

12.07 Application of Payments

If any Event of Default shall occur and be continuing, all payments made by the Borrower or any Obligor hereunder shall be applied in the following order:

(a) to amounts due hereunder as costs and expenses in respect of Loans;

(b) to amounts due hereunder as overdue interest in respect of Loans;

(c) to amounts due hereunder as fees on Loans;

(d) to amounts due hereunder as interest on Loans; and

(e) to (i) amounts due hereunder as principal of Loans, and (ii) amounts due under Eligible Hedge Agreements.

ARTICLE 13– COMPENSATION AND SET-OFF

13.01 Increased Costs

(1) Increased Costs Generally. If any Change in Applicable Laws shall:

(a) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender;

(b) subject any Lender to any Tax of any kind whatsoever with respect to this Agreement any or any Loans made by it, or change the basis of taxation of payments to such Lender in respect thereof, except for (x) Indemnified Taxes or Other Taxes covered by Section 13.02 and (y) the imposition, or any change in the rate, of any Excluded Tax payable by such Lender; or

(c) impose on any Lender or any applicable interbank market any other condition, cost or expense affecting this Agreement or Loans made by such Lender;

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any Loans (or of maintaining its obligation to make any such Loans), or to reduce the amount of any sum received or receivable by such Lender hereunder (whether of principal, interest or any other amount), then upon request of such Lender and subject to the Lender providing the certificate referred to in Subsection 13.01(3), the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender for such additional costs incurred or reduction suffered.

(2) Capital Requirements. If any Lender determines that any Change in Applicable Laws affecting such Lender or any lending office of such Lender or such Lender's holding

company, if any, regarding capital requirements has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by such Lender, to a level below that which such Lender or its holding company could have achieved but for such Change in Applicable Laws (taking into consideration such Lender's policies and the policies of its holding company with respect to capital adequacy), then from time to time and subject to the Lender providing the certificate referred to in Subsection 13.01(3), the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender or its holding company for any such reduction suffered.

(3) Certificates for Reimbursement. A certificate of a Lender delivered to the Borrower setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in Subsections 13.01(1) or 13.01(2) ("**Additional Compensation**"), including a description of the event by reason of which it believes it is entitled to such compensation, and supplying reasonable supporting evidence (including, in the event of a Change in Applicable Laws, a photocopy of the Applicable Laws evidencing such change) and reasonable detail of the basis of calculation of the amount or amounts, shall be conclusive evidence of the Lender's entitlement to such compensation and the amount thereof absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within ten (10) days after receipt thereof. In the event the Lender subsequently recovers all or part of the Additional Compensation paid by the Borrower, it shall promptly repay an equal amount to the Borrower. The obligation to pay such Additional Compensation for subsequent periods will continue until the earlier of termination of the Loans or the Commitment affected by the Change in Applicable Laws, change in capital requirement or the lapse or cessation of the Change in Applicable Laws giving rise to the initial Additional Compensation. A Lender shall make reasonable efforts to limit the incidence of any such Additional Compensation and seek recovery for the account of the Borrower upon the Borrower's request at the Borrower's expense, provided such Lender in its reasonable determination suffers no appreciable economic, legal, regulatory or other disadvantage. Notwithstanding the foregoing provisions, a Lender shall only be entitled to rely upon the provisions of this Section 13.01 if and for so long as it is not treating the Borrower in any materially different or in any less favourable manner than is applicable to any other customers of any relevant Lender, where such other customers are bound by similar provisions to the foregoing provisions of this Section 13.01.

(4) Delay in Requests. Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation, except that the Borrower shall not be required to compensate a Lender pursuant to this Section for any increased costs incurred or reductions suffered more than nine (9) months prior to the date that such Lender notifies the Borrower of the Change in Applicable Laws giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefor, unless the Change in Applicable Laws giving rise to such increased costs or reductions is retroactive, in which case the nine (9) month period referred to above shall be extended to include the period of retroactive effect thereof. For greater clarity, no amount shall be payable under this Section 13.01 as

a result of a lender assignment but only to the extent such assignment occurs prior to an Event of Default that is continuing.

13.02 Taxes

(1) Payments Subject to Taxes. If any Obligor, the Administrative Agent or any Lender is required by Applicable Laws to deduct or pay any Indemnified Taxes (including any Other Taxes) in respect of any payment by or on account of any Obligations, then (i) the sum payable shall be increased by that Obligor when payable as necessary so that after making or allowing for all required deductions and payments (including deductions and payments applicable to additional sums payable under this Section) the Administrative Agent or Lender, as the case may be, receives an amount equal to the sum it would have received had no such deductions or payments been required, (ii) the Obligor shall make any such deductions required to be made by it under Applicable Laws and (iii) the Obligor shall timely pay the full amount required to be deducted to the relevant Governmental Authority in accordance with Applicable Laws.

(2) Payment of Other Taxes by the Borrower. Without limiting the provisions of Subsection 13.02(1) above, the Borrower shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with Applicable Law.

(3) Indemnification by the Borrower. The Borrower shall indemnify the Administrative Agent and each Lender, within fifteen (15) days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) paid by the Administrative Agent or such Lender and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error. In the event the Lender subsequently recovers all or part of the payment made under this Section paid by the Borrower, it shall promptly repay an equal amount to the Borrower so long as no Event of Default has occurred which is then continuing. A Lender shall make reasonable efforts to limit the incidence of any payments under this Section and seek recovery for the account of the Borrower upon the Borrower's request at the Borrower's expense, provided such Lender in its reasonable determination suffers no appreciable economic, legal, regulatory or other disadvantage.

(4) Evidence of Payments. As soon as practicable after any payment of Indemnified Taxes or Other Taxes by the Borrower to a Governmental Authority, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(5) FATCA. If a payment made to any Lender under this Agreement would be subject to U.S. federal withholding tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the IRC, as applicable), such Lender shall deliver to the Borrower at the time or times prescribed by law and at such time or times reasonably requested by the Borrower such documentation prescribed by Applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the IRC) and such additional documentation reasonably requested by the Borrower as may be necessary for the Borrower to comply with its obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment.

13.03 Mitigation Obligations: Replacement of Lenders

(1) Designation of a Different Lending Office. If any Lender requests compensation under Section 13.01, or requires the Borrower to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 13.02, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 13.01 or Section 13.02, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to the Lender. The Borrower hereby agrees to pay all reasonable out-of-pocket costs and expenses incurred by a Lender in connection with any such designation or assignment.

(2) Replacement of Lenders. If any Lender requests compensation under Section 13.01, if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 13.02, if any Lender's obligations are suspended pursuant to Section 13.05 or if any Lender is a Defaulting Lender, then the Borrower may either, at its sole expense and effort, upon ten (10) days' notice to such Lender and the Administrative Agent: (i) repay all outstanding amounts and Obligations due to such affected Lenders (or such portion which has not been acquired pursuant to clause (ii) below) and thereupon the Commitments of the affected Lenders shall be permanently cancelled and the aggregate Commitments shall be permanently reduced by the same amount and the Commitment of each of the other Lenders shall remain the same; or (ii) require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Article 19), all of its interests, rights and obligations under this Agreement and the other Loan Documents to an assignee (if available) that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment), provided that:

(a) the Borrower pays the Administrative Agent for all the reasonable costs and expenses in connection with the aforementioned assignment;

(b) the assigning Lender receives payment of an amount equal to the outstanding principal of its outstanding Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any breakage costs and amounts required to be paid under this Agreement as a result of prepayment to a Lender) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts);

(c) in the case of any such assignment resulting from a claim for compensation under Section 13.01 or payments required to be made pursuant to Section 13.02, such assignment will result in a reduction in such compensation or payments thereafter; and

(d) such assignment does not conflict with Applicable Laws.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply. No such cancellation or assignment and delegation shall relieve the Borrower from its obligations to pay any compensation or other amounts under Sections 13.01 and 13.02 accruing prior to the date of such cancellation or assignment and delegation.

13.04 Defaulting Lenders

(1) Defaulting Lender Adjustments Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by applicable law:

(a) Waivers and Amendments Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of Majority of the Lenders.

(b) Defaulting Lender Waterfall Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Section 12.01 or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 14.01 shall be applied at such time or times as may be determined by the Administrative Agent as follows: first, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; second, as the Borrower may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; third, if so determined by the Administrative Agent and the Borrower, to be held in a deposit account and released pro rata in order to satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement; fourth, to the payment of any amounts owing to the Lenders as a result of any judgment of a court of competent jurisdiction obtained by any Lender against

such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; fifth, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and sixth, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Loans in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans were made at a time when the conditions set forth in Section 3.01 were satisfied or waived, such payment shall be applied solely to pay the Loans of all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of such Defaulting Lender until such time as all Loans are held by the Lenders pro rata in accordance with the Commitments under the applicable Credit Facility. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(c) Fees No Defaulting Lender shall be entitled to receive any upfront fee payable pursuant to Section 4.06 for any period during which that Lender is a Defaulting Lender (and the Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender).

(d) Defaulting Lender Cure If the Borrower, the Administrative Agent and each Non-Defaulting Lender agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein, that Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Loans to be held pro rata by the Lenders in accordance with the Commitments under the Credit Facility, whereupon such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

13.05 Illegality

If any Lender determines that any Applicable Laws has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable lending office to make or maintain any Loans, or to determine or charge interest rates based upon any particular rate, then, on notice thereof by such Lender to the Borrower through the Administrative Agent, any obligation of such Lender with respect to the activity that is unlawful shall be suspended until such Lender notifies the Administrative Agent and the Borrower that the

circumstances giving rise to such determination no longer exist. Upon receipt of such notice, the Borrower shall, upon demand from such Lender (with a copy to the Administrative Agent), prepay any Loans in order to avoid the activity that is unlawful. Upon any such prepayment, the Borrower shall also pay accrued interest on the amount so prepaid. Each Lender agrees to designate a different lending office if such designation will avoid the need for such notice and will not, in the good faith judgment of such Lender, otherwise be materially disadvantageous to such Lender.

ARTICLE 14 – RIGHT OF SETOFF

14.01 Right of Setoff

If an Event of Default has occurred and is continuing, each of the Lenders and each of their respective Affiliates is hereby authorized at any time and from time to time in its sole discretion to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender or any such Affiliate to or for the credit or the account of any Obligor against any and all of the Obligations of the Borrower now or hereafter existing under this Agreement or any other Loan Document to such Lender, irrespective of whether or not such Lender has made any demand under this Agreement or any other Loan Document and although such Obligations of the Obligors may be contingent or unmatured or are owed to a branch or office of such Lender different from the branch or office holding such deposit or obligated on such indebtedness. The rights of each the Lenders and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff, consolidation of accounts and bankers' lien) that the Lenders or their respective Affiliates may have. Each Lender agrees to promptly notify the Borrower and the Administrative Agent after any such setoff and application, but the failure to give such notice shall not affect the validity of such setoff and application. If any Affiliate of a Lender exercises any rights under this Section 14.01, it shall share the benefit received in accordance with Section 16.01 as if the benefit had been received by the Lender of which it is an Affiliate. Notwithstanding the foregoing, and for greater clarity, no Lender may make such set off in respect of any amounts forming collateral as part of the Security, which collateral may only be applied in respect of the Obligations of the Borrower.

ARTICLE 15 – SPECIFIC ENVIRONMENTAL INDEMNITY

15.01 Specific Environmental Indemnity

Each of the Obligors, on a joint and several basis, shall indemnify the Administrative Agent and each Lender and hold the Administrative Agent and each Lender harmless at all times from and against any and all losses, damages and costs (including reasonable counsel fees and out-of-pocket expenses) resulting from any legal action commenced or claim made by a third party against the Administrative Agent or any Lender related to or as a result of actions or omissions on the part of the Borrower or any other Obligor related to or as a consequence of environmental matters or any requirements of Environmental Laws concerning the Property. The Borrower shall have the sole right, at its expense, to control any such legal

action or claim and to settle on terms and conditions approved by the Borrower and approved by the party named in such legal action or claim, provided that if, in the opinion of the Majority of the Lenders, the interests of the Lenders are different from those of the Borrower in connection with such legal action or claim, the Administrative Agent and each Lender shall have the sole right, at the Borrower's expense, to defend its own interests provided that any settlement of such legal action or claim shall be on terms and conditions approved by the Borrower. If the Lenders elect to defend such legal action or claim, the Administrative Agent shall promptly notify the Borrower of same and shall make reasonable efforts to consult with the Borrower on an ongoing basis in connection with such matter. If the Borrower does not defend the legal action or claim, the Lenders shall have the right to do so on its own behalf and on behalf of the Borrower at the expense of the Borrower.

ARTICLE 16 - EXPENSES; INDEMNITY: DAMAGE WAIVER

16.01 Expenses; Indemnity: Damage Waiver

(1) Costs and Expenses Upon receipt of an invoice/notice, the Borrower shall pay (i) all reasonable out-of-pocket expenses incurred by the Administrative Agent or any Lender and its Affiliates, including the reasonable fees, charges and disbursements of counsel for the Administrative Agent and site inspections by the Lenders, in connection with satisfaction of the conditions precedent in Section 3.01 (including diligence), syndication of the Credit Facility provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), and (ii) all reasonable out-of-pocket expenses incurred by the Administrative Agent or any Lender including the reasonable fees, charges and disbursements of counsel, in connection with the enforcement of its rights in connection with this Agreement and the other Loan Documents, including its rights under this Section, or in connection with all Loans hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans.

(2) Indemnification by the Borrower Each Obligor shall indemnify the Administrative Agent (and any sub-agent thereof), each Lender and each Related Person of any of the foregoing Persons (each such Person being called an **"Indemnitee"**) against, and hold each Indemnitee harmless from, any and all Claims (including, for the purposes of paragraph 16.01(2)(iii) hereof, Environmental Costs) suffered or incurred by any Indemnitee or asserted against any Indemnitee by any third party or by any Obligor arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance or non-performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation or non-consummation of the transactions contemplated hereby or thereby, (ii) any Loan or the use or proposed use of the proceeds therefrom, (iii) any environmental matters arising during or prior to any Obligor's ownership, possession, operation of control of the Property, or (iv) any actual or prospective Claim relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by any Obligor and regardless of whether any Indemnitee is a party thereto, provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such Claims (x) are determined by a court of competent

jurisdiction by final and non-appealable judgment to have resulted from the gross negligence, criminal acts or omissions or wilful misconduct of such Indemnitee or (y) result from a claim brought by any Obligor against an Indemnitee for breach of such Indemnitee's obligations hereunder or under any other Loan Document, if such Obligor has obtained a final and non-appealable judgment in its favour on such claim as determined by a court of competent jurisdiction.

(3) Reimbursement by Lenders. To the extent that any Obligor for any reason fails to indefeasibly pay any amount required under Subsections 16.01(1) or 16.01(2) to be paid by it to the Administrative Agent (or any sub-agent thereof) or any Related Person of any of the foregoing, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent) or such Related Person, as the case may be, such Lender's Rateable Portion of such unpaid amount, provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent) in its capacity as such, or against any Related Person of any of the foregoing acting for the Administrative Agent (or any such sub-agent) in connection with such capacity. The obligations of the Lenders under this Subsection 16.01(3) are subject to the other provisions of this Agreement concerning several liability of the Lenders.

(4) Waiver of Consequential Damages, Etc. To the fullest extent permitted by Applicable Laws, each Obligor shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for indirect, consequential, punitive, aggravated or exemplary damages (as opposed to direct damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby (or any breach thereof), the transactions contemplated hereby or thereby, any Loan or the use of the proceeds thereof. No Indemnitee shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby, provided such information or materials are distributed by such Indemnitee in accordance with the provisions of this Agreement or any other Loan Document. Notwithstanding any provision of this Agreement or other Loan Documents to the contrary, the rights of the Indemnitees under this Section 16.01 shall survive discharge or repayment in full of the Credit Facility. Notwithstanding the aforementioned, any indemnity in connection with environmental matters shall not survive discharge or repayment in full of the Credit Facility, unless the Administrative Agent, or any receiver or manager appointed pursuant to the terms of the Security, became a mortgagee in possession.

(5) Payments Upon provision of an invoice/notice, all amounts due under this Section shall be payable promptly after demand therefor. A certificate of the Administrative Agent setting forth the amount or amounts owing to the Administrative Agent or the Lenders or a sub-agent or Related Person, as the case may be, as specified in this Section, including reasonable detail of the basis of calculation of the amount or amounts, and delivered to the Borrower shall be conclusive absent manifest error.

(6) Defence of Claims Upon demand by any Indemnitee, the Obligors shall defend any investigation, action or proceeding involving any Claims and Environmental Costs which is

brought or commenced against such Indemnitee, all at the Obligor's own cost and by counsel to be approved by such Indemnitee in the exercise of its reasonable judgment. Obligors' Counsel shall control defence of the claim or proceeding, except that no settlement or compromise shall be accepted or entered into which binds an Indemnitee unless such Indemnitee has given its prior written consent thereto, which consent will not be unreasonably withheld or delayed. In the alternative, any Indemnitee may elect to conduct its own defence at the expense of the Obligors.

ARTICLE 17 – SHARING OF PAYMENTS BY LENDERS

17.01 Sharing of Payments by Lenders.

(1) If any Lender, by exercising any right of setoff or counterclaim or otherwise, obtains any payment or other reduction that might result in such Lender receiving payment or other reduction of a proportion of the aggregate amount of its Loans and other outstanding Obligations hereunder and the other Loan Documents greater than its Rateable Portion (which, for the purposes of this Section 17.01, shall be calculated with reference to the Commitments) thereof as provided herein, then the Lender receiving such payment or other reduction shall (a) notify the Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the outstanding Loans and such other obligations of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders rateably in accordance with the aggregate amount of principal of and accrued interest on their respective outstanding Loans, other outstanding Obligations and other amounts owing to them, provided that:

(a) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest;

(b) the provisions of this Section shall not be construed to apply to (x) any payment made by any Obligor pursuant to and in accordance with the express terms of this Agreement or (y) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans to any assignee or participant, other than to an Obligor or any Affiliate of an Obligor (as to which the provisions of this Section shall apply);

(c) the provisions of this Section shall not be construed to apply to (w) any payment made while no Event of Default has occurred and is continuing in respect of obligations of the Borrower to such Lender that do not arise under or in connection with the Loan Documents, or (x) any payment made in respect of an obligation that is secured by a Permitted Encumbrance or that is otherwise entitled to priority over the Borrower's Obligations under or in connection with the Loan Documents;

(2) Each Obligor consents to the foregoing and agrees, to the extent it may effectively do so under Applicable Laws, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of setoff and counterclaim and similar

rights of Lenders with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

ARTICLE 18 - FUNDING/ADMINISTRATIVE AGENT'S CLAWBACK

18.01 Failure of a Lender to Fund

(1) The Administrative Agent shall only be obliged to make available to the Borrower the Advance if the Administrative Agent has received the applicable amount required from each Lender as required pursuant to this Agreement. Without limiting the generality of the foregoing, unless the Administrative Agent has actual knowledge that a Lender has not made or will not make available to the Administrative Agent for value on a Drawdown Date the applicable amount required from such Lender, the Administrative Agent shall be entitled to assume that such amount has been or will be received from such Lender when so due and the Administrative Agent may in its sole discretion (but shall not be obliged to), in reliance upon such assumption, make available to the Borrower a corresponding amount (except that no such amount shall be made available to the Borrower in the case of a deemed Advance). If such amount is not in fact received by the Administrative Agent from such Lender on such Drawdown Date and the Administrative Agent has made available a corresponding amount to the Borrower on such Drawdown Date as aforesaid (or is deemed to have made an Advance to the Borrower in such amount), such Lender shall pay to the Administrative Agent on demand an amount equal to the aggregate of the applicable amount required from such Lender, plus an amount equal to the product of (i) the rate per annum applicable to overnight deposits made with the Administrative Agent for amounts approximately equal to the amount required from such Lender multiplied by (ii) the amount that should have been paid to the Administrative Agent by such Lender on such Drawdown Date and was not, multiplied by (iii) a fraction, the numerator of which is the number of days that have elapsed from and including such Drawdown Date to but excluding the date on which the amount is received by the Administrative Agent from such Lender and the denominator of which is 365 in the case of all Advances. A certificate of the Administrative Agent containing details of the amount owing by a Lender under this Section shall be binding and conclusive in the absence of manifest error. If any such amount is not in fact received by the Administrative Agent from such Lender on the Drawdown Date, the Administrative Agent shall be entitled to recover from the Borrower, on demand, the related amount made available by the Administrative Agent to the Borrower as aforesaid together with interest thereon at the applicable rate per annum payable by the Borrower hereunder.

(2) In the event that a Lender fails to make available to the Administrative Agent its Rateable Portion of any Advance (which, for greater certainty, shall include a deemed Advance), and the Administrative Agent has elected not to make available such Lender's Rateable Portion of such Advance on behalf of such Lender pursuant to the provisions of Section 18.01(1) (it being acknowledged that the Administrative Agent has no obligation to make such Advance), then the Administrative Agent shall make available to the Borrower (except in the case of a deemed Advance) the amount made available by those Lenders which have made available their Rateable Portions in accordance with the terms hereof. For greater certainty, the failure of any Lender to make available to the Administrative Agent its Rateable Portion of any Advance as

required herein shall not relieve any other Lender of its obligations to make available to the Administrative Agent its Rateable Portion of any Advance as required herein.

18.02 Payments by the Borrower and the Obligors

All payments made by or on behalf of the Borrower or any other Obligor pursuant to this Agreement or the other Loan Documents shall be made to and received by the Administrative Agent on behalf of the Lenders and shall be distributed by the Administrative Agent to the Lenders as soon as possible upon receipt by the Administrative Agent. Subject to the provisions of Section 18.03 hereof, the Administrative Agent shall distribute in the following order:

(1) unpaid fees, costs and expenses of the Administrative Agent;

(2) payments of interest and fees in accordance with each Lender's Rateable Portion of the Credit Facility;

(3) repayments of principal in accordance with each Lender's Rateable Portion of the Credit Facility;

(4) amounts received by the Administrative Agent as a result of the exercise of any right of set-off, combination or consolidation of accounts, or by counterclaim or cross-action, in accordance with each Lender's Rateable Portion of the then outstanding Obligations owing to all of the Lenders at the time of such set-off, combination or consolidation of accounts or if applicable, at the time of the receipt of such amounts from any counterclaim or cross-action; and

(5) all other payments received by the Administrative Agent under this Agreement, in accordance with what would otherwise be each Lender's Rateable Portion of the Credit Facility.

Subject to Section 18.03, if the Administrative Agent does not distribute a Rateable Portion of a payment made by the Borrower or any other Obligor to or for the benefit of that Lender for value on the day that payment is made or deemed to have been made to the Administrative Agent, the Administrative Agent shall pay to the Lender on demand an amount equal to the product of (i) the Administrative Agent's rate per annum applicable to overnight deposits for amounts approximately equal to the amount of the payment multiplied by (ii) the Lender's Rateable Portion of the amount received by the Administrative Agent and not so distributed, multiplied by (iii) a fraction, the numerator of which is the number of days that have elapsed from and including the date of receipt of the payment by the Administrative Agent to but excluding the date on which the payment is made by the Administrative Agent to such Lender and the denominator of which is 365.

18.03 Payments by Administrative Agent

(1) For greater certainty, the following provisions shall apply to any and all payments made by the Administrative Agent to the Lenders hereunder:

(a) the Administrative Agent shall be under no obligation to make any payment (whether in respect of principal, interest, fees or otherwise) to any Lender until an amount in

respect of such payment has been received by the Administrative Agent from the Borrower or another Obligor;

(b) if the Administrative Agent receives less than the full amount of any payment of principal, interest, fees or other amount owing by the Borrower or the other Obligors under the Loan Documents, the Administrative Agent shall have no obligation to remit to each Lender any amount other than such Lender's Rateable Portion (based on the then outstanding Obligations) of that amount which is the amount actually received by the Administrative Agent;

(c) if any Lender advances more or less than its Rateable Portion of the Credit Facility, such Lender's entitlement to such payment shall be increased or reduced, as the case may be, in proportion to the amount actually advanced by such Lender;

(d) if a Lender's Rateable Portion of an Advance has been advanced for less than the full period to which any payment by the Borrower relates, such Lender's entitlement to such payment shall be reduced in proportion to the length of time such Lender's Rateable Portion of the applicable Advance has actually been outstanding;

(e) the Administrative Agent acting reasonably and in good faith shall, after consultation with the Lenders in the case of any dispute, determine in all cases the amount of all payments to which each Lender is entitled and such determination shall, in the absence of manifest error, be binding and conclusive;

(f) upon request, the Administrative Agent shall deliver a statement detailing any of the payments to the Lenders referred to herein; and

(g) all payments by the Administrative Agent to a Lender hereunder shall be made to such Lender at the address provided by such Lender to the Administrative Agent pursuant to the Administrative Questionnaire.

(2) The Administrative Agent shall only be obliged to pay Lenders their corresponding amount of a payment from the Borrower (or any portion thereof) if the Administrative Agent has received the payment from the Borrower. Without limiting the generality of the foregoing, unless the Administrative Agent has actual knowledge that the Borrower has not made or will not make a payment to the Administrative Agent for value on the date in respect of which the Borrower has notified the Administrative Agent that the payment will be made, the Administrative Agent shall be entitled to assume that such payment has been or will be received from the Borrower when due and the Administrative Agent may in its sole discretion (but shall not be obliged to), in reliance upon such assumption, pay the Lenders' corresponding amounts. If the payment by the Borrower is in fact not received by the Administrative Agent on the required date and the Administrative Agent has made available corresponding amounts to the Lenders, the Borrower shall, without limiting its other obligations under this Agreement, indemnify the Administrative Agent against any and all liabilities, obligations, losses (other than loss of profit), damages, penalties, and all reasonable costs, expenses or disbursements of any kind or nature whatsoever that may be imposed on or incurred by the Administrative Agent as a result of such non-payment. A certificate of the Administrative

Agent with respect to any amount owing under this Section shall be prima facie evidence of the amount owing in the absence of manifest error. If a payment is not in fact received by the Administrative Agent from the Borrower and the Administrative Agent has paid to a Lender a corresponding amount, such Lender shall pay to the Administrative Agent on demand an amount equal to the aggregate of the amount of such payment made to the Lender plus the product of (i) the Lender's rate per annum applicable to overnight deposits for amounts approximately equal to the amount paid by the Administrative Agent to such Lender and not so received from the Borrower multiplied by (ii) the amount paid by the Administrative Agent to such Lender and not so received from the Borrower, multiplied by (iii) a fraction, the numerator of which is the number of days that have elapsed from and including the date of payment by the Administrative Agent to the Lender to but excluding the date on which payment is made by such Lender to the Administrative Agent and the denominator of which is 365.

18.04 Erroneous Payments

(1) Each Lender hereby agrees that if the Administrative Agent notifies a Lender or any other Person who has received funds on behalf of a Lender (any such Lender or Person being a "**Payment Recipient**") that the Administrative Agent has determined (whether or not after receipt of any notice under Section 18.04(2)) that any funds received by such Payment Recipient from the Administrative Agent or any of its Affiliates were erroneously transmitted to, or otherwise erroneously or mistakenly received by, such Payment Recipient, whether or not known to such Lender or on its behalf (any such funds, whether received as a payment, prepayment, or repayment of principal, interest, fees, distribution or otherwise being, individually and collectively, an "**Erroneous Payment**"), and demands the return of such Erroneous Payment (or a portion thereof), such Erroneous Payment shall at all times remain the property of the Administrative Agent and shall be segregated by the Payment Recipient and held in trust for the benefit of the Administrative Agent, and such Lender shall (or, with respect to any other Payment Recipient who received such funds on its behalf, shall cause such Payment Recipient to) promptly, but in no event later than two (2) Business Days thereafter, return to the Administrative Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made, in same day funds (in the currency so received), together with interest thereon in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Payment Recipient to the date such amount is repaid to the Administrative Agent in same day funds at the greater of (i) the overnight rate for interbank compensation in Canada, and (ii) a rate determined by the Administrative Agent in accordance with Canadian banking industry rules on interbank compensation from time to time in effect. To the extent permitted by Applicable Law, no Lender shall assert any right or claim to an Erroneous Payment, and each Lender hereby waives, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Erroneous Payment received by such Lender (or any other Payment Recipient who received such funds on its behalf) including, without limitation, waiver of any defense based on "discharge for value" or any similar doctrine. A notice of the Administrative Agent to any Lender or other Payment Recipient under this Section 18.04(1) shall be conclusive, absent manifest error.

(2) Without limiting Section 18.04(1), each Lender hereby further agrees that if it or any other Payment Recipient acting on its behalf receives a payment, prepayment, or repayment

(whether received as a payment, prepayment, or repayment of principal, interest, fees, distribution or otherwise) from the Administrative Agent (or any of its Affiliates):

(a) that is in a different amount than, or on a different date from, that specified in a notice of payment, prepayment, or repayment sent by the Administrative Agent (or any of its Affiliates) with respect to such payment, prepayment, or repayment;

(b) that was not preceded or accompanied by a notice of payment, prepayment, or repayment sent by the Administrative Agent (or any of its Affiliates); or

(c) that such Lender otherwise becomes aware was transmitted, or received, in error or by mistake (in whole or in part), in each case:

(i) in the case of Sections 18.04(2)(a) or 18.04(2)(b), an error shall be presumed to have been made (absent written confirmation from the Administrative Agent to the contrary) or, in the case of Section 18.04(2)(c), an error has been made, with respect to such payment, prepayment, or repayment; and

(ii) such Lender shall (and shall cause any other Payment Recipient that receives funds on its behalf to) promptly (and, in any event, within one (1) Business Day of its knowledge of such error) notify the Administrative Agent of its receipt of such payment, prepayment, or repayment, the details thereof (in reasonable detail) and that it is so notifying the Administrative Agent pursuant to this Section 18.04(2)(c)(ii).

(3) Each Lender hereby authorizes the Administrative Agent to set off, net, and apply any and all amounts at any time owing to such Lender under any Loan Document, or otherwise payable or distributable by the Administrative Agent to such Lender from any source, against any amount due to the Administrative Agent under Section 18.04(1) or under the indemnification provisions of this Agreement.

(4) In the event that an Erroneous Payment (or portion thereof) is not recovered by the Administrative Agent for any reason after demand therefor pursuant to Section 18.04(1) from any Lender that has received such Erroneous Payment (or portion thereof) (or from any other Payment Recipient who received such Erroneous Payment (or portion thereof) on such Lender's behalf) (such unrecovered amount being an "**Erroneous Payment Return Deficiency**"), upon the Administrative Agent's notice of same to such Lender:

(a) such Lender shall be deemed to have assigned its Loans (but not its Commitments) of the Credit Facility in respect of which such Erroneous Payment was made (being the "**Erroneous Payment Impacted Credit Facility**") in an amount equal to the Erroneous Payment Return Deficiency (or such lesser amount as the Administrative Agent may specify) (such assignment of the Loans (but not Commitments) of the Erroneous Payment Impacted Credit Facility, being the "**Erroneous Payment Deficiency Assignment**") at par plus any accrued and unpaid interest (with any applicable assignment fee to be waived by the Administrative Agent in such instance), and is hereby (together with the Borrower) deemed to execute and deliver a

Lender Assignment and Assumption with respect to such Erroneous Payment Deficiency Assignment;

(b) the Administrative Agent, as the assignee Lender, shall be deemed to acquire the Erroneous Payment Deficiency Assignment; and

(c) upon such deemed acquisition, the Administrative Agent as the assignee Lender shall become a Lender, as applicable, hereunder with respect to such Erroneous Payment Deficiency Assignment and the assigning Lender shall cease to be a Lender hereunder with respect to such Erroneous Payment Deficiency Assignment, excluding, for the avoidance of doubt, its obligations under the indemnification provisions of this Agreement and its applicable Commitments which shall survive as to such assigning Lender.

(5) The Administrative Agent may, in its discretion, sell any Loans acquired pursuant to an Erroneous Payment Deficiency Assignment and upon receipt of the proceeds of such sale, the Erroneous Payment Return Deficiency owing by the applicable Lender shall be reduced by the net proceeds of the sale of such Loan (or portion thereof), and the Administrative Agent shall retain all other rights, remedies and claims against such Lender (and/or against any recipient that receives funds on its respective behalf). For the avoidance of doubt, no Erroneous Payment Deficiency Assignment will reduce the Commitments of any Lender and such Commitments shall remain available in accordance with the terms of this Agreement. In addition, each party hereto agrees that, except to the extent that the Administrative Agent has sold a Loan (or portion thereof) acquired pursuant to an Erroneous Payment Deficiency Assignment, and irrespective of whether the Administrative Agent may be equitably subrogated, the Administrative Agent shall be contractually subrogated to all the rights and interests of the applicable Lender under the Loan Documents with respect to each Erroneous Payment Return Deficiency.

(6) The parties hereto agree that an Erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations owed by the Borrower or any other Obligor, except, in each case, to the extent such Erroneous Payment is, and solely with respect to the amount of such Erroneous Payment that is, comprised of funds received by the Administrative Agent from the Borrower or any other Obligor for the purpose of making such Erroneous Payment.

(7) Each party's obligations, agreements and waivers under this Section 18.04 shall survive the resignation or replacement of the Administrative Agent, any transfer of rights or obligations by, or the replacement of, a Lender, the termination of the Commitments, and the repayment, satisfaction or discharge of all Obligations (or any portion thereof) under any Loan Document.

ARTICLE 19 – AGENCY

19.01 Appointment and Authority.

Each of the Lenders hereby irrevocably appoints Royal Bank of Canada as the Administrative Agent to act on its behalf as the Administrative Agent hereunder and under the

other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. Without limiting the foregoing, the Administrative Agent shall act as collateral agent for the Lenders pursuant to the Loan Documents. The provisions of this Article are solely for the benefit of the Administrative Agent and the Lenders, and no Obligor shall have rights as a third party beneficiary of any of such provisions.

19.02 Rights as a Lender.

The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with any Obligor or any Affiliate thereof as if such Person were not the Administrative Agent and without any duty to account to the Lenders. Except as may be otherwise provided in this Agreement, all communications between any Obligor and any Lender in connection with this Agreement and the other Loan Documents shall be directed through the Administrative Agent. All notices by a Lender to the Administrative Agent shall be through the Administrative Agent's office as set out herein (or as may be amended in accordance with the terms hereof) and all other notices by the Administrative Agent to the Lenders shall be through the Lender's office as set out herein (or as may be amended in accordance with the terms hereof).

19.03 Exculpatory Provisions.

(1) The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, the Administrative Agent:

(a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default or Event of Default has occurred and is continuing;

(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Majority of the Lenders (or such other number or percentage of the Lenders as shall be expressly provided for in the Loan Documents), but the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or Applicable Laws; and

(c) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Affiliates that is communicated to or obtained

by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

(2) The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Majority of the Lenders (or such other number or percentage of the Lenders as is necessary, or as the Administrative Agent believes in good faith is necessary, under the provisions of this Agreement or any other Loan Document) or (ii) in the absence of its own gross negligence or wilful misconduct. The Administrative Agent shall be deemed not to have knowledge of any Default or Event of Default unless and until written notice describing such Default or Event of Default is given to the Administrative Agent by the Borrower or a Lender.

(3) Except as otherwise expressly specified in this Agreement, the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition specified in this Agreement, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

19.04 Reliance by Administrative Agent.

The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, internet or intranet posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of the Drawdown that by its terms must be fulfilled to the satisfaction of a Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender unless the Administrative Agent shall have received notice to the contrary from such Lender prior to the making of the Drawdown. The Administrative Agent may consult with legal counsel, independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

19.05 Indemnification of Administrative Agent.

Each Lender agrees to indemnify the Administrative Agent and hold it harmless (to the extent not reimbursed by the Borrower), severally (and not jointly nor jointly and severally) in accordance with its Rateable Portion from and against any and all losses, claims, damages, liabilities and related expenses, including the fees, charges and disbursements of any counsel, which may be incurred by or asserted against the Administrative Agent in any way

relating to or arising out of the Loan Documents or the transactions therein contemplated. However, no Lender shall be liable for any portion of such losses, claims, damages, liabilities and related expenses resulting from the Administrative Agent's gross negligence or wilful misconduct.

19.06 Delegation of Duties.

The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent from among the Lenders (including the Person serving as Administrative Agent) and their respective Affiliates. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Persons. The provisions of this Article and other provisions of this Agreement for the benefit of the Administrative Agent shall apply to any such sub-agent and to the Related Persons of the Administrative Agent and any such sub-agent, and shall apply to their activities herein as Administrative Agent.

19.07 Replacement of Administrative Agent.

(1) The Administrative Agent may at any time give thirty (30) days' prior notice of its resignation to the Lenders and the Borrower. Upon receipt of any such notice of resignation, the Majority of the Lenders shall have the right, in consultation with the Borrower, to appoint a successor, which shall be a Lender having a Commitment and having an office in Toronto, Ontario or an Affiliate of any such Lender with an office in Toronto, Ontario. The Administrative Agent may also be removed at any time by the Majority of the Lenders upon 30 days' prior notice to the Administrative Agent and the Borrower as long as the Majority of the Lenders in consultation with the Borrower, appoint and obtain the acceptance of a successor within such thirty (30) days, which shall be a Lender having an office in Toronto, or an Affiliate of any such Lender with an office in Toronto.

(2) If no such successor shall have been so appointed by the Majority of the Lenders and shall have accepted such appointment within thirty (30) days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may on behalf of the Lenders, appoint a successor Administrative Agent meeting the qualifications specified in Section 19.07, provided that if the Administrative Agent shall notify the Borrower and the Lenders that no qualifying Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and (a) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of the Security held by the Administrative Agent on behalf of the Lenders under any of the Loan Documents, the retiring Administrative Agent shall continue to hold such Security until such time as a successor Administrative Agent is appointed) and (b) all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender directly, until such time as the Majority of the Lenders appoint a successor Administrative Agent as provided for above in the preceding paragraph.

(3) Upon a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the former Administrative Agent, and the former Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided in the preceding paragraph). The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the termination of the service of the former Administrative Agent, the provisions of this Article 19 and of Article 16 one shall continue in effect for the benefit of such former Administrative Agent, its sub-agents and their respective Related Persons in respect of any actions taken or omitted to be taken by any of them while the former Administrative Agent was acting as Administrative Agent.

19.08 Non-Reliance on Administrative Agent and Other Lenders.

Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent, any other Lender or any other Person and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent, any other Lender or any other Person and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

19.09 Collective Action of the Lenders.

Each of the Lenders hereby acknowledges that to the extent permitted by Applicable Laws, the Security and all rights and remedies provided under the Loan Documents to the Lenders are for the benefit of the Lenders collectively and acting together and not severally and further acknowledges that its rights hereunder and under any Security are to be exercised not severally, but by the Administrative Agent upon the decision of the Majority of the Lenders (or other such number or percentage of the Lenders as shall be expressly provided for in the Loan Documents). Accordingly, notwithstanding any of the provisions contained herein or in any Security, each of the Lenders hereby covenants and agrees that it shall not be entitled to take any action hereunder or thereunder including any declaration of default or Event of Default hereunder or thereunder but that any such action shall be taken only by the Administrative Agent with the prior written agreement of the Majority of the Lenders (or other such number or percentage of the Lenders as shall be expressly provided for in the Loan Documents). Each of the Lenders hereby further covenants and agrees that upon any such written agreement being given, it shall co-operate fully with the Administrative Agent to the extent requested by the Administrative Agent. Notwithstanding the foregoing, in the absence of instructions from the Majority of the Lenders and where in the sole opinion of the Administrative Agent, acting reasonably and in good faith, the exigencies of the situation warrant such action, the Administrative Agent may without notice to or consent of the Lenders take such action on behalf of the Lenders as it deems appropriate or desirable in the interest of the Lenders. Subject to the foregoing, if the Borrower fails to perform any covenants on its part herein or under any Loan Document, the Administrative Agent may, in its discretion but need not, perform any covenant

capable of being performed by the Administrative Agent and if the covenant requires the payment or expenditure of money, the Administrative Agent on behalf of the Lenders may make such payment or expenditure and all sums so expended shall be forthwith payable by the Borrower to the Administrative Agent on behalf of the Lenders, will be Obligations secured by the Security and shall bear interest at the Prime Rate plus the Prime Rate Margin.

19.10 No Other Duties, etc.

Anything herein to the contrary notwithstanding, none of the bookrunners, arrangers or holders of similar titles, if any, specified in this Agreement shall have any powers, duties or responsibilities under this Agreement or any of the Loan Documents, except in its capacity, as applicable, as the Administrative Agent or a Lender hereunder.

ARTICLE 20 – SUCCESSORS AND ASSIGNS

20.01 Successors and Assigns.

(1) Successors and Assigns Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that no Obligor may assign or otherwise transfer any of its rights or obligations hereunder (other than as permitted in this Agreement) without the prior written consent of the Administrative Agent and all Lenders and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except in accordance with this Article 20 (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in Subsection 20.01(4) and, to the extent expressly contemplated hereby, the Related Persons of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(2) Assignments by Lenders. Upon notice to the Borrower, any Lender may at any time assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and all outstanding Loans at the time owing to it), provided that:

(a) except if an Event of Default has occurred and is continuing or in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and the outstanding Loans at the time owing to it or in the case of an assignment to a Lender or an Affiliate of a Lender, the aggregate amount of the Commitment being assigned (which for this purpose includes all outstanding Loans owing to it thereunder) or, if the applicable Commitment is not then in effect, the principal outstanding balance of all outstanding Loans of the assigning Lender subject to each such assignment (determined as of the date the Lender Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Lender Assignment and Assumption, as of the Trade Date) shall not be less than Cdn. $5,000,000 and in increments of Cdn. $1,000,000 thereof, unless each of the Administrative Agent and, so long as no Event of Default has

occurred and is continuing, the Borrower otherwise consent to a lower amount (each such consent not to be unreasonably withheld or delayed);

(b) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the outstanding Loans or the Commitment assigned, except that this clause (b) shall not prohibit any Lender from assigning all or a portion of its rights and obligations among separate credits on a non-pro rata basis;

(c) any assignment must be approved by the Administrative Agent (such approval to be in the Administrative Agent's sole discretion);

(d) any assignment must be to an Eligible Assignee;

(e) the parties to each assignment shall execute and deliver to the Administrative Agent a Lender Assignment and Assumption, together with a processing fee in the following sentence and the Eligible Assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire. Each assignment shall be made upon payment by the assignor to the Administrative Agent of a processing fee of $5,000 (provided, in each case, that no such fee shall be payable in respect of any assignment (i) to any Affiliate of such Lender; or (ii) by the Administrative Agent or any of its Affiliates), provided that, in the case of contemporaneous assignments by a Lender to more than one fund managed by the same investment advisor or an Affiliate of such investment advisor (which funds are not then Lenders hereunder), only a single such fee shall be payable for all such contemporaneous assignments.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to Section 20.01(3), from and after the effective date specified in each Lender Assignment and Assumption, the Eligible Assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Lender Assignment and Assumption, have the rights and obligations of a Lender under this Agreement and the other Loan Documents, including any collateral security, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Lender Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of a Lender Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Article 13 and Article 16, and shall continue to be liable for any breach of this Agreement by such Lender, with respect to facts and circumstances occurring prior to the effective date of such assignment. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with Section 20.01(4). Any payment by an assignee to an assigning Lender in connection with an assignment or transfer shall not be or be deemed to be a repayment by the Borrower or a new Loan to the Borrower.

(3) Register. The Administrative Agent shall maintain at one of its offices in Toronto, Ontario a copy of each Lender Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts of the outstanding Loans owing to, each Lender pursuant to the terms hereof from time to time (the "**Register**"). The entries in the Register shall be conclusive, absent manifest error, and the Borrower, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(4) Participations. Any Lender may at any time sell participations to any Person (other than a natural person, an Obligor or any Affiliate of an Obligor) (each, a "**Participant**") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the outstanding Loans owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, and (iii) the Borrower, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any payment by a Participant to a Lender in connection with a sale of a participation shall not be or be deemed to be a repayment by the Borrower or a new Loan to the Borrower.

Subject to Subsection 20.01(5), the Borrower agrees that each Participant shall be entitled to the benefits of Article 13 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (2) of this Section, provided such Participants agree to be subject to Article 17 as though they were Lenders. To the extent permitted by Applicable Laws, each Participant also shall be entitled to the benefits of Section 14.01 as though it were a Lender, provided such Participant agrees to be subject to Article 17 as though it were a Lender.

(5) Limitations upon Participant Rights. A Participant shall not be entitled to receive any greater payment under Section 13.01 and Section 13.02 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent.

(6) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, but no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

ARTICLE 21 - AMENDMENTS AND WAIVERS

21.01 Amendments and Waivers

(1) Subject to Subsections 21.01(1), 21.01(2) and 21.01(3), (a) no amendment shall be effective unless in writing between the Administrative Agent and the Borrower and approved by the Majority of the Lenders and (b) no waiver of any provision of any of the

Loan Documents nor consent to any departure by the Borrower or any other Person from such provisions shall be effective unless in writing and approved by the Majority of the Lenders. Any amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given.

(2) Only written amendments, waivers or consents signed by all the Lenders shall (i) increase a Lender's Commitment or subject any Lender to any additional obligation; (ii) reduce the principal or amount of, or interest on, directly or indirectly, any outstanding Loans or any fees; (iii) postpone any date fixed for any payment of principal of, or interest on, any outstanding Loans or any fees; (iv) change the percentage of the Commitments or the number or percentage of Lenders required for the Lenders, or any of them, or the Administrative Agent to take any action; (v) permit any termination or release of any of the Obligations or Obligors hereunder or the Security or the collateral subject to the Security not otherwise permitted to be released hereunder; (vi) change the definition of "Majority of the Lenders"; (vii) change any other provision of this Agreement which specifically requires the consent of all of the Lenders; and (viii) amend this Section 21.01(2).

(3) Only written amendments, waivers or consents signed by the Administrative Agent and approved in writing by the Majority of the Lenders, shall affect the rights or duties of the Administrative Agent under the Loan Documents.

21.02 Judgment Currency.

(1) If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due to a Lender in any currency (the "**Original Currency**") into another currency (the "**Other Currency**"), the parties agree, to the fullest extent that they may effectively do so, that the rate of exchange used shall be that at which, in accordance with normal banking procedures, such Lender could purchase the Original Currency with the Other Currency on the Business Day preceding the day on which final judgment is given or, if permitted by Applicable Laws, on the day on which the judgment is paid or satisfied.

(2) The obligations of the Borrower in respect of any sum due in the Original Currency from it to any Lender under any of the Loan Documents shall, notwithstanding any judgment in any Other Currency, be discharged only to the extent that on the Business Day following receipt by the Lender of any sum adjudged to be so due in the Other Currency, the Lender may, in accordance with normal banking procedures, purchase the Original Currency with such Other Currency. If the amount of the Original Currency so purchased is less than the sum originally due to the Lender in the Original Currency, the Borrower agrees, as a separate obligation and notwithstanding the judgment, to indemnify the Lender, against any loss, and, if the amount of the Original Currency so purchased exceeds the sum originally due to the Lender in the Original Currency, the Lender shall remit such excess to the Borrower.

ARTICLE 22-GOVERNING LAW; JURISDICTION; ETC.

22.01 Governing Law and Submission to Jurisdiction

(1) Governing Law This Agreement shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the laws of Canada applicable in that Province.

(2) Submission to Jurisdiction Each Obligor irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the courts of the Province of Ontario, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or any other Loan Document, or for recognition or enforcement of any judgment, and each of the parties hereto irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such court. Each of the parties hereto agrees that a final, non-appealable judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other Loan Document shall affect any right that the Administrative Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against each Obligor or its properties in the courts of any jurisdiction.

(3) Waiver of Venue Each Obligor irrevocably and unconditionally waives, to the fullest extent permitted by Applicable Laws, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court of the Province of Ontario. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Laws, the defence of an inconvenient forum to the maintenance of such action or proceeding in any such court.

ARTICLE 23 - WAIVER OF JURY TRIAL

23.01 Waiver of Jury Trial

EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAWS, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

ARTICLE 24 - NOTICES: EFFECTIVENESS; ELECTRONIC COMMUNICATION

24.01 Notices, etc.

(1) Notices Generally Except in the case of notices and other communications expressly permitted to be given by telephone or email (and except as provided in Sections 24.01(3) or (4)), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopier to the addresses or telecopier numbers specified elsewhere in this Agreement or, if to a Lender, to it at its address or telecopier number specified in this Agreement.

(2) Delivery Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by telecopier shall be deemed to have been given when sent (except that, if not given on a Business Day between 9:00 a.m. and 5:00 p.m. local time where the recipient is located, shall be deemed to have been given at 9:00 a.m. on the next Business Day for the recipient). Notices delivered through electronic communications to the extent provided in Sections 24.01(3) or (4) below, shall be effective as provided therein.

(3) Electronic Communications Notices and other communications to the Administrative Agent hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Lenders. The Lenders or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications.

(4) Delivery by Electronic Communication Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

(5) Notice The mailing addresses and address for electronic communications for the purposes of notices and other communications to the Obligors, the Administrative Agent and the Lenders are set out on the signature pages of this Agreement.

(6) Change of Address, Etc. Any party hereto may change its address or telecopier number for notices and other communications hereunder by notice to the other parties hereto in accordance with the terms of this Agreement.

ARTICLE 25 - COUNTERPARTS; INTEGRATION; EFFECTIVENESS; ELECTRONIC EXECUTION

25.01 Counterparts; Integration; Effectiveness; Electronic Execution

(1) Counterparts; Integration; Effectiveness This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement shall become effective when it has been executed by the Administrative Agent and when the Administrative Agent has received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or by sending a scanned copy by electronic mail shall be effective as delivery of a manually executed counterpart of this Agreement.

(2) Electronic Execution of Assignments. The words "execution," "signed," "signature," and words of like import in any Lender Assignment and Assumption shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any Applicable Laws, including Parts 2 and 3 of the *Personal Information Protection and Electronic Documents Act* (Canada), the *Electronic Commerce Act, 2000* (Ontario) and other similar federal or provincial laws based on the *Uniform Electronic Commerce Act* of the Uniform Law Conference of Canada or its *Uniform Electronic Evidence Act*, as the case may be.

ARTICLE 26 - TREATMENT OF CERTAIN INFORMATION: CONFIDENTIALITY

26.01 Treatment of Certain Information: Confidentiality

(1) Each of the Administrative Agent and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and its Affiliates' respective partners, directors, officers, employees, agents, advisors and representatives (to the extent necessary to administer or enforce this Agreement and the other Loan Documents) (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and will be bound and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority having jurisdiction over it (including any self-regulatory authority), (c) to the extent required by Applicable Laws or other legal process, (d) to any other party hereto, (e) to the extent reasonable, in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap, derivative, credit-linked note or similar transaction relating to the Borrower and its obligations, (g) with the consent of the Borrower or (h) to the extent such Information (x) becomes publicly

available other than as a result of a breach of this Section or (y) becomes available to the Administrative Agent or any Lender on a non-confidential basis from a source other than an Obligor.

(2) For purposes of this Section, "Information" means all information relating to the Borrower or any of its Affiliates or any of their respective businesses, other than any such information that is available to the Administrative Agent or any Lender on a non-confidential basis prior to such receipt. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information. In addition, the Administrative Agent may disclose to any agency or organization that assigns standard identification numbers to loan facilities such basic information describing the facilities provided hereunder as is necessary to assign unique identifiers (and, if requested, supply a copy of this Agreement), it being understood that the Person to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to make available to the public only such Information as such person normally makes available in the course of its business of assigning identification numbers.

(3) In addition, and notwithstanding anything herein to the contrary, the Administrative Agent may provide information concerning the Borrower and the Credit Facility established herein to recognized trade publishers of information for general circulation in the loan market.

ARTICLE 27 - GENERAL

27.01 Addresses, Etc. for Notices

The mailing addresses and addresses for electronic communications for the purposes of notices and other communications to the Obligors, the Administrative Agent and the Lenders are set out on the signature pages of this Agreement.

27.02 Effect of Assignment

For greater certainty, an assignment by any Lender, in accordance with the terms hereof, of its rights hereunder will not constitute a repayment, discharge, rescission, extinguishment or novation of any extension of credit by such Lender under this Agreement or interest therein, and the obligations so assigned will continue to be the same obligations and not new obligations.

27.03 Benefit of the Agreement

This Agreement shall enure to the benefit of and be binding upon the Borrower, each other Obligor, the Administrative Agent and each Lender and their respective successors and assigns.

27.04 No Other Duties, Etc.

Anything herein to the contrary notwithstanding, none of the bookrunners, arrangers or holders of similar titles, if any, specified in this Agreement shall have any powers, duties or responsibilities under any of the Loan Documents, except in its capacity, as applicable, as a Lender hereunder.

27.05 Survival

The provisions of Article 15 and Article 16 will survive the repayment of all Loans, whether on account of principal, interest or fees, and the termination of this Agreement, unless a specific release of such provisions by the Lenders is delivered to Borrower. Notwithstanding the foregoing, the Obligors shall be released from the environmental indemnity in Article 15 following the termination of the Loan Documents and payments of the Obligations hereunder unless the Administrative Agent was a mortgagee in possession of the Property or has commenced to enforce its rights under the Loan Documents following an Event of Default.

27.06 Severability and Conflict

If any provision of this Agreement is determined by any court of competent jurisdiction to be illegal or unenforceable, that provision will be severed from this Agreement and the remaining provisions will continue in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any of the parties. In the event of any conflict or inconsistency between this Agreement and any other Loan Document, the provisions of this Agreement shall prevail, to the extent of any such conflict or inconsistency (provided, for greater certainty, that the existence of additional rights or remedies in favour of the Administrative Agent or a Lender in such other Loan Documents shall not constitute a conflict or inconsistency).

27.07 Further Assurances

Each Obligor and the Administrative Agent will promptly cure any default by it in the execution and delivery of this Agreement, the Loan Documents or of any of the agreements provided for hereunder to which it is a party. Each Obligor, at its expense, will promptly execute and deliver to the Administrative Agent or a Lender, upon request by the Administrative Agent or a Lender, all such other and further documents, agreements, opinions, certificates and instruments in compliance with, or for the accomplishment of the covenants and agreements of such Obligor hereunder or more fully to state the obligations of such Obligor as set forth herein or to make any recording, file any notice or obtain any consent, all as may be reasonably necessary or appropriate in connection therewith.

27.08 Time of the Essence

Time shall be of the essence of the Loan Documents.

[Signature pages follow]

IN WITNESS WHEREOF the parties have executed this Agreement.

BORROWER:

HUDSON'S BAY COMPANY ULC COMPAGNIE DE LA BAIE D'HUDSON SRI, in its capacity as general partner for and on behalf of HBC YSS1 LIMITED PARTNERSHIP,
as Borrower

401 Bay Street, Suite 2302
Toronto, ON, M5H 2Y4

By: _____
Name:
Title:

Attention: SVP, Real Estate
E-Mail:

By: _____
Name:
Title:

We have the authority to bind the above.

NOMINEE:

HUDSON'S BAY COMPANY ULC COMPAGNIE DE LA BAIE D'HUDSON SRI,
as Nominee

401 Bay Street, Suite 2302
Toronto, ON, M5H 2Y4

By: _____
Name:
Title:

Attention: SVP, Real Estate
E-Mail:

By: _____
Name:
Title:

We have the authority to bind the above.

GUARANTOR:

RIOCAN REAL ESTATE INVESTMENT TRUST
as Guarantor

2300 Yonge Street, Suite 500,
PO Box 2386
Toronto, ON M4P 1E4

Attention:
E-Mail:

By: _____
Name:
Title:

By: _____
Name:
Title:

We have the authority to bind the above.

ADMINISTRATIVE AGENT:

ROYAL BANK OF CANADA
as Administrative Agent

Royal Bank of Canada
Agency Services Group
155 Wellington Street West, 8th Floor
Toronto, Ontario, M5V 3H1

Attention: Drake Guo
Email: drake.guo@rbccm.com

By: _____
Name:
Title:

By: _____
Name:
Title:

I/We have the authority to bind the above.

LENDERS:

ROYAL BANK OF CANADA,
as a Lender

Royal Bank of Canada
Global Loan Administration
155 Wellington Street West, 8th Floor
Toronto, Ontario, M5V 3H1

Attention: Jason Viaene
E-Mail: Jason.Viaene@rbccm.com

By: _____
Name:
Title:

By: _____
Name:
Title:

I/We have the authority to bind the above.

Schedule A

Lenders and Commitments

Lender and Lending Office	Credit Facility Commitment
Royal Bank of Canada Global Loan Administration 155 Wellington Street West, 8th Floor Toronto, Ontario M5V 3H1 Attention: Jason Viaene E-Mail: Jason.Viaene@rbccm.com	Cdn. $75,000,000.00
Total	**Cdn. $75,000,000.00**

Schedule B

Legal Description of Lands

[NTD: Fogler to advise.]

Schedule C

Certificate re. Identity

TO: ROYAL BANK OF CANADA, as Administrative Agent and the Lenders, together with their successors and assigns

RE: Credit agreement dated January 26, 2024 among, *inter alios*, HBC YSS1 Limited Partnership (the "Borrower"), Hudson's Bay Company ULC Compagnie De La Baie D'Hudson SRI, as nominee, RioCan Real Estate Investment Trust, as guarantor, and Royal Bank of Canada (the "Administrative Agent") as administrative agent for the lenders party thereto from time to time (the "Lenders"), as amended from time to time (the "Credit Agreement")

All terms not otherwise defined herein shall have the meanings ascribed thereto in the Credit Agreement.

In the matter of the Credit Facility established by the Credit Agreement and Loan Documents and other documentation attendant thereto, I, ●, a lawyer and partner of ●, have agreed to act on behalf of the Administrative Agent in order that the Administrative Agent and the Lenders may comply with their identification obligations under federal *Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations*.

Therefore, I, ●, do hereby certify and attest that I personally referred to the original driver's license of ●, an officer of ●. The reference number of the above identity document is _____. The place of issuance of the above identity document is Ontario. ●'s date of birth is _____. A true copy of this identity document, both front and back, is affixed hereto at Exhibit "A".

Further, I, ●, do hereby certify and attest that I personally referred to the original passport of ●, an officer of ●. The reference number of the above identity document is _____. The place of issuance of the above identity document is Canada. A true copy of the identification pages of this identity document is affixed hereto at Exhibit "A".

CERTIFIED AND DATED as of _____, 2024.

_____

Name:●

EXHIBIT A

True copy of identity documents

See attached.

Schedule 1.01(A)

Compliance Certificate

TO: **ROYAL BANK OF CANADA, as Administrative Agent and the Lenders, together with their successors and assigns**

RE: **Credit agreement dated January 26, 2024 among, *inter alios*, HBC YSS1 Limited Partnership (the "Borrower"), Hudson's Bay Company ULC Compagnie De La Baie D'Hudson SRI, as nominee, RioCan Real Estate Investment Trust, as guarantor, and Royal Bank of Canada (the "Administrative Agent") as administrative agent for the lenders party thereto from time to time (the "Lenders"), as amended from time to time (the "Credit Agreement")**

FROM: **RIOCAN REAL ESTATE INVESTMENT TRUST (the "Guarantor")**

DATE: •

This Compliance Certificate is delivered to you pursuant to Section 9.02(3) of the Credit Agreement. All terms used in this Compliance Certificate that are defined in the Credit Agreement have the same meanings herein.

I, ***[name]***, the ***[title]*** of the Guarantor, certify for and on behalf of the Guarantor, and not in my personal capacity and without personal liability, that:

1. Examinations. I have made or caused to be made such examinations or investigations as are, in my opinion, necessary to furnish this Compliance Certificate and I have furnished this Compliance Certificate with the intent that it may be relied upon by the Administrative Agent and the Lenders as a basis for determining compliance by the Obligors with their respective covenants and obligations under the Credit Agreement. I have read and am familiar with the Credit Agreement including, in particular, the definitions of the various financial terms used in the Credit Agreement, the representations and warranties and covenants contained in Article 8 and Article 9 and the Events of Default described in Article 12 of the Credit Agreement.

2. Representations and Warranties All of the representations and warranties of the Obligors contained in Section 8.01 of the Credit Agreement are true and correct on and as of the date hereof as though made on and as of the date hereof, subject to changes thereto:

   (a) given to the Administrative Agent by the Obligors and accepted in writing by the Administrative Agent, and

   (b) expressly contemplated by the terms of the Credit Agreement and disclosed to the Administrative Agent in writing.

3. Terms, Covenants and Conditions All of the terms, covenants and conditions of the Credit Agreement and each of the other Loan Documents to be performed or complied with by the Obligors at or prior to the date hereof have been performed or complied with.

4. Default No Default or Event of Default has occurred and is continuing on the date hereof.

5. Financial Statements Attached hereto are the financial statements of the most recent date referred to in Section ***[9.02(2)/ 9.02(1)]*** of the Credit Agreement (such date being the last day of each Fiscal Quarter or the last day of each Fiscal Year, as applicable, being the "**Reference Date**"). Such financial statements when read with the notes thereto and the reconciliation accompanying such financial statements, represents fairly the consolidated financial position of the Guarantor as of the date of such statements and for the reporting period included in such statements, and such financial statements, and all calculations of financial covenants and financial ratios and presentation of financial information in this Compliance Certificate and the Appendices hereto have been prepared in accordance with GAAP.

6. Financial Covenant Compliance

(a) Total Indebtedness Ratio

The Guarantor is in compliance with the maximum Total Indebtedness Ratio requirements of Section 9.05(a) of Credit Agreement as demonstrated in the calculations set forth in Appendix B to this Compliance Certificate. The ratio of Consolidated Indebtedness to Consolidated Gross Book Value as of the Reference Date is ____, which does not exceed 60% percent.

(b) Secured Indebtedness Ratio

The Guarantor is in compliance with the maximum Secured Indebtedness Ratio requirements of Section 9.05(b) of Credit Agreement as demonstrated in the calculations set forth in Appendix C to this Compliance Certificate. The ratio of Consolidated Secured Indebtedness to Consolidated Gross Book Value as of the Reference Date is _____, which does not exceed 40% percent.

(c) Debt Service Coverage Ratio

The Guarantor is in compliance with the minimum Debt Service Coverage Ratio requirements of Section 9.05(c) of the Credit Agreement as demonstrated in the calculations set forth in Appendix D to this Compliance Certificate. The ratio of Consolidated EBITDA to Debt Service as of the Reference Date is _____, which is not less than 1.50x.

(d) Minimum Unitholders' Equity

The Guarantor is in compliance with the Minimum Unitholders' Equity requirements of Section 9.05(d) of the Credit Agreement as demonstrated in the

calculations set forth in Appendix E to this Compliance Certificate. Unitholders' Equity as of the Reference Date is _____, which is not less than the sum of (i) Cdn. $5,000,000,000 and (ii) 75% of the net proceeds received in connection with any equity offerings made by the Guarantor after the Closing Date.

(e) Unencumbered Property Assets Ratio

The Guarantor is in compliance with the maximum Unencumbered Property Assets Value Ratio requirements of Section 9.05(e) of Credit Agreement as demonstrated in the calculations set forth in Appendix F to this Compliance Certificate. The ratio of Unencumbered Property Assets Value to Consolidated Unsecured Indebtedness as of the Reference Date is ____, which does not exceed 1.50x.

DATED __ day of _____, 202●.

_____

Name:
Title:

Schedule 1.01(B)

Rollover Notice

TO: **ROYAL BANK OF CANADA, as Administrative Agent and the Lenders, together with their successors and assigns**

RE: **Credit agreement dated January 26, 2024 among, *inter alios*, HBC YSS1 Limited Partnership (the "Borrower"), Hudson's Bay Company ULC Compagnie De La Baie D'Hudson SRI, as nominee, RioCan Real Estate Investment Trust, as guarantor, and Royal Bank of Canada (the "Administrative Agent") as administrative agent for the lenders party thereto from time to time (the "Lenders"), as amended from time to time (the "Credit Agreement")**

FROM: **HBC YSS1 LIMITED PARTNERSHIP** (the "**Borrower**")

DATE: •

---

1. This Rollover Notice is delivered to you pursuant to Section 2.04(1) of the Credit Agreement. All terms used in this Rollover Notice that are defined in the Credit Agreement have the same meanings herein.

2. The Borrower hereby requests a Rollover as follows:

(a) Type and amount of each Loan to be rolled over, and maturity date:

			Amount	Maturity Date
(i)	Term CORRA Loan:	Cdn. $		
(ii)	Daily Compounded CORRA Loan:	Cdn. $		
(iii)	Term SOFR Loan:	U.S. $		

(b) Type, amount and new maturity date of each Loan resulting from Rollover:

			Amount	Maturity Date
(i)	Term CORRA Loan:	Cdn. $		
(ii)	Daily Compounded CORRA Loan:	Cdn. $		

_____

(iii) Term SOFR Loan: U.S. $ _____

3. Representations and Warranties All of the representations and warranties of the Obligors contained in Section 8.01 of the Credit Agreement are true and correct in all material respects on and as of the date hereof as though made on and as of the date hereof, subject to changes thereto:

(a) given to the Administrative Agent by the Borrower and accepted in writing by the Administrative Agent; and

(b) expressly contemplated by the terms of the Credit Agreement and disclosed to the Administrative Agent in writing.

4. All of the conditions precedent to the Advance requested hereby that have not been properly waived in writing by or on behalf of the Administrative Agent have been satisfied.

5. No Default or Event of Default has occurred and is continuing or will have occurred and be continuing on the Drawdown Date, or will result from the Loan requested hereby.

HUDSON'S BAY COMPANY ULC
COMPAGNIE DE LA BAIE D'HUDSON
SRI, in its capacity as general partner for and on behalf of HBC YSS1 LIMITED PARTNERSHIP

By: _____
Name:
Title:

By: _____
Name:
Title:

I/We have the authority to bind the above.

Schedule 1.01(C)

Conversion Notice

TO: **ROYAL BANK OF CANADA, as Administrative Agent and the Lenders, together with their successors and assigns**

RE: **Credit agreement dated January 26, 2024 among, *inter alios*, HBC YSS1 Limited Partnership (the "Borrower"), Hudson's Bay Company ULC Compagnie De La Baie D'Hudson SRI, as nominee, RioCan Real Estate Investment Trust, as guarantor, and Royal Bank of Canada (the "Administrative Agent") as administrative agent for the lenders party thereto from time to time (the "Lenders"), as amended from time to time (the "Credit Agreement")**

FROM: **HBC YSS1 LIMITED PARTNERSHIP** (the "**Borrower**")

DATE: •

---

1. This Conversion Notice is delivered to you pursuant to Section 2.04(1) of the Credit Agreement. All terms used in this Conversion Notice that are defined in the Credit Agreement have the same meanings herein.

2. The Borrower hereby requests a Conversion as follows:

(a) Type and amount of each Loan to be converted:

			Amount
(i)	Prime Rate Loan:	Cdn. $	_____
(ii)	Term CORRA Loan:	Cdn. $	_____
(iii)	Daily Compounded CORRA Loan:	Cdn. $	_____
(iv)	Term SOFR Loan:	U.S. $	_____

(b) Type and amount of each Loan resulting from Conversion:

			Amount
(i)	Prime Rate Loan:	Cdn. $	_____

(ii)	Term CORRA Loan:	Cdn. $	_____
(iii)	Daily Compounded CORRA Loan:	Cdn. $	_____
(iv)	Term SOFR Loan:	Cdn. $	_____

(c) The initial Interest Period applicable to such CORRA Loan or Term SOFR Loan, as applicable, is [●] months and the date on which the Interest Period is to begin is the Conversion Date.

3. Representations and Warranties All of the representations and warranties of the Obligors contained in Section 8.01 of the Credit Agreement are true and correct in all material respects on and as of the date hereof as though made on and as of the date hereof, subject to changes thereto:

   (a) given to the Administrative Agent by the Borrower and accepted in writing by the Administrative Agent; and

   (b) expressly contemplated by the terms of the Credit Agreement and disclosed to the Administrative Agent in writing.

4. All of the conditions precedent to the Advance requested hereby that have not been properly waived in writing by or on behalf of the Administrative Agent have been satisfied.

5. No Default or Event of Default has occurred and is continuing or will have occurred and be continuing on the Drawdown Date, or will result from the Loan requested hereby.

HUDSON'S BAY COMPANY ULC
COMPAGNIE DE LA BAIE D'HUDSON
SRI, in its capacity as general partner for and on behalf of HBC YSS1 LIMITED PARTNERSHIP

By: _____
Name:
Title:

By: _____
Name:
Title:

I/We have the authority to bind the above.

Schedule 1.01(D)

Drawdown Notice

TO: **ROYAL BANK OF CANADA, as Administrative Agent and the Lenders, together with their successors and assigns**

RE: **Credit agreement dated January 26, 2024 among, *inter alios*, HBC YSS1 Limited Partnership (the "Borrower"), Hudson's Bay Company ULC Compagnie De La Baie D'Hudson SRI, as nominee, RioCan Real Estate Investment Trust, as guarantor, and Royal Bank of Canada (the "Administrative Agent") as administrative agent for the lenders party thereto from time to time (the "Lenders"), as amended from time to time (the "Credit Agreement")**

FROM: **HBC YSS1 LIMITED PARTNERSHIP** (the "**Borrower**")

DATE: ●

---

1. This Drawdown Notice is delivered to you pursuant to Section 2.04 of the Credit Agreement. All terms used in this Drawdown Notice that are defined in the Credit Agreement have the same meanings herein.

2. The Borrower hereby requests the following Loan:

   (a) Drawdown Date: ●

   (b) Amount of Loan

		Amount
Prime Rate Loan:	Cdn. $	_____

   (c) Payment Instructions: In accordance with Direction re Funds dated as of the date hereof and delivered to the Administrative Agent.

3. Representations and Warranties All of the representations and warranties of the Obligors contained in Section 8.01 of the Credit Agreement are true and correct in all material respects on and as of the date hereof as though made on and as of the date hereof, subject to changes thereto:

   (a) given to the Administrative Agent by the Borrower and accepted in writing by the Administrative Agent; and

(b) expressly contemplated by the terms of the Credit Agreement and disclosed to the Administrative Agent in writing.

4. All of the conditions precedent to the Advance requested hereby that have not been properly waived in writing by or on behalf of the Administrative Agent have been satisfied.

5. No Default or Event of Default has occurred and is continuing or will have occurred and be continuing on the Drawdown Date, or will result from the Loan requested hereby.

HUDSON'S BAY COMPANY ULC
COMPAGNIE DE LA BAIE D'HUDSON
SRI, in its capacity as general partner for and on behalf of HBC YSS1 LIMITED PARTNERSHIP

By: _____
Name:
Title:

By: _____
Name:
Title:

I/We have the authority to bind the above.

Schedule 1.01(E)

Material Licences and Material Property Agreements

Material Property Agreements

1. Store Ground Lease.

2. Store Sublease.

3. Limited Partnership Agreement.

Material Licenses

Nil.

Schedule 1.01(F)

Additional Permitted Encumbrances

1. ***[NTD: Fogler to advise.]***

Schedule 1.01(I)

Repayment Notice

TO: **ROYAL BANK OF CANADA, as Administrative Agent and the Lenders, together with their successors and assigns**

RE: **Credit agreement dated January 26, 2024 among, *inter alios*, HBC YSS1 Limited Partnership (the "Borrower"), Hudson's Bay Company ULC Compagnie De La Baie D'Hudson SRI, as nominee, RioCan Real Estate Investment Trust, as guarantor, and Royal Bank of Canada (the "Administrative Agent") as administrative agent for the lenders party thereto from time to time (the "Lenders"), as amended from time to time (the "Credit Agreement")**

FROM: **HBC YSS1 LIMITED PARTNERSHIP** (the "**Borrower**")

DATE: ●

---

1. This Repayment Notice is delivered to you pursuant to Section 6.04 of the Credit Agreement. All terms used in this Repayment Notice that are defined in the Credit Agreement have the same meanings herein.

2. The Borrower hereby gives you notice that it intends to repay Cdn. $● under the Credit Facility on ●.

3. The amount of such repayment will, subject to the provisions of the Credit Agreement, be used to repay Loans of the following type:

Loan Type	Amount
●	●

HUDSON'S BAY COMPANY ULC
COMPAGNIE DE LA BAIE D'HUDSON SRI, in its capacity as general partner for and on behalf of HBC YSS1 LIMITED PARTNERSHIP

By: _____
Name:
Title:

By: _____
Name:
Title:

I/We have the authority to bind the above.

Schedule 8.01(14)

Ownership Structure

[NTD: Borrower to provide.]

Schedule D

Applicable Margins

Applicable Margins:
Applicable Margins are based on the External Credit Ratings. Currently, only DBRS and S&P provide an External Credit Rating for the Guarantor. Should the Guarantor at any time have two or more ratings, the higher of the ratings shall be applied for the purposes of the Applicable Margins, unless the External Credit Ratings are more than a one-notch differential, in which case the rating which is one tier below the higher of the ratings will be taken for the purposes of the Applicable Margins.

DBRS Rating	CORRA / Term SOFR Margin (bps)	Prime Rate Margin (bps)
≥ A (L)	100	0
BBB (H)	120	20
≤ BBB	145	45

Schedule E

Benchmark Replacement Provisions (SOFR)

(1) Notwithstanding anything to the contrary herein or in any other Loan Document, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to any setting of the then-current Benchmark, then (x) if a Benchmark Replacement is determined in accordance with clause (a) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document and (y) if a Benchmark Replacement is determined in accordance with clause (b) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Borrower.

(2) The Administrative Agent will promptly notify the Borrower of (i) the implementation of any Benchmark Replacement, and (ii) the effectiveness of any Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement. The Administrative Agent will promptly notify the Borrower of the removal or reinstatement of any tenor of a Benchmark pursuant to Section (3) of this Schedule E. Any determination, decision or election that may be made by the Administrative Agent pursuant to this Schedule E, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its sole discretion and without consent from any other party to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Schedule E.

(3) Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including the Term SOFR Reference Rate) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its discretion, acting reasonably, or (B) the administrator of such Benchmark or the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is not or will not be representative or in compliance with or aligned with the International Organization of Securities Commissions (IOSCO) Principles for Financial Benchmarks (the "**IOSCO Principles**"), then the Administrative Agent may modify the definition of "Interest Period" (or any similar or analogous definition) for any Benchmark settings at or after such time to remove such unavailable, non-representative, non-compliant or non-aligned tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service

for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is not or will not be representative or in compliance with or aligned with the IOSCO Principles for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may modify the definition of "Interest Period" (or any similar or analogous definition) for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(4) Upon the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrower may revoke any request for an Conversion to or Rollover of, a Term SOFR Loan to be made, converted or rolled over during any Benchmark Unavailability Period and, failing that, the Borrower will be deemed to have converted any such request into a request for Conversion to Prime Rate Loans in the Equivalent Amount in Canadian Dollars of the amount so requested.

(5) In connection with the use, administration, adoption or implementation of a Benchmark Replacement, the Administrative Agent will have the right to make such Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.

(6) Solely as used in this Schedule E:

"***Available Tenor***" means, as of any date of determination and with respect to the then current Benchmark, as applicable, any tenor for such Benchmark or payment period for interest calculated with reference to such Benchmark, as applicable, that is or may be used for determining the length of an Interest Period pursuant to this Agreement as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then removed from the definition of "Interest Period" pursuant to Section (3) of this Schedule E.

"***Benchmark***" means, initially, Adjusted Term SOFR; provided that if a Benchmark Transition Event has occurred with respect to Adjusted Term SOFR or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section (1) of this Schedule E.

"***Benchmark Replacement***" means, for any Available Tenor, the sum of: (a) the alternate benchmark rate that has been selected by the Lender and the Borrower as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for the then-current Benchmark for U.S. Dollar-denominated syndicated credit facilities at such time in the United States, and (b) the related Benchmark Replacement Adjustment. If the Benchmark Replacement as determined pursuant to the above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

"***Benchmark Replacement Adjustment"*** means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body, and/or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. Dollar-denominated syndicated credit facilities at such time.

"***Benchmark Replacement Date***" means, with respect to any Benchmark, the earliest to occur of the following events with respect to the then-current Benchmark:

(A) in the case of clause (A) or (B) of the definition of "Benchmark Transition Event," the later of (a) the date of the public statement or publication of information referenced therein, and (b) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or

(B) in the case of clause (C) of the definition of "Benchmark Transition Event," the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by or on behalf of the administrator of such Benchmark (or such component thereof) or the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be non-representative or non-compliant with or non-aligned with the IOSCO Principles; provided, that such non-representativeness, non-compliance or non-alignment will be determined by reference to the most recent statement or publication referenced in such clause (C) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date;

For the avoidance of doubt, the "Benchmark Replacement Date" will be deemed to have occurred in the case of clause (A) or (B) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

"***Benchmark Transition Event***" means, with respect to any Benchmark, the occurrence of one or more of the following events with respect to such then-current Benchmark:

(A) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(B) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Board of Governors of the Federal Reserve System, the Federal Reserve Bank of New York, the Term SOFR Administrator, the SOFR Administrator, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), in each case, which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(C) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) or the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are no longer, or as of a specified future date will no longer be, representative or in compliance with or aligned with the IOSCO Principles.

For the avoidance of doubt, a "Benchmark Transition Event" will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

"***Benchmark Unavailability Period***" means the period (if any) (x) beginning at the time that a Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with this Schedule E, and (y) ending at the time that a Benchmark Replacement has replaced such then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with this Schedule E.

"***Conforming Changes***" means, with respect to either the use or administration of Term SOFR or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Business Day," the definition of "U.S. Government Securities Business Day," the definition of "Interest Period" or any similar or analogous definition (or the addition of a concept of "interest period"), timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of this Schedule E and other technical, administrative or operational matters) that the Administrative Agent decides, acting reasonably, may be appropriate to reflect the adoption and implementation of any such rate or to permit the use and administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of any such rate exists, in such other manner of

administration as the Administrative Agent decides, acting reasonably, is necessary in connection with the administration of this Agreement and the other Loan Documents).

"***Corresponding Tenor***" means, with respect to any Available Tenor, as applicable, either a tenor (including overnight) or an interest payment period, having approximately the same length (disregarding business day adjustment) as such Available Tenor.

"***Relevant Governmental Body***" means the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or any successor thereto.

"***Unadjusted Benchmark Replacement***" means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

Appendix “H”

LEASEHOLD LENDER AGREEMENT

This Leasehold Lender Agreement (this "**Agreement**") made as of the 26th day of January, 2024 among:

ROYAL BANK OF CANADA, as administrative agent

(the "**Leasehold Mortgagee**")

YORKDALE SHOPPING CENTRE HOLDINGS INC.

(the "**Landlord**")

OMERS REALTY CORPORATION, OMERS REALTY HOLDINGS (YORKDALE) INC., ARI YKD GP INC. and ARI YKD INVESTMENTS LP

(collectively, the "**Owner**")

and

HUDSON'S BAY COMPANY ULC/COMPAGNIE DE LA BAIE D'HUDSON SRI, in its capacity as general partner of **HBC YSS 1 LIMITED PARTNERSHIP**, and in its own capacity, as leasehold title nominee

(collectively, the "**Tenant**")

R E C I T A L S :

W H E R E A S :

A. pursuant to a lease and the amendments and supplements thereto between the Landlord and the Tenant identified and described on Schedule "A" appended to this Agreement, (the "**Lease**"), the Landlord leased to the Tenant the premises described in the Lease (the "**Premises**") located at 3401 Dufferin Street in the City of Toronto, Province of Ontario in the Shopping Centre known as Yorkdale Shopping Centre (the "**Shopping Centre**") and as further described on Schedule "B" attached hereto; and

B. in connection with certain loans and other financial accommodations made in favour of the Tenant under and in connection with the Credit Agreement, the Tenant has or will have granted in favour of the Leasehold Mortgagee, a charge of the Lease and the Tenant's leasehold interest in the Premises (the "**Mortgage**") and other security over the Tenant's interest in real and personal property arising from or in respect of or located upon the Premises (the "**Other Security**"), all as security for its indebtedness, liabilities and obligations to the Leasehold Mortgagee under the Credit Agreement and the other Loan Documents require that the Landlord consent to the granting of the Mortgage and the Other Security;

NOW THEREFORE, in consideration of the sum of Ten ($10.00) Dollars and other good and valuable consideration given by each of the parties hereto to the others, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Definitions. In this Agreement, unless otherwise defined, capitalized terms shall have the meanings set out in the Recitals or as set out below:

   (a) "**Credit Agreement**" means the credit agreement dated as of January 26, 2024 between, *inter alios*, the Leasehold Mortgagee, as administrative agent, and the Tenant, as borrower, as amended, supplemented and/or restated from time to time.

   (b) "**Critical Default**" means a default by the Tenant in the performance of the Tenant's covenants and obligations under the Lease which originated prior to the Possession Period and which: (i) poses a justifiably perceived risk of a materially adverse claim against the Landlord by unrelated third parties if permitted to continue; (ii) endangers the health or safety of members of the general public; or (iii) materially adversely affects the safe operation of the Premises. "**Critical Default**" does not include an Incurable Default and/or arrears of Rents.

   (c) "**Crystallized Arrears**" has the meaning set out in Section 7 hereof.

   (d) "**Default**" has the meaning set out in Section 5 hereof.

   (e) "**Default Notice**" has the meaning set out in Section 5(a) hereof.

   (f) "**Election Notice**" has the meaning set out in Section 7 hereof.

   (g) "**Equipment**" means all personal property, chattels, trade fixtures and equipment owned by the Tenant and located on the Premises. For greater certainty, Equipment does not include leasehold improvements as defined or provided for in the Lease.

   (h) "**Event of Default**" means any Event of Default under the Credit Agreement.

   (i) "**Incurable Default**" has the meaning set out in Section 5(c) hereof.

   (j) "**Loan Documents**" means all loan and security documentation contemplated by and granted to the Leasehold Mortgagee in connection with the Credit Agreement.

   (k) "**New Lease**" has the meaning set out in Section 6 hereof.

   (l) "**Nominee**" means an entity designated by the Leasehold Mortgagee as the new tenant pursuant to the New Lease provided the purpose of designating said entity is not to circumvent, directly or indirectly, the assignment provisions of the Lease. Subject to the foregoing concern, the Leasehold Mortgagee will not require the Landlord's consent to the Nominee entering into the New Lease. The Leasehold Mortgagee shall indemnify the Landlord for the Nominee's covenants pursuant to the New Lease provided the Leasehold Mortgagee shall be automatically released from any further liability and obligations concurrently with the Nominee with

respect to matters initially arising from and after the effective date of the sale, assignment or disposal of the New Lease to the Purchaser.

(m) "**Non-Lender Default**" means a Default which was in existence prior to the commencement of the Possession Period and not known to the Leasehold Mortgagee or the Receiver prior to taking possession of the Premises and not included in the Status Statement or, a Default which comes into existence after commencement of the Possession Period and which is not a result of an act or omission of the Leasehold Mortgagee, Nominee or Receiver, as the case may be.

(n) "**Non-Rent Default**" has the meaning set out in Section 7 hereof.

(o) "**Other Security**" has the meaning set out in the recitals hereto.

(p) "**Possession Period**" has the meaning set out in Section 7 hereof.

(q) "**Purchaser**" has the meaning set out in Section 7 hereof.

(r) "**Receiver**" means a receiver, receiver and manager, agent or other representative appointed by the Leasehold Mortgagee, or on the application of the Leasehold Mortgagee to a court of competent jurisdiction in respect of the Tenant's right, title and interest in and to the Premises and the Lease.

(s) "**Rents**" has the meaning set out in Section 3(b) hereof.

(t) "**Security**" means the Mortgage and the Other Security.

(u) "**Status Statement**" means a statement requested by the Leasehold Mortgagee, the Receiver and/or the Tenant and which shall be provided by the Landlord to and accepted by the Leasehold Mortgagee or the Receiver prior to the Leasehold Mortgagee or the Receiver taking possession of the Premises or exercising any other right or remedy under the Credit Agreement with respect to the Lease or the Premises.

(v) "**Tenant Department Store**" has the meaning set out in the Lease.

(w) "**Termination**" has the meaning set out in Section 5 hereof.

2. Consent. The Landlord consents to the grant by the Tenant to the Leasehold Mortgagee, of the Mortgage by way of demise and sublease of the Premises and/or by way of an assignment of the Tenant's interest in the Lease and the Other Security and to registration of notice thereof in the applicable registry office so long as no financial terms of the Lease are disclosed. The Landlord's consent extends only to the charge and security interest upon and in the Lease under the Mortgage and the Other Security and extends to the grant of any security interest in the Equipment but only to the extent postponed and subordinated to the Landlord's interest in the Equipment. The Landlord in giving its consent to such charge and security interest does not acknowledge or approve of any terms between Tenant and the Leasehold Mortgagee contained in any of the Loan Documents, the Mortgage, the Other

Security, the Credit Agreement or otherwise, except for the charge and security interest upon and in the Lease, the Premises and other property of the Tenant in the Premises (but only to the extent postponed and subordinated to the Landlord's interest in the Equipment as set out above). Upon the repayment and discharge of the Security, the Leasehold Mortgagee shall, at the cost of the Tenant and at no expense to the Landlord, forthwith remove from title to the Shopping Centre all registrations related to the Security.

3. Confirmation of the Landlord. The Landlord confirms, as of the date hereof, the following to the Leasehold Mortgagee and the Tenant:

(a) the Lease is valid and subsisting and has not been amended, supplemented or superseded except as described on Schedule "A" and, subject to the continued performance by the Tenant of its covenants and obligations under the Lease, neither the Tenant nor the Landlord is in default of performance of any material covenant, obligation or condition of the Lease;

(b) the current minimum or base rent is as set out in the Lease, the Tenant is current in payment of all rent, additional rent, percentage rent and other monies due thereunder (collectively, the "**Rents**") and no Rents have been prepaid, save and except as provided in the Lease;

(c) neither the Landlord nor the Tenant has any obligations to the other with respect to the subject matter of the Lease which are not set out in the Lease;

(d) there is no material default by the Landlord under any freehold mortgage or head lease affecting the Shopping Centre or any part thereof; and

(e) the Landlord is empowered to enter into the Lease and this Agreement.

Landlord shall provide a Status Statement addressed to the Leasehold Mortgagee or Receiver confirming the matters set out in subparagraphs 3(a) to 3(e) (inclusive) within ten (10) business days of the Leasehold Mortgagee or Receiver requesting said status statement from time to time, but any such requests shall not be made more frequently than once each calendar year.

4. Amendments to Lease. The Landlord agrees that unless the Tenant has obtained the prior written consent of the Leasehold Mortgagee, which shall not be unreasonably delayed or withheld, the Landlord shall not:

(a) enter into any agreement with the Tenant, subsequent to the delivery of this Agreement, to materially amend the Lease including, for greater certainty and without limitation, reducing the term thereof, or

(b) accept the surrender of the Premises from the Tenant, prior to the end of the term reserved by the Lease, and the same shall not be effective without such prior written consent of the Leasehold Mortgagee.

5. Default under the Lease. The Landlord agrees that, notwithstanding any default by the Tenant under the Lease or any failure by the Tenant to perform or comply with the

covenants, obligations or conditions of the Lease which the Tenant is required to perform or comply with (a "**Default**"), and notwithstanding any termination of the Lease (a "**Termination**"), the Landlord shall not exercise any right or remedy under the Lease as against the Leasehold Mortgagee and a Termination shall not be effective as against the Leasehold Mortgagee unless:

(a) the Landlord shall have given the Leasehold Mortgagee written notice of the Default, specifying the nature, quantum (if known or ascertainable) and other particulars of the Default (the "**Default Notice**") prior to any Termination;

(b) the Landlord shall have given the Leasehold Mortgagee an opportunity to cure, rectify or remedy or cause to be cured, rectified or remedied such Default during a period commencing upon the receipt by the Leasehold Mortgagee from the Landlord of the Default Notice and which (i) in the case of a Default arising from the non-payment of money, ends fifteen (15) days after such receipt, and (ii) in the case of any other Default which is not an Incurable Default, ends thirty (30) days after such receipt or within such further period as is reasonably required to cure, rectify or remedy such Default, provided the Leasehold Mortgagee begins to cure, rectify or remedy such Default within thirty (30) days of receipt and continuously and diligently maintains its efforts once begun;

(c) in the case of a Default which by its nature cannot be cured, rectified or remedied (an "**Incurable Default**", which for greater clarity does not include a Default in continuously operating the Premises (if so required under the Lease) or any Default caused or committed by the Leasehold Mortgagee and/or any Receiver or any one authorized by either of them during the Possession Period), the Leasehold Mortgagee has failed to exercise its rights under Section 6 hereof within thirty (30) days of the receipt of a Default Notice; and

(d) the Leasehold Mortgagee has not (i) cured such default within the periods provided for in (b) above, or (ii) given written notice to the Landlord that it wishes to exercise its rights and remedies under Section 7, within fifteen (15) days with respect to a Default under subparagraph (b)(i), or thirty (30) days with respect to a Default under subparagraph (b)(ii), of receipt of a Default Notice and (iii) initiated the exercise of such rights and remedies within said fifteen (15) or thirty (30) day period as applicable.

Any exercise by the Landlord of any remedy contrary to the terms of this Agreement shall be void and of no effect as against the Leasehold Mortgagee or Receiver only. The Landlord shall accept performance by the Leasehold Mortgagee or any Receiver of any of the Tenant's covenants, obligations or conditions under the Lease as if performed by the Tenant. For greater certainty, if the Leasehold Mortgagee or Receiver cures a Default within the relevant cure period, any Termination shall be deemed to be of no force or effect as against the Tenant, the Leasehold Mortgagee or Receiver. Except when required to do so under the terms of this Agreement, the Leasehold Mortgagee shall have no obligation to cure any Default or, having commenced such cure, to complete such cure. In curing any such

Default, neither the Leasehold Mortgagee nor any Receiver shall be deemed, for that reason alone, to have taken an assignment of the Lease or to have taken possession of the Premises.

6. Incurable Defaults. If there has occurred an Incurable Default and by reason thereof the Landlord is proceeding to terminate the Lease, the Landlord shall provide the Leasehold Mortgagee a Default Notice stating its intention to terminate the Lease and, at the written request of the Leasehold Mortgagee delivered to the Landlord within thirty (30) days of the receipt of the Default Notice pursuant to paragraph 5(c) above and concurrently with the delivery of an Election Notice pursuant to Section 7 below (unless the Leasehold Mortgagee has previously delivered the Election Notice and the Lease is thereafter terminated during the Possession Period), the Landlord shall concurrently with the termination of the Lease grant to the Leasehold Mortgagee (or its Nominee or Receiver on its behalf) a new lease of the Premises on the same terms and conditions as those contained in the Lease including and bringing forward into the New Lease all outstanding Defaults under the Lease other than Incurable Defaults, for the balance of the term of the Lease and any renewal and/or extension period (the "**New Lease**"), provided that the provisions of Section 7 below shall apply to the New Lease as set out therein. If the Leasehold Mortgagee takes a New Lease, it shall proceed to cure all monetary Defaults under the Lease within fifteen (15) days following the granting of the New Lease and shall commence and thereafter diligently proceed to cure all curable non-monetary defaults under the Lease, all as if there had not been an Incurable Default. If the Leasehold Mortgagee, a Receiver or Nominee is already in possession of the Premises pursuant to Section 7, the Possession Period shall not be extended by reason of the exercise of the Leasehold Mortgagee's rights under this section.

7. Exercise by Leasehold Mortgagee of Remedies. Upon the occurrence of (i) an event of default under the Credit Agreement or any Loan Document (for greater certainty, the Tenant confirms that the Landlord may rely upon the Leasehold Mortgagee's confirmation as to the existence of such an event of default without any further enquiry) and/or a Default by the Tenant under the Lease and the Leasehold Mortgagee exercising its rights and remedies under the Loan Documents in respect of the Premises and the Lease and/or (ii) the exercise of the Leasehold Mortgagee's right to a New Lease under Section 6 hereof, the Leasehold Mortgagee may elect by notice in writing to the Landlord to take possession of the Premises (by itself or through its Nominee or Receiver) and to exercise the rights and remedies and perform the covenants, conditions, agreements and obligations of the Tenant under the Lease and if applicable the New Lease for a period not to exceed one hundred and fifty (150) days in the aggregate, or, if longer, the period of possession permitted to such Leasehold Mortgagee under the terms of the Lease (if no specific time period is mentioned in the Lease, there shall be no time limitation of the Possession Period except the expiry or other termination of the Term of the Lease and any exercised renewal period), to commence from the date of delivery of a written election notice (the "**Election Notice**") by the Leasehold Mortgagee to the Landlord (provided such period may not in either case exceed the term of the Lease as renewed and/or extended from time to time) as the Leasehold Mortgagee may elect (the "**Possession Period**"). Upon receipt of the Election Notice, the Landlord shall promptly issue to the Leasehold Mortgagee a Status Statement. The Landlord agrees that the payment of Rents shall not accelerate, as against

the Leasehold Mortgagee, Nominee or Receiver only, under the Lease by reason of the exercise by the Leasehold Mortgagee of its rights under the Security or hereunder. Notwithstanding the length of the Possession Period initially set out in the Election Notice, after taking possession of the Premises, the Leasehold Mortgagee (or its Nominee or Receiver on its behalf) may without cost or penalty to it elect to shorten the Possession Period upon a minimum of thirty (30) days prior notice of its further election to do so to the Landlord. During a Possession Period, the Leasehold Mortgagee may use the Premises (i) in accordance with the Lease; and (ii) in any other manner permitted by this Agreement.

If the Leasehold Mortgagee (or its Nominee or Receiver on its behalf) goes into possession of the Premises under the Lease and/or the New Lease, or, after entering into possession of the Premises, elects to transfer, realize upon or otherwise dispose of the Tenant's interest under the Lease or the New Lease, the Leasehold Mortgagee shall only be liable for:

(a) obligations or liabilities under the Lease or the New Lease originating during the Possession Period other than Non-Lender Defaults; and

(b) paying all arrears of Rents in respect of which the Tenant is then in default under the Lease (other than accelerated Rents) to the extent previously disclosed in writing to the Leasehold Mortgagee in the Default Notices and/or the Status Statement previously delivered to the Leasehold Mortgagee,

and the Landlord shall continue to perform the covenants, conditions, agreements and obligations which are required to be performed under the Lease or New Lease during the Possession Period. The Landlord shall retain the right to proceed against the Tenant (presently being Hudson's Bay Company ULC, in its capacity as general partner of HBC YSS 1 Limited Partnership) under the Lease with respect to any Incurable Default.

If, after the commencement of the Possession Period, the Landlord issues a Default Notice to the Leasehold Mortgagee, Nominee or Receiver in respect of: (i) arrears of Rents (other than accelerated Rents) including adjustments to the prior two (2) years' or then current year's Rents to the extent adjustable pursuant to the Lease (and for greater certainty, the Leasehold Mortgagee, Nominee or Receiver will receive the benefit of any adjustments in favour of the Tenant) which pre-dated the Possession Period but was not disclosed in writing to the Leasehold Mortgagee, Nominee or the Receiver by the Landlord prior to the Leasehold Mortgagee, Nominee or Receiver taking possession of the Premises ("**Undisclosed Arrears**"); and/or (ii) the Leasehold Mortgagee's obligations set out in paragraphs 7(a) or 7(b) above and the Leasehold Mortgagee, Nominee or Receiver, as the case may be, refuses or neglects to pay such arrears of Rents or to cure such Defaults (in each case, within thirty (30) days of delivery of such Default Notice), then, in either case, the Landlord may terminate the Lease or the New Lease and require the Leasehold Mortgagee, Nominee or the Receiver to vacate the Premises, and upon vacating the Premises, the Leasehold Mortgagee, Nominee and/or the Receiver shall have no further rights, liabilities or obligations under or with respect to the Lease (other than those liabilities and obligations for which the Leasehold Mortgagee, Nominee or Receiver are liable under the provisions of paragraphs 7(a) and 7(b) above). In the alternative, the Landlord may compel the performance of the Leasehold Mortgagee's, Nominee's or

Receiver's liabilities and obligations for which the Leasehold Mortgagee, Nominee or Receiver are liable under the provisions of paragraphs 7(a) and 7(b) above and, if the Leasehold Mortgagee, Nominee or Receiver has not vacated the Premises prior to the expiration of the relevant cure period, the Leasehold Mortgagee, Nominee or Receiver shall then and thereafter be liable to pay the Undisclosed Arrears set out in Default Notices previously delivered to the Leasehold Mortgagee in accordance with subparagraph (i) above (the "**Crystallized Arrears**").

With respect to all other Defaults in respect of which the Tenant is then in default under the Lease and which the Landlord previously disclosed in writing to the Leasehold Mortgagee in the Default Notices and/or the Status Statement previously delivered to the Leasehold Mortgagee (other than arrears in Rents, Incurable Defaults or accelerated Rents) which are capable of being remedied (the "**Non-Rent Defaults**"):

(c) the Leasehold Mortgagee, Nominee and/or Receiver shall not be responsible for curing Non-Rent Defaults during the Possession Period; and

(d) the Landlord may cure Non-Rent Defaults in the same manner as the Tenant is required to do so pursuant to the Lease provided the Landlord, in doing so, does not interfere with the Leasehold Mortgagee or the Receiver's quiet enjoyment of the Premises and its operations therein more than is reasonably necessary in the circumstances and all reasonably necessary costs and expenditures incurred to cure the foregoing Non-Rent Defaults shall be paid to the Landlord concurrently with the Purchaser (as defined below) assuming the Lease and/or entering into or assuming the New Lease and upon such payment said Non-Rent Defaults shall be deemed cured for the purposes of this Agreement.

The Leasehold Mortgagee, Nominee or Receiver must vacate the Premises (and if a New Lease has been granted, deliver a surrender of the New Lease) upon the expiration of the Possession Period, unless the Leasehold Mortgagee, Nominee or Receiver elects to retain the Lease or New Lease for the balance of the term of the Lease or the New Lease, as the case may be, in which case, it must cure all Defaults under the Lease and New Lease (if applicable) which were outstanding at the beginning of the Possession Period (including Non-Rent Defaults and Crystallized Arrears but excluding any Incurable Defaults) on or before the expiration of the Possession Period. If the Leasehold Mortgagee, Nominee or Receiver or anyone authorized by them does not vacate the Premises following the expiration of the Possession Period but remains in possession of the Premises with or without the Landlord's permission then, unless otherwise agreed to in writing by the Landlord, the Leasehold Mortgagee, Nominee or Receiver shall be deemed to have elected to retain the Lease or the New Lease for the balance of the term of the Lease or the New Lease as the case may be, and shall thereafter be liable to cure the Non-Rent Defaults (excluding any Incurable Defaults). Provided that, if, before the expiration of the Possession Period, the Leasehold Mortgagee demonstrates to the Landlord that it has entered into an agreement, or is in bona fide negotiations, with a purchaser for all or a part of the mortgaged assets who will accept an assignment of the Lease in accordance with its terms and who satisfies the criteria for approval of assignees of the Lease as set out in the Lease, then the Landlord shall extend the Possession Period for an additional sixty (60)

days. The extension will be evidenced by a written acknowledgement signed by the Landlord.

For clarity, the vacating of the Premises shall not release the Leasehold Mortgagee, Nominee or Receiver from its obligation to pay all Rents and perform its other obligations referred to in paragraphs 7(a) and 7(b) above and, where applicable, with respect to the Crystallized Arrears.

Notwithstanding the foregoing, during the Possession Period, the Landlord shall have the right to seek an order from a court of competent jurisdiction to compel the Leasehold Mortgagee, Nominee or Receiver in possession to cure a Critical Default. The standard for the Court to utilize in determining if the Leasehold Mortgagee, Nominee or Receiver in possession is required to cure a Critical Default shall be the same standard used by a Court to determine whether a trustee in bankruptcy would be compelled to cure such Critical Default if it was in possession or occupation of the Premises. If a court of competent jurisdiction compels the Leasehold Mortgagee, Nominee or Receiver to cure said Critical Default, in lieu of curing said Critical Default, the Leasehold Mortgagee, Nominee and/or Receiver may elect in writing within ten (10) business days of said determination to vacate the Premises in which case the Landlord may terminate the Lease. In such an event, the Leasehold Mortgagee, Nominee and Receiver shall have no obligations with respect to the Critical Default or otherwise with respect to the Lease and/or the Premises save and except as set out in paragraphs 7(a) and 7(b) above and for payment of the Crystallized Arrears. If the Landlord's termination right herein is subject to a stay of proceedings as a result of the Tenant seeking protection under any statute or law for debtors who are bankrupt, insolvent or seeking to compromise or restructure its debts, then the Tenant, the Leasehold Mortgagee, Nominee and Receiver, to the extent each has the legal, statutory or contractual right to do so, shall, upon the written request and direction of the Landlord, disclaim, repudiate, terminate or cancel the Lease pursuant to the applicable statute or law.

In the event that the Leasehold Mortgagee, the Receiver and/or the Nominee sells, or otherwise disposes of the Lease or the New Lease to a purchaser permitted under the Lease or the New Lease or that is otherwise consented to by the Landlord (the "**Purchaser**") and the Purchaser assumes the covenants, conditions, agreements and obligations of the Tenant and/or the Leasehold Mortgagee, the Nominee or the Receiver under the Lease or the New Lease, and upon the Purchaser either curing any outstanding Default (other than Incurable Defaults), including any Defaults that occurred prior to the Possession Period (other than Incurable Defaults), or otherwise making arrangements satisfactory to the Landlord, to do so, the Leasehold Mortgagee, its Nominee and/or Receiver, as the case may be, shall have no further rights, obligations or liabilities under the Lease or the New Lease arising from and after the effective date of said sale, assignment or disposal and shall be automatically released therefrom.

8. Possession of Premises as Result of Default Under Prior Encumbrance or Lease. If and so long as the Tenant or the Leasehold Mortgagee, Nominee or Receiver pursuant to the election referred to in Section 7 shall keep and perform the terms, covenants, and conditions contained in the Lease or the New Lease on its part to be kept and performed, then the Tenant or the Leasehold Mortgagee, Nominee or Receiver, as the case may be,

shall have the right to peaceably and quietly have, hold and enjoy the Premises, without interruption or disturbance from the Landlord or from or by any mortgagee with a freehold mortgage over the Shopping Centre or any owner in the event the Shopping Centre is the subject of a ground lease, or by any mortgagee with a charge over the ground lease, or by any other person, firm or corporation claiming by, through or under the Landlord, the owner or any such mortgagee, throughout the entire term of the Lease, the New Lease and every renewal and/or extension thereof, notwithstanding that the mortgagee may obtain or become entitled to possession of the Premises by reason of any of the provisions of its mortgage, whether by way of foreclosure, the appointment of a receiver or receiver and manager, or otherwise, or the fact that the mortgagee may sell or otherwise dispose of the Premises in the exercise of any of its rights or remedies under its mortgage. If the Landlord, any owner (in the case of a ground lease) or mortgagee sells or assigns its right, title and interest (leasehold or freehold, as the case may be) in the Shopping Centre or in its mortgage, the Landlord, owner or mortgagee, as the case may be, shall cause the purchaser or assignee thereof to assume the obligations of such Landlord, owner or mortgagee hereunder. Each mortgagee with a freehold mortgage over the Shopping Centre, and each owner in the event the Shopping Centre is the subject of a ground lease, and each mortgagee with a charge over the ground lease, and any other person, firm or corporation claiming by, through or under the Landlord, the owner or any such mortgagee (an "**Encumbrancer**"), shall not exercise any of its rights under its mortgage, lease or otherwise so as to terminate the' Lease without first having complied with the Landlord's obligations under this Agreement (including the obligation to enter into a New Lease with the Leasehold Mortgagee) and no termination of the Lease shall be effective as against the Leasehold Mortgagee unless such obligations have been complied with. Each Encumbrancer consents to the granting of the Mortgage and the enforcement by the Leasehold Mortgagee of the Mortgage so long as the Leasehold Mortgagee acts in accordance and compliance with the provisions of this Agreement and each Encumbrancer agrees that should it succeed in interest to the Landlord, it shall be bound by the obligations of the Landlord hereunder. Each party to this Agreement, other than the Landlord and the Tenant, constitutes an Encumbrancer.

9. Bankruptcy and Insolvency of Tenant.

(a) Upon the lawful repudiation, disclaimer, rejection or other termination of the Lease in any bankruptcy or insolvency proceeding (the "**Termination Date**"), at the Leasehold Mortgagee's option (to be exercised by the Leasehold Mortgagee upon written notice to the Landlord within thirty (30) days following the Termination Date (the "**Option Period**"), and, if such option is not so exercised within the Option Period, such option shall cease to have any further force and effect), the Landlord will enter into a New Lease with the Leasehold Mortgagee (or a Nominee or Receiver on its behalf), or to the extent it is a permitted assignee in accordance with the Lease or otherwise acceptable to Landlord, the Purchaser, effective as of the Termination Date at the same rent and upon the same terms, provisions, covenants and agreements as were contained in the Lease and applicable to the period following the Termination Date (whether such terms, provisions, covenants and agreements run with the lands or not). If the Leasehold Mortgagee, its Nominee or a Purchaser takes a New Lease, Leasehold Mortgagee, its Nominee or such

Purchaser shall diligently proceed to cure all defaults under the Lease (other than Incurable Defaults), all as if the Lease had not been terminated, repudiated, disclaimed or rejected.

(b) If any order or injunction is issued or stay granted in connection with any proceedings under the *Bankruptcy and Insolvency Act* (Canada) or the *Companies' Creditors Arrangement Act* (Canada) (or otherwise when the Leasehold Mortgagee is not responsible for such issuance or grant), which prohibits the Leasehold Mortgagee from exercising any of its rights hereunder (collectively, a "**Stay**"), then, at the Leasehold Mortgagee's option, upon the expiration of the Stay, the Possession Period shall be extended for a period equal to the greater of (a) the number of days remaining in the Possession Period on the date that the Stay was issued and (b) forty-five (45) days.

10. Postponement. Subject as provided below, the Landlord hereby postpones and subordinates in favour of the Leasehold Mortgagee any security or any statutory right which the Landlord may have to distrain for arrears of rent against the Equipment, or any other similar right granted or arising by statute, equity, common law or otherwise, to the Security subject to the Leasehold Mortgagee or any Receiver postponing their interest in and granting to the Landlord first priority for the amount of any arrears of Rents under the Lease from the proceeds of any realization by the Leasehold Mortgagee or any Receiver against the Equipment.

11. Access. The Landlord will permit the Leasehold Mortgagee, a Nominee and/or any Receiver at any time from time to time prior to the expiration of the Possession Period and/or within fifteen (15) business days of the termination, rejection, repudiation and/or disclaiming of the Lease upon payment of all arrears of Rent then outstanding, access to and possession of the Equipment and permit the Leasehold Mortgagee and/or any Receiver to remove the Equipment from the Premises at all reasonable times without interference, provided that the Leasehold Mortgagee and/or Receiver shall promptly repair any damage caused to the Premises by such removal. The Landlord will not hinder the Leasehold Mortgagee's, Nominee's or any Receiver's actions in enforcing the Mortgage or other security granted to the Leasehold Mortgagee, provided that the Leasehold Mortgagee, Nominee or Receiver is in compliance with the terms of this Agreement.

12. Appointment of Leasehold Mortgagee. Without prejudice to the Tenant's rights with respect to the Leasehold Mortgagee, the Tenant confirms that Landlord may rely, and shall be fully protected in relying upon, any communication, instrument or document signed by the Leasehold Mortgagee, or any action taken by the Leasehold Mortgagee. Without in any way limiting the foregoing, if the Leasehold Mortgagee is replaced, then Tenant confirms that Landlord may rely upon the written notice received from the then current Leasehold Mortgagee setting forth the name and address of the successor Leasehold Mortgagee and, upon receipt of such written notice, the provisions of this Agreement shall be enforceable by and be binding upon the successor Leasehold Mortgagee.

13. Registration. The Landlord and Tenant agree with the Leasehold Mortgagee that the Leasehold Mortgagee may register the Security, this Agreement or notice of this

Agreement against the title to the Premises. It is understood and agreed that this Agreement shall remain in full force and effect so long as the Mortgage is outstanding. No action by the Leasehold Mortgagee shall be a release of any obligation hereunder. A full and complete discharge of the Mortgage shall operate as a full and complete release of the Leasehold Mortgagee's rights and interest hereunder and after the Mortgage has been fully discharged, this instrument shall be void and of no further effect except with respect to any outstanding obligation which then exists by reason of the provisions of this Agreement and in such case this Agreement shall remain in effect for the purpose of enforcing such obligation.

14. Notice. Any notice to be given hereunder shall be in writing and shall be given either by delivery or sent by registered mail, postage prepaid, to the address of the parties hereto as set out in the Lease or otherwise on the execution page of this Agreement. Any notice delivered, if prior to 5:00 p.m. (Toronto time) on a business day, shall be conclusively deemed given when delivered and any notice sent by registered mail, postage prepaid shall be conclusively deemed given on the third business day following the day of mailing, provided that in the event of a known disruption of postal service, notice shall be given by delivery. Any address for notice may be changed by notice in writing pursuant to this Section 14.

15. Paramountcy.

(a) If any of the provisions of this Agreement are in conflict with the same matters as any provisions contained in the Lease, such provision in this Agreement shall govern.

(b) The Tenant and the Leasehold Mortgagee acknowledge the provisions of Section 21.00(1) of the Lease and confirm that the Tenant has granted a mortgage of its ownership interest in the Tenant Department Store to the Leasehold Mortgagee in order to effect compliance with the provisions of Section 21.00(1). Each of the Leasehold Mortgagee and the Tenant covenant and agree that any future disposition of the ownership interest in the Tenant Department Store and the mortgage of the leasehold interest of the Tenant in the Lease shall continue to co-exist entirely in the same entity save and except where co-existence is not possible as a result of the Landlord acquiring title thereto pursuant to the provisions of subsection 15(c) below.

(c) The Leasehold Mortgagee also acknowledges the provisions of Section 25.13 of the Lease and confirms that all of its interest in the Tenant Department Store and the Lease are specifically subject and subordinate and postponed to the interest of the Landlord under Section 25.13 of the Lease.

16. Successors and Assigns. This Agreement shall be binding upon and enure to the benefit of the parties hereto and their successors and assigns.

17. Governing Law. This Agreement shall be governed by the laws of the Province in which the Shopping Centre is located and the federal laws of Canada applicable therein.

18. Whole Agreement. This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes any other prior agreements or representations.

19. Costs. All legal costs incurred by the Landlord and each Encumbrancer in respect of the review and negotiation of this Agreement shall be paid by the Tenant within 15 days after receipt of the legal account from the Landlord and each Encumbrancer, as applicable.

20. Counterparts. This Agreement may be executed in several counterparts, each of which when so executed shall be deemed to be an original, and such counterparts together shall constitute one and the same instrument and notwithstanding the date of execution, shall be deemed to bear the date written at the beginning of this Agreement. A pdf signature of any party to this Agreement shall constitute a valid and binding signature of such party. Email delivery by and to the parties or their respective solicitors of this Agreement in counterparts with pdf signatures of the parties shall be deemed to constitute valid execution and delivery of this Agreement.

[Remainder of page intentionally left blank.]

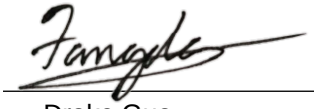
IN WITNESS WHEREOF the parties hereto have executed this Agreement.

Address for Service:

Royal Bank of Canada
Agency Services Group
155 Wellington Street West, 8th Floor
Toronto, Ontario, M5V 3H1

Attention: Drake Guo

ROYAL BANK OF CANADA, as administrative agent

Per: 

Name: Drake Guo
Title: Deal Manager

Per: _____

Name:
Title:
I/We have authority to bind the bank

Address for Service:

EY Tower
100 Adelaide Street West
Suite 900
Toronto, Ontario
M5H 0E2

Attention: Vice President, National Legal Services

YORKDALE SHOPPING CENTRE HOLDINGS INC. by its manager, without personal liability, OPGI MANAGEMENT GP INC., as general partner of OPGI MANAGEMENT LIMITED PARTNERSHIP

Per: _____

Name: Julie Robbins
Title: Vice President, National Legal Services

Per: _____

Name: Sherif Masood
Title: Head of Asset Management, Canadian Business
I/We have authority to bind the Corporation

DocuSign Envelope ID: C5FE8459-C1A6-46E5-A899-0D38A613DE8B

IN WITNESS WHEREOF the parties hereto have executed this Agreement.

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Royal Bank of Canada
Agency Services Group
155 Wellington Street West, 8th Floor
Toronto, Ontario, M5V 3H1

Attention: Drake Guo

ROYAL BANK OF CANADA, as administrative agent

Per: _____

Name:
Title:

Per: _____

Name:
Title:
I/We have authority to bind the bank

Address for Service:

EY Tower
100 Adelaide Street West
Suite 900
Toronto, Ontario
M5H 0E2

Attention: Vice President, National Legal Services

YORKDALE SHOPPING CENTRE HOLDINGS INC. by its manager, without personal liability, OPGI MANAGEMENT GP INC., as general partner of OPGI MANAGEMENT LIMITED PARTNERSHIP

Per: DocuSigned by: Julie Robbins 8B4AB3FAC231419...

Name: Julie Robbins
Title: Vice President, National Legal Services

Per: DocuSigned by: Sherif Masood D1AED5B84C3B4C3...

Name: Sherif Masood
Title: Head of Asset Management, Canadian Business
I/We have authority to bind the Corporation

DocuSign Envelope ID: C5FE8459-C1A6-46E5-A899-0D38A613DE8B

Address for Service:

EY Tower
100 Adelaide Street West
Suite 900
Toronto, Ontario
M5H 0E2

Attention: Vice President, National Legal Services, Oxford Legal

OMERS REALTY CORPORATION

Per: DocuSigned by: Julie Robbins 6B4AB3FAC231419...
Name: Julie Robbins
Title: Vice President

Per: DocuSigned by: Sherif Masood D1AED5B84C3B4C3...
Name: Sherif Masood
Title: Senior Vice President

I/We have authority to bind the Corporation

Address for Service:

EY Tower
100 Adelaide Street West
Suite 900
Toronto, Ontario
M5H 0E2

Attention: Vice President, National Legal Services, Oxford Legal

OMERS REALTY HOLDINGS (YORKDALE) INC.

Per: DocuSigned by: Julie Robbins 6B4AB3FAC231419...
Name: Julie Robbins
Title: Vice President

Per: DocuSigned by: Sherif Masood D1AED5B84C3B4C3...
Name: Sherif Masood
Title: Senior Vice President

I/We have authority to bind the Corporation

Address for Service:
c/o AIMCo
1600 – 10250 101 Street NW
Edmonton, Alberta
T5J 3P4

Attention: Stephen Kinsey, President and Jana Prete, Associate General Counsel

With a copy to:
Epic Investment Services
141 Adelaide St. W, Suite 1201
Toronto ON M5H 3L5
Attention: Tony Maduri

ARI YKD GP INC.

Per: DocuSigned by: 6F12D3FE02AB469...
Name: Stephen Kinsey
Title: President

I have authority to bind the Corporation

DocuSign Envelope ID: C5FE8459-C1A6-46E5-A899-0D38A613DE8B

Address for Service:
c/o AIMCo
1600 – 10250 101 Street NW
Edmonton, Alberta
T5J 3P4

Attention: Stephen Kinsey, President and Jana Prete, Associate General Counsel

With a copy to:
Epic Investment Services
141 Adelaide St. W, Suite 1201
Toronto ON M5H 3L5
Attention: Tony Maduri

ARI YKD INVESTMENTS LP by its general partner ARI YKD GP INC.

Per: DocuSigned by: 0F12D3FE02AB460... _____

Name: Stephen Kinsey
Title: President

I have authority to bind the Partnership

Address for Service:

401 Bay Street
Suite 600
Toronto, Ontario
M5H 2Y4

Attention: Ian Putnam

HUDSON'S BAY COMPANY ULC/COMPAGNIE DE LA BAIE D'HUDSON SRI

Per: _____

Name:
Title:

Per: _____

Name:
Title:

I/We have authority to bind the Corporation

Address for Service:

401 Bay Street
Suite 600
Toronto, Ontario
M5H 2Y4

Attention: Ian Putnam

HBC YSS 1 LIMITED PARTNERSHIP by its general partner HUDSON'S BAY COMPANY ULC/COMPAGNIE DE LA BAIE D'HUDSON SRI

Per: _____

Name:
Title:

Per: _____

Name:
Title:

I/We have authority to bind the Partnership

Address for Service:
c/o AIMCo
1600 – 10250 101 Street NW
Edmonton, Alberta
T5J 3P4

Attention: Stephen Kinsey, President and Jana Prete, Associate General Counsel

With a copy to:
Epic Investment Services
141 Adelaide St. W, Suite 1201
Toronto ON M5H 3L5
Attention: Tony Maduri

ARI YKD INVESTMENTS LP by its general partner ARI YKD GP INC.

Per: _____

Name: Stephen Kinsey
Title: President

I have authority to bind the Partnership

Address for Service:

401 Bay Street
Suite 600
Toronto, Ontario
M5H 2Y4

Attention: Ian Putnam

HUDSON'S BAY COMPANY ULC/COMPAGNIE DE LA BAIE D'HUDSON SRI

Per: _____

Name: Ian Putnam
Title: President & CEO, HBC Properties & Investments

I/We have authority to bind the Corporation

Address for Service:

401 Bay Street
Suite 600
Toronto, Ontario
M5H 2Y4

Attention: Ian Putnam

HBC YSS 1 LIMITED PARTNERSHIP by its general partner HUDSON'S BAY COMPANY ULC/COMPAGNIE DE LA BAIE D'HUDSON SRI

Per: _____

Name: Ian Putnam
Title: Vice President

I/We have authority to bind the Partnership

SCHEDULE "A"

By a lease dated September 26, 2002, the Landlord leased to the original tenant, Hudson's Bay Company, the lands and premises as described in the Lease (the "**Premises**"), notice of which was registered on September 26, 2002 as Instrument No. AT3195, and was re-registered on November 11, 2005 as Instrument No. AT976895 (such lease, as amended from time to time, the "**Lease**");

By a letter agreement dated October 24, 2002 between the Landlord and the original tenant, Hudson's Bay Company, the original term of the Lease was extended pursuant to the Landlord exercising its option to extend the original term for the first four consecutive periods of five years each. Accordingly, the original term as extended by the first, second, third and fourth extension periods expires on September 25, 2027.

By letter agreement dated June 28, 2011 between the Landlord and the original tenant, Hudson's Bay Company, the parties agreed upon certain terms, including respecting certain Landlord's Work and Tenant's Work in connection with the opening of a Top Shop store or department within the Premises and certain other Landlord's work in the Tenant's Home Outfitters store in connection with the construction of the new food court in the shopping centre.

By amending agreement dated April 3, 2014, between the Landlord, the Owner and the Tenant, the parties agreed upon certain terms, including respecting a parking ratio reduction, change to the no-build exception, tenant renovation allowance, and the Landlord's option to increase annual minimum rent.

By beneficial lease assignment dated November 25, 2015, Hudson's Bay Company, the legal and beneficial owner of the leasehold interest in the Premises, assigned its beneficial leasehold interest in and to the Premises to HBC YSS 1 Limited Partnership.

SCHEDULE "B"
Legal Description

PIN 10232-0290 (LT)
Part of Lot 8, Concession 2, WYS, designated as Parts 10, 11, 12 and 13 on Plan 66R-13323, save and except Part 1 on Plan 66R-20399, City of Toronto.

PIN 10232-0310 (LT)
Part of Parcel 8-9, Section Y7, being Part of Lot 9, Concession 2, WYS, designated as Parts 1 & 2 on Plan 66R-13323, save and except Part 2 on Plan 66R-16192 and Part 1 on Plan 66R-26957, subject to NY427518 (93168), City of Toronto.

PIN 10232-0139 (LT)
Part of Parcel 8-2, Section Y-7, Freehold, being Part of Lots 8 and 9, Concession 2, WYS, designated as Parts 5 and 6 on Plan 66R-16192, City of Toronto.

PIN 10232-0146 (LT)
Part of Parcel 8-1, Section Y-7, Freehold, being Part of Lots 8 and 9, Concession 2, WYS, designated as Parts 3, 14 and 15 on Plan 66R-13323, save and except Part 1 on Plan 66R-15578, save and except Part 3 on Plan 66R-16192, and save and except Part 4 (leasehold) on Plan 66R-16192, subject to NY329294 (B108844), NY353722 (B108843), NY357732 (B108842) and subject to NY353722 (B108843), City of Toronto.

PIN 10232-0308 (LT)
Part of Parcel 8-9, Section Y7 Freehold, being part of Lot 9, Concession 2 WYS, designated as Part 2 on Plan 66R-16192; and Parcel 9-2, Section Y7 Freehold, being part of Lot 9, Concession 2 WYS, designated as Part 4 on Plan 66R-13323 except Part 1 on Plan 66R-27868 and Part 2 on Plan 66R-26957, City of Toronto.

PIN 10232-0312 (LT)
Part of Lot 9, Concession 2 WYS, being Part 3 on Plan 66R-16192 except Part 2 on Plan 66R-27868, together with C702847; and Part of Lots 8 & 9, Concession 2,WYS, designated as Parts 5 & 6 on Plan 66R-13323, save and except Parts 5 & 6 on Plan 66R-16192 & Part 1 on Plan 66R-19232, subject to A900224, over part 1 on 66R-10317; the east limit of Yorkdale Road confirmed by Boundaries Act Plan 66BA1840 by Instrument No. A903615 amended by C13675, the north limit of Highland Hill confirmed by Boundaries Act Plan 66BA1910 by Instrument No. A933197/D746, City of Toronto.

PIN 10232-0292 (LT)
Part of Lot 8, Concession 2, WYS, designated as Part 7 on Plan 66R-13323, save and except Part 3 on Plan 66R-20399, subject to NY410178 (B106442), City of Toronto.

PIN 10232-0294 (LT)
Part of Lot 8, Concession 2, WYS, designated as Parts 8 and 9 on Plan 66R-13323, save and except Part 2 on Plan 66R-20399, City of Toronto.

PIN 10232-0151 (LT)
Parcel 8-1 and Parcel 8-2, Section Y7 Leasehold, being part of Lots 8 and 9, Concession 2, WYS, designated as Parts 4, 5 and 6 on Plan 66R-16192, City of Toronto.

Appendix “I”

SUBLEASE

THIS SUBLEASE made as of the 12th day of August 2025.

BETWEEN:

FTI CONSULTING CANADA INC., solely in its capacity as court appointed receiver and manager, without security, of all of the assets, undertakings and properties of **HBC YSS 1 LIMITED PARTNERSHIP and HBC YSS 1 LP INC.** and certain other respondents, and not in its personal or corporate capacity

(the "**Sublandlord**")

- and -

FAIRWEATHER LTD.

(the "**Subtenant**")

WHEREAS:

A. By a lease dated the 26th day of September, 2002 (as amended, supplemented and assigned, collectively, the "**Head Lease**"), Yorkdale Shopping Centre Holdings Inc. (the "**Head Landlord**"), as landlord and successor-in-interest to each of OMERS Realty Corporation, OMERS Realty Holdings (Yorkdale) Inc. and 1331430 Ontario Inc., collectively, as original landlords, leased certain department store premises (the "**Premises**") to HBC YSS 1 Limited Partnership ("**YSS 1**"), as tenant and successor-in-interest to Hudson's Bay Company, in the shopping centre known as Yorkdale Mall (the "**Shopping Centre**") in the City of Toronto, Province of Ontario;

B. Pursuant to an Order of the Ontario Superior Court of Justice (the "**Court**") dated June 3, 2025 (such order, as it may be amended, extended, varied and/or replaced from time to time is hereinafter collectively referred to as the "**Receivership Order**", and the proceeding pursuant to the Receivership Order is hereinafter referred to as the "**Receivership**"), FTI Consulting Canada Inc. was appointed as court-appointed receiver, without security, of all of the assets, undertaking and properties of YSS 1, HBC YSS 1 LP INC., and the other JV Entities (as defined in the Receivership Order) (in such capacity, the "**Receiver**").

C. Pursuant to the Receivership Order, the Receiver is empowered and authorized to, among other things, enter into an agreement to lease or sublease any JV Properties (as defined in the Receivership Order), including the Premises, subject to the terms of the Receivership Order; and

D. Sublandlord has agreed, subject to the terms of this Sublease, to sublease the entirety of the Premises to the Subtenant (the "**Subleased Premises**") for a term (the "**Sublease Term**") commencing on the date (the "**Commencement Date**") that the Sublandlord delivers vacant possession of the Subleased Premises to the Subtenant in a condition that is suitable for commencement of the Subtenant's Work (as defined hereunder), as determined by the Sublandlord, acting reasonably, notwithstanding that during the Fixturing Period (as defined hereunder), the Sublandlord may access the Subleased Premises with the Subtenant for the purposes of completing any items of work required of it under Section 16 of this Sublease, which Commencement Date will be identified in a notice to be delivered by the Sublandlord to the Subtenant and is currently anticipated to be September 15, 2025, provided the foregoing date is an estimate only and is not binding on the Sublandlord and, subject to Section 5 hereof, expiring on the day immediately preceding the last day of the final renewal or extension term of the Head Lease, such that the maximum length of the Sublease Term shall be the maximum term available to the Sublandlord under the Head Lease, less one day, all on the terms and conditions as hereinafter set out,

NOW THEREFORE THIS SUBLEASE WITNESSES that in consideration of the rents, covenants and agreements hereinafter set forth, other good and valuable consideration and the sum of two ($2.00) dollars now paid by each of the parties to the other (the receipt and sufficiency of which is

hereby acknowledged by both of the parties), the parties hereto covenant and agree with each other as follows:

1. Capitalized Terms

Each capitalized term used herein shall have the meaning ascribed to it herein and if not herein then in the Head Lease.

2. Grant

The Sublandlord hereby demises and subleases to the Subtenant the Subleased Premises for the Sublease Term in accordance with and subject to the terms, covenants and conditions contained in this Sublease and in the Head Lease. Notwithstanding anything contained herein to the contrary, the Sublandlord reserves to itself the last day of the Term of the Head Lease, each party hereby acknowledging and agreeing that this Sublease is, and is intended to be, a sublease of the Subleased Premises and that this Sublease shall not operate as an assignment of the Head Lease to the Subtenant.

3. Sublease

It is the express intention of the parties that this Sublease is to be on the same terms and conditions as contained in the Head Lease save and except as provided for herein. The Subtenant hereby acknowledges receipt of a true, complete and correct copy of the Head Lease.

4. Fixturing Period

In order to prepare the Subleased Premises for its initial opening in accordance with plans and specifications approved by the Sublandlord in writing in advance, such approval not to be unreasonably withheld, conditioned or delayed (the "**Subtenant's Work**"), the Subtenant shall have a fixturing period (the "**Fixturing Period**") commencing on the Commencement Date and expiring on the earlier of: (a) the day immediately preceding the date upon which the Subtenant opens for business in any part of the Subleased Premises; and (b) the date that is six months from the Commencement Date. The Subtenant's Work shall be completed in accordance with the terms and conditions of this Sublease, including, without limitation, Section 11 hereunder.

Prior to commencing any Subtenant's Work, the Subtenant must deliver to the Sublandlord a certificate confirming that its contractor has obtained general liability insurance in the form acceptable to the Sublandlord, naming both the Sublandlord and its property manager as additional named insureds. During the Fixturing Period, the Subtenant shall be bound by all terms, covenants and conditions contained in this Sublease, save and except for those requiring the payment of Gross Rent payable herein (save for any amounts arising by virtue of the default of the Subtenant under this Sublease and save for the obligation of the Subtenant to pay for all Utilities (as defined herein) used by the Subtenant or consumed in the Subleased Premises during the Fixturing Period), provided that the Subtenant shall only be liable for the cost of Utilities actually used or consumed by the Subtenant during any period of physical occupation by the Subtenant of the Subleased Premises, such that the Sublandlord shall remain responsible for the cost of any Utilities attributable to the Subleased Premises during any portion of the Fixturing Period that precedes the Subtenant's initial date of occupancy.

In the event the Subtenant fails to open the Subleased Premises for business fully fixtured, stocked and staffed by not later than May 31, 2026, then the Sublandlord shall, in addition to any and all remedies herein provided, have the option to terminate this Sublease upon notice to the Subtenant, without prejudice to any of the Sublandlord's rights or remedies hereunder or at law.

5. Sublease Term

(a) Sublandlord and Subtenant covenant and agree that the initial Sublease Term (the "**Initial Term**") will be the period of time commencing on the day immediately following the date of expiry of the Fixturing Period (the "**Rent Commencement Date**") and expiring on the date that is twenty-five (25) years from the Rent Commencement Date, subject to the provisions of Section 5(b).

(b) The Subtenant shall have the option to further extend the Initial Term for consecutive periods of fifteen (15) years each (each such period, an "**Extension Term**") commencing on the expiration of the Initial Term or the immediately preceding Extension Term (or in the case of the final Extension Term, for a period equal to the remainder of the existing term of the Head Lease and all renewal or extension terms available to the Sublandlord under the Head Lease), excluding the last

day of the final renewal or extension term of the Head Lease, as the case may be, provided that (i) in the case of the first Extension Term, the Subtenant gives the Sublandlord written notice exercising such option to extend (an "**Extension Notice**") not later than 5:00 p.m. on the date which is six (6) months prior to the expiration of the Initial Term, or each subsequent Extension Term, as applicable. Notwithstanding anything to the contrary, there shall be no further right to extend the Term or renew this Sublease beyond the maximum term available to the Sublandlord under the Head Lease (being the remainder of the existing term and all remaining renewal or extension terms available to the Sublandlord under the Head Lease), excluding the last day of the final renewal or extension term of the Head Lease which will not be included in this demise but which will be held by the Sublandlord in trust for the full benefit and use of the Subtenant (subject to the same limitations and restrictions on use as provided herein). If the Term is validly extended in accordance with this Section 5(b), all provisions, terms and conditions of this Sublease shall be applicable during the relevant Extension Term. If the Subtenant does not exercise any of its options to extend the Sublease Term in accordance with this Section 5(b), the Sublandlord will have the right to terminate this Sublease at any time during the remainder of the Initial Term or the applicable Extension Term, as the case may be.

(c) The Sublandlord irrevocably and unconditionally covenants and agrees with the Subtenant that it will exercise from time to time all rights to renew and extend the term of the Head Lease as are available to the Sublandlord under and in accordance with the terms of the Head Lease in order to provide to the Subtenant with a Sublease Term that is equal to Extension Terms that are the subject of Extension Notices delivered by the Subtenant.

(d) Notwithstanding the foregoing, the Subtenant acknowledges and agrees that in the event of the termination of the Head Lease prior to the expiration of the Sublease Term hereof, this Sublease shall automatically terminate, and be of no further force and effect, and the parties hereto shall be released from all duties, obligations, liabilities and responsibilities under this Sublease accruing thereafter except for any duties, obligations, liabilities and responsibilities of one party to the other that arise out of any default by either party under this Sublease. Notwithstanding the foregoing, the Sublandlord shall not voluntarily terminate or surrender the Head Lease without the prior written consent of the Subtenant in its sole discretion.

6. Net Sublease – Intentionally Deleted

7. Gross Rent

The Subtenant covenants to pay rent to the Sublandlord during each year of the Sublease Term in accordance with the following:

(a) Commencing on the Rent Commencement Date and expiring on May 31, 2029 (the "**Gross Rent Period**"), the Subtenant will pay gross rent (the "**Gross Rent**") to the Sublandlord in an amount equal to the greater of (i) and (ii) below:

(i) during the initial year of the Sublease Term, $1,000,000.00 (the "**Gross Rent Floor**"), plus applicable taxes; and

(ii) 12% of Gross Receipts (as defined below) from all business done on and from the Subleased Premises (the "**Percentage Rent**") during each consecutive three-month period (each, a "**Quarter**") commencing on the Rent Commencement Date, plus applicable taxes.

Notwithstanding the foregoing, on each anniversary of the Rent Commencement Date during the Sublease Term, the Gross Rent Floor shall be deemed to be the amount equal to the Gross Rent paid during the immediately preceding year plus two percent (2%) thereof.

(b) Commencing the day after the date of expiry of the Gross Rent Period (the "**Head Lease Rent Commencement Date**") until expiry of the Sublease Term, this Sublease shall be absolutely net and carefree to the Sublandlord during the balance of the Sublease Term and all renewals thereof, free and clear of all payments, charges, taxes and obligations of any nature whatsoever with respect to the Subleased Premises, except as may expressly be set forth in this Sublease, such that the Subtenant will pay to the Sublandlord all amounts, without duplication, required to be paid by the

Sublandlord to the Head Landlord pursuant to the Head Lease with respect to the Subleased Premises, including, without limitation, all basic or minimum rent payable by the Sublandlord, together with all amounts payable as additional rent under the Head Lease, including, without limitation, operating costs, fees, assessments and realty taxes, in each case, in accordance with the provisions of the Head Lease and subject to any adjustments set out thereunder.

(c) The Subtenant also covenants to pay all Utilities (as defined in Section 8 hereof) to the Sublandlord or, if directed by the Sublandlord, to the Head Landlord directly, for periods of time owing during the Sublease Term.

The Subtenant shall be required to report Gross Receipts to the Sublandlord in writing and in such detail, style and scope as the Sublandlord reasonably requires, within fifteen (15) days of the end of each Quarter. Without limiting the foregoing, within thirty (30) days of expiry of each year of the Sublease Term, the Subtenant shall deliver a final report of Gross Receipts for the year, together with a written statement signed by the Subtenant and certified by it to be true and correct, to the Sublandlord in writing.

For the purposes of this Sublease, "**Gross Receipts**" means the total of all gross sales and receipts from all business conducted upon or from the Subleased Premises, whether or not by the Subtenant, and whether for cash, cheques, credit, charge account, exchange or otherwise, and shall include, but not be limited to, amounts received or receivable from the sale of goods or services and the amount of all orders taken or received at the Subleased Premises regardless of where they are filled, whether such sales be made at a sales desk or counter, over the telephone by catalogue, by internet order, or by any vending device, or goods received at the Subleased Premises by a customer irrespective of where the sale of goods or services originated or was completed. Interest, instalment, finance charges and deposits will be included, and bank or collection agency charges and uncollectible amounts or bad debts will not be deducted. A credit or instalment sale will be considered as a sale for the full price in the month in which it takes place. Gross Receipts shall not include:

(a) sales for which the customer has received a refund, provided that the original sale was included in Gross Receipts;

(b) sales of merchandise in exchange for returned merchandise, but only to the extent the original sale of the returned merchandise was included in Gross Receipts;

(c) sales taxes and any other sales, use, excise or gross receipts tax directly on sales and collected from customers at the point of sale, provided that the amount thereof is added to the selling price and shown and/or collected as a separate item, and paid by the Subtenant to such governmental authority;

(d) delivery charges;

(e) transfers of merchandise between stores of the Subtenant or returned to suppliers of the Subtenant, but only if such transfer or return is not for the purpose of reducing Gross Receipts; and

(f) sales of gift cards issued by or on behalf of the Subtenant, provided that sales of merchandise paid for by means of gift cards or gift certificates are included in Gross Receipts at the time of their redemption on the Subleased Premises.

8. Utilities

The Subtenant further covenants and agrees with the Sublandlord with respect to the Subleased Premises to pay the cost of supplying heat, water, gas, electricity or any other utilities used or consumed in the Subleased Premises (collectively, "**Utilities**") directly to the utility providers on the basis of separate meters, check meters or sub-meters, if available. If there are no separate meters in the Subleased Premises for any of the utilities, the Subtenant shall pay to the Sublandlord or, if directed by the Sublandlord, the Head Landlord, all charges for utilities used or consumed in the Subleased Premises charged on the basis of an equitable allocation as determined by the Sublandlord plus the Sublandlord's

costs of determining the Subtenant's share of the costs of all utilities including, but not limited to, professional, engineering and consulting fees, and an administration fee of 15% of all such costs).

9. Time and Method of Payment

(a) Subject to this Section 9, the Gross Rent for each year of Gross Rent Period shall be payable to the Sublandlord commencing on the Rent Commencement Date in equal consecutive monthly instalments in advance on the first day of each month during such year except that if the Gross Rent Period commences on a day other than the first day or ends on a day other than the last day of the month, Rent (being, for clarity, instalments of the Gross Rent Floor, Percentage Rent, if applicable, and Utilities payable pursuant to this Sublease) for fractions of a month at the commencement and at the end the Gross Rent Period shall be adjusted on a pro rata basis.

(b) Without limiting the foregoing, Gross Rent shall be payable as follows:

(1) the Subtenant shall pay to the Sublandlord on the first day of each month of the Gross Rent Period commencing on the Rent Commencement Date an equal monthly instalment of the annual Gross Rent Floor, subject to Section 9(b)(2), below;

(2) the Percentage Rent payable, if applicable, shall be calculated on a per-Quarter basis during each year of the Gross Rent Period, and any amounts owed over and above the Gross Rent Floor during such Quarter, shall be payable to the Sublandlord within fifteen (15) days after expiry thereof.

(c) For greater certainty, notwithstanding anything to the contrary herein, the Subtenant shall not be responsible for payment of any amounts payable by the Sublandlord to the Head Landlord under the terms of the Head Lease in respect of operating costs or realty taxes during the Gross Rent Period including, in particular, any Additional Charges under article 4.01 of the Head Lease, save for Utilities pursuant to the terms of this Sublease.

(d) From and after the Head Lease Rent Commencement Date, all payments of rent and other payments provided for in this Sublease shall be made by the Subtenant to the Sublandlord in accordance with the payment terms set out in the Head Lease, save and except that at the Sublandlord's option, the Sublandlord may require the Subtenant to make any of such payments directly to the Head Landlord, in which case the Subtenant shall do so forthwith.

10. Covenants of Subtenant

Subtenant covenants and agrees with Sublandlord:

(i) to perform all of the obligations of the tenant under the Head Lease with respect to the Subleased Premises, except as expressly provided in this Sublease, and to be bound by the terms, covenants and conditions of the Head Lease as if named therein as tenant with each reference therein to "Landlord" being deemed to include the Head Landlord and Sublandlord, and with each reference therein to the "Tenant" being deemed to mean the Subtenant, including, without limitation, compliance with the obligations of the tenant in respect of use and operation pursuant to the terms of the Head Lease at all times, provided that, notwithstanding the foregoing, during the Gross Rent Period, the Subtenant shall not be obligated to perform the obligations of the tenant under the Head Lease, if any (the "**Base Building Replacement Obligations**") regarding replacement of base building systems located within or upon the Subleased Premises (such as, by way of example only, escalator, elevator, roof and HVAC replacement) (collectively, the "**Base Building Systems**"), which obligations, if any, shall be performed by the Sublandlord during such Gross Rent Period at its sole cost and expense, it being acknowledged by the Subtenant that the Subtenant shall remain responsible for maintenance and repair of the Base Building Systems during the Gross Rent Period, to the extent applicable to the tenant under the terms of the Head Lease (for clarity, upon expiry of the Gross Rent Period, any Base Building Replacement Obligations shall be performed by the Subtenant at its sole cost and expense);

(ii) not to do or omit to do any act which would cause a breach of the Sublandlord's obligations as tenant under the Head Lease;

(iii) to indemnify and save harmless the Sublandlord against and from any and all rentals, expenses, costs, damages, suits, actions or liabilities arising or growing out of the failure of the Subtenant to perform any of its obligations hereunder and from all claims and demands of every kind and nature made by any person or persons to or against the Sublandlord for all and every manner of costs, damages or expenses incurred by or injury or damage to such person or persons or his, her or their property, if such claims or demands arise out of the use and occupation of the Subleased Premises by the Subtenant or any such person, and from all costs, counsel fees, expenses and liabilities incurred in connection with any such claim or any action or proceeding brought in respect thereto;

(iv) wherever the consent or approval of the Head Landlord is required pursuant to the Head Lease in respect of anything done or proposed to be done by the tenant in respect of the Subleased Premises, the Subtenant shall not do any such thing until it has first obtained the consent of the Sublandlord and the terms of the Head Lease in this regard shall apply to the Sublandlord's consent or approval;

(v) this Sublease is subject to and subordinate to the Head Lease and that any rights conveyed by the Sublandlord pursuant to this Sublease are conveyed subject to the extent permitted thereby;

(vi) commencing on the day immediately following the expiry of the Fixturing Period, to occupy the Subleased Premises throughout the Sublease Term and continuously, actively, and diligently operate, fully fixtured, stocked and staffed in accordance with the applicable use provisions of the Head Lease on such days and during such hours as the Sublandlord determines from time to time, and only under the advertised name "Les Ailes de la Mode" or such other trade name that is approved by the Sublandlord, in writing and in advance, such approval not to be unreasonably withheld; and

(vii) in the event that this Sublease is terminated early in accordance with any of the termination rights set out hereunder, the Subtenant shall surrender vacant possession of the Subleased Premises to the Sublandlord in a clean, broom-swept condition.

11. Changes to the Subleased Premises

Without limiting the provisions of Section 10 of this Sublease, all internal and external alterations, expansions, additions, modifications, renovations, restorations and other improvements to the Subleased Premises shall be completed in compliance with the Head Lease and all applicable statutes, laws, by-laws, regulations, building codes, permits, ordinances, judgments, orders and requirements of any governmental authorities having jurisdiction, and all amendments thereto, at any time and from time to time having force of law in the jurisdiction in which the Subleased Premises are located, including without limitation all environmental laws (collectively, "**Applicable Laws**"), and Subtenant shall, prior to commencing any alterations, obtain at its expense all necessary permits and licenses required by Applicable Laws and any applicable Head Landlord consents in respect of the performance and installation of the alterations. All alterations pursuant to this Section 11 shall be performed at the Subtenant's cost, and in a good and workmanlike manner. To the extent any notice is required to be delivered to the Head Landlord pursuant to the Head Lease in connection with any such alterations, the Subtenant shall deliver a copy of such notice to the Sublandlord concurrently with delivery to the Head Landlord.

Any works the Subtenant wishes to complete to prepare the Subleased Premises for its initial opening shall be constructed in accordance with the foregoing and with plans and specifications approved by the Sublandlord in writing in advance, such approval not to be unreasonably withheld, conditioned or delayed (the "**Subtenant's Work**").

12. Early Termination Right in Favour of Subtenant; Sublandlord Right to Rescind

The Subtenant may terminate this Sublease for any reason effective as of the date of expiry of the Gross Rent Period by delivery of written notice to the Sublandlord (the "**Subtenant Termination Notice**") not less than six (6) months' and not more than fourteen (14) months' prior to the date of expiry

of the Gross Rent Period and, upon such date of expiry, this Sublease shall be deemed terminated and of no further force or effect and thereafter neither party shall have any further duties or obligations to the other party under this Sublease (except for those obligations that expressly survive the termination of this Sublease which, for clarity, includes the end of term obligations of the Subtenant). Notwithstanding the foregoing, upon receipt of the Subtenant Termination Notice, the Sublandlord may elect, by delivery of written notice to the Subtenant (the "**Rescission Notice**") within ten (10) business days of receipt of the Subtenant Termination Notice, to cause the Subtenant Termination Notice to be immediately rescinded and the termination right in this Section 12 to be null and void and of no further force or effect, such that this Sublease shall continue on the same terms and conditions as if the termination right set out in this Section 12 had not been exercised, save and except that: (i) Section 7(b) of this Sublease shall be null and void and of no further force or effect and the Subtenant shall be obligated solely to pay the Gross Rent for the balance of the Sublease Term in accordance with the terms and conditions of Section 7(a) hereof, notwithstanding expiry of the Gross Rent Period; and (ii) notwithstanding the provisions of Section 10 hereof, any Base Building Replacement Obligations shall remain the obligation of the Sublandlord. For clarity, upon delivery of the Rescission Notice, the Tenant shall be precluded from sending a subsequent Subtenant Termination Notice.

13. Early Termination Right in Favour of Sublandlord Tied to Alternative Transaction; Payment of Termination Fee

(a) This Sublease may be terminated at any time (whether prior to or during the Sublease Term) by the Sublandlord by delivery of prior written notice to the Subtenant (the "**Transaction Termination Notice**") if the Sublandlord determines to enter into a definitive written agreement (other than a confidentiality agreement) for an Alternative Transaction. In the event the Sublandlord exercises the foregoing termination right, this Sublease shall terminate on a date to be identified in the Transaction Termination Notice, which date shall not be less than nine (9) months after the date of delivery of the Transaction Termination Notice (the "**Transaction Termination Date**"), provided that in no event may the Transaction Termination Date be between October 1 and January 31, and the Sublandlord shall pay to the Subtenant a termination fee (the "**Termination Fee**") equal to:

(i) the actual, reasonable, out-of-pocket costs incurred by the Subtenant in connection with the preparation of the Subleased Premises for occupation by the Subtenant (including, without limitation, hard costs paid to contractors engaged in order to complete the Subtenant's Work and reasonable, out-of-pocket legal fees), provided that such costs are substantiated by way of delivery of written evidence satisfactory to the Sublandlord, acting reasonably; and

(ii) (A) twenty percent (20%) of the total consideration payable to the Sublandlord in connection with the Alternative Transaction if the Transaction Termination Date occurs at any time between the date of mutual execution of this Sublease by the parties hereto and the date of expiry of the Gross Rent Period; or

(B) fifty percent (50%) of the total consideration payable to the Sublandlord in connection with the Alternative Transaction if the Transaction Termination Date occurs at any time after expiry of the Gross Rent Period.

(b) "**Alternative Transaction**" means, a transaction with any Person or group of Persons other than the Subtenant, relating to any assignment, sale, transfer, disposition, termination or other arrangement having the same economic effect as an assignment, sale, transfer, disposition or termination, of the Sublandlord's interest in the Head Lease.

(c) The Termination Fee shall be paid within ten (10) business days following the consummation of the Alternative Transaction. The Termination Fee shall be paid (less any applicable withholding or other applicable taxes) by the Sublandlord to the Subtenant (or as the Subtenant may direct by notice in writing) by wire transfer to an account designated by the Subtenant in writing; if the Subtenant does not provide the account information to the Sublandlord at least ten (10) business days prior to the date the Termination Fee is due, then the due date for the Termination Fee shall be delayed until ten (10) business days following the date on which the Subtenant provides the required account information in writing.

(d) Each of the Sublandlord and Subtenant agrees that the agreements contained in this Section 13 are an integral part of the transaction contemplated by this Sublease, and that without

these agreements the parties would not enter into this Sublease and that the payment amount set out in this Section 13 represents a liquidated damages payment in consideration for the disposition of the rights of the Subtenant under Section 13 and that such amount is a genuine pre-estimate of the damages, including opportunity costs, that the Subtenant will suffer or incur as a result of the event giving rise to such damages and the resultant termination of this Sublease, and is not a penalty. The Sublandlord irrevocably waives any right that it may have to raise as a defence to paying the Termination Fee that any such liquidated damages/amounts are excessive or punitive.

(e) In the event that the Termination Fee is paid to the Subtenant (or as it directs) in the manner provided in this Section 13, no other amounts will be due and payable as damages or otherwise by the Sublandlord in connection with the termination of this Sublease (including, without limitation, on account of the Subtenant's hard costs, soft costs, and loss of business revenue) and the Subtenant hereby accepts that the Termination Fee is the Subtenant's sole and exclusive compensation in connection with the termination of this Sublease hereunder, the transactions contemplated by this Sublease or any other matter forming the basis of such termination and is the maximum aggregate amount that the Sublandlord shall be required to pay in lieu of any damages or any other payments or remedy that the Subtenant may be entitled to in connection with this Sublease (and the termination hereof), the transactions contemplated by this Sublease or any other matter forming the basis of such termination, under this Sublease, at law, or in equity.

14. Mutual Termination Right

At any time after August 31, 2030, either the Sublandlord or the Subtenant may deliver written notice (the "**Convenience Termination Notice**") to the other party terminating this Sublease for any reason (or no reason whatsoever). The Convenience Termination Notice shall stipulate the effective date of termination of this Sublease, it being acknowledged and agreed that such effective date of termination shall not be earlier than the date that is nine (9) months after the date of delivery of the Convenience Termination Notice, provided that in no event may the Transaction Termination Date be between October 1 and January 31. Upon the exercise of this right by one of the parties hereto, such right shall not be available for exercise by the other party thereafter and during the applicable notice period. Upon the effective date stipulated in the Convenience Termination Notice, this Sublease shall be deemed terminated and of no further force or effect and thereafter neither party shall have any further duties or obligations to the other party under this Sublease (except for those obligations that expressly survive the termination of this Sublease).

Notwithstanding the foregoing, in the event that the Sublandlord exercises the foregoing termination right pursuant to this Section 14 and, during the five (5) year period commencing on the effective date of termination of this Sublease, the Sublandlord completes an Alternative Transaction, the Sublandlord shall pay to the Subtenant the Termination Fee in accordance with the provisions of Section 13(a)(ii)(B) of this Sublease in accordance with the timing set out in Section 13 hereof.

15. Intentionally Deleted

16. Sublandlord's Covenants

Subject to the due performance by the Subtenant of its obligations herein, the Sublandlord covenants and agrees with the Subtenant as follows:

(a) provided Subtenant is not in default hereunder, that the Subtenant shall peaceably and quietly hold and enjoy the Subleased Premises for the Sublease Term without hindrance or interruption by the Sublandlord, subject nevertheless to the terms and conditions of this Sublease and the Head Lease;

(b) that it will perform all of the obligations of the Sublandlord under this Sublease and will perform and observe the covenants on its part contained in the Head Lease insofar as such covenants are not required to be performed or observed by the Subtenant; and

(c) that, if the Head Landlord shall fail to observe or perform any of the obligations on the part of the Head Landlord contained in the Head Lease, then the Sublandlord will give such notice to the Head Landlord and take such reasonable action as may be necessary to enforce such obligations, provided that the Sublandlord shall not be obligated to give such notice or

to take such action unless the same has been requested in writing by the Subtenant. The Subtenant agrees to reimburse the Sublandlord for all its costs and expenses in giving such notice or taking such action and, if required by the Sublandlord shall pay to the Sublandlord in advance, an amount equal to the Sublandlord's reasonable estimate of such costs and expenses.

The Sublandlord's sole obligations under this Sublease are those expressly stated herein. The Sublandlord shall not be liable for any failure on the part of the Head Landlord to observe and perform the covenants and agreements contained on the part of the Head Landlord under the Head Lease.

17. Head Landlord's Covenants

Wherever, in the Head Lease, a covenant is made by the Head Landlord in favour of the tenant thereunder, such covenant shall not, except as otherwise provided herein, be a covenant made by the Head Landlord and/or the Sublandlord in favour of the Subtenant.

18. As Is

The Subtenant acknowledges that it has seen the Subleased Premises and agrees to accept the said Subleased Premises in "as is" condition and shall not call upon the Sublandlord to perform any leasehold improvements or any other work therein, save and except that the Sublandlord shall ensure that the existing HVAC, electrical service, elevators and escalators located within the Subleased Premises shall be in a condition that is suitable to permit the operation of the Subtenant's business from the Subleased Premises, as agreed upon by the Sublandlord and the Subtenant, each acting reasonably (collectively, the "**Sublandlord Work**"). Subtenant acknowledges that Sublandlord has not made and does not make any representations or warranties as to the physical condition, expenses, operation and maintenance, zoning, status of title, the use that may be made of the Subleased Premises or any other matter or thing affecting or related to the Subleased Premises.

19. No Assignment and Subletting

The Subtenant shall not be permitted to assign this Sublease or further sublet the Subleased Premises, in whole or in part, at any time or times during the Sublease Term without the prior written consent of the Sublandlord, which consent may be unreasonably or arbitrarily withheld. The Sublandlord may assign all of its rights, interests and obligations under this Sublease to any successor in interest to the Sublandlord. For greater certainty, the Sublandlord may, at any time, seek discharge from its role as Receiver, and in connection with such discharge the Receiver may assign its interest in this Sublease to a third party or such interest shall be deemed held by YSS 1.

20. Terms of the Head Lease Incorporated

Save and except as may be otherwise provided in this Sublease, all of the covenants, terms, agreements and conditions contained in the Head Lease are hereby incorporated *mutatis mutandis* into this Sublease as if the Sublandlord were the "landlord" in the Head Lease and the Subtenant were the "tenant" in the Head Lease. If any term or condition of this Sublease is inconsistent with or at variance with any term or condition of the Head Lease, then the term or condition of the Head Lease shall prevail.

21. Default

If the Subtenant shall fail to pay to the Sublandlord any amounts required to be paid pursuant to the provisions of this Sublease or the Head Lease, as the case may be, or fail to perform any of its obligations herein, the Sublandlord shall have all the rights, remedies, privileges, protections and indemnities against the Subtenant which the Head Landlord has under the Head Lease for breach thereunder.

22. Receiver Capacity

Notwithstanding anything else contained herein or elsewhere, the Subtenant acknowledges and agrees that: (a) FTI Consulting Canada Inc. ("**FTI**") is entering into this Sublease and any related documentation solely in its capacity as court appointed receiver, without security, of all of the assets, undertakings and properties of YSS 1 and HBC YSS 1 LP Inc. but with no personal or corporate liability; (b) FTI and its agents, officers, directors, partners, employees and lawyers have no and shall have no personal or corporate liability of any kind whatsoever, in contract, in tort, at law, in equity or otherwise as a result of or in any way connected with this Sublease or as a result of the Sublandlord performing or

failing to perform any of its covenants or obligations hereunder; and (c) this Sublease is executed and delivered without prejudice to any rights or remedies FTI may have pursuant to the Receivership Order from time to time. The foregoing qualifications and limitations shall be deemed incorporated by reference into each and every document relating to the matters contemplated herein from time to time.

23. Time Period Stipulated in Head Lease

The Subtenant covenants and agrees that each and every reference to a time period in the Head Lease, within which the tenant is required to notify the Head Landlord or perform or comply with any obligation under the Head Lease, for the purpose of this Sublease and the Subtenant's obligation to notify the Sublandlord or perform or comply with any obligation under the Sublease, shall be construed as one-half the time period so specified under the Head Lease.

24. Notice

Any notice, consent and approval permitted or required to be given to under the terms of this Sublease shall be in writing and shall be sufficiently given if personally delivered (by hand or courier) or sent by electronic mail to the party for whom it is intended or if mailed, postage prepaid, by registered mail addressed to the party for whom it is intended. The addresses for notice are as follows:

Sublandlord:

FTI Consulting Canada Inc., as court appointed receiver of
HBC YSS 1 Limited Partnership *et al.*
TD South Tower, 79 Wellington Street West
Toronto Dominion Centre, Suite 2010, P.O. Box 104
Toronto, ON M5K 1G8

Attention: Paul Bishop / Jim Robinson
Email: paul.bishop@fticonsulting.com / jim.robinson@fticonsulting.com

With a copy that shall not constitute notice to the Receiver's counsel:

Norton Rose Fulbright Canada LLP
222 Bay Street, Suite 3000, P.O. Box 53
Toronto, ON M5K 1E7

Attention: Evan Cobb / Orestes Pasparakis
Email: evan.cobb@nortonrosefulbright.com
orestes.pasparakis@nortonrosefulbright.com

With a copy that shall not constitute notice to:

RioCan Real Estate Investment Trust
2300 Yonge Street, Suite 2200
P.O. Box 2386
Toronto, ON M4P 1E4

Attention: Jennifer Suess / Rob Frasca
Email: Jsuess@riocan.com / rfrasca@riocan.com

With a copy that shall not constitute notice to:

Goodmans LLP
Bay Adelaide Centre – West Tower
333 Bay Street, Suite 3400
Toronto, ON M5H 2S7

Attention: Robert J. Chadwick / Bram Green
Email: rchadwick@goodmans.ca / bgreen@goodmans.ca

Subtenant:

Fairweather Ltd.

1185 Caledonia Road
Toronto, ON M6A 2X1

Attention: Isaac Benitah / Paul Brener

Email: ibenitah@inc.ca
pbrener@incgroup.ca

With a copy that shall not constitute notice to:

ML Kaufman LLP
800 René-Lévesque Blvd. West
Montreal, Quebec H3B 1X9

Attention: Michael Schacter
Email: mschacter@mlkaufman.ca

Any of the parties may change its address for notice by written notice to the other.

Any notice shall be deemed to have been received; (i) if personally delivered, on the date on which it was delivered, (ii) if mailed, on the date that is three (3) business days after the date on which it was mailed, and (iii) if sent by email, on the day of transmission if such day is a business day and the transmission is made prior to 4:00 p.m. (local time where the recipient is located) and, if not, on the next business day following transmission.

25. Confidentiality

Neither the Sublandlord nor the Subtenant nor any of their respective officers, directors, agents or employees will disclose to any person whatsoever any terms and conditions of this Sublease or any of the matters contemplated herein (such as, by way of example only, the exercise of any rights hereunder), except to the extent required by law or to their respective lawyers, accountants, insurance advisors and other professional consultants and advisors or any actual or potential lender, purchaser or investment broker, so long as such parties agree to employ the same level of confidentiality as set out in this Section 25 or with the prior written consent of the other party, such consent not to be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, nothing herein shall restrict the Sublandlord from proceeding with any disclosure: (i) it believes to be required in accordance with its obligations as a court-appointed Receiver; (ii) as it believes to be required for the purpose of obtaining court approval of the transactions set out herein; or (iii) to any Applicant in the Receivership or to any lender or creditor of YSS 1 or HBC YSS 1 LP Inc.

26. Miscellaneous

(a) this Sublease shall be governed by and construed in accordance with the laws of the Province of Ontario. The parties hereby irrevocably attorn to the exclusive jurisdiction of the Court in the Receivership, so long as the Receivership exists, and if the Receivership does not exist, to the exclusive jurisdiction of the Court, with respect to any and all disputes, controversies or other matters arising out of or in connection with this Sublease;

(b) all dollar amounts expressed herein shall be payable in Canadian currency;

(c) time shall be of the essence of this Sublease;

(d) no amendment or other modification to this Sublease shall be valid or binding upon the parties unless the same is in writing and executed by both parties;

(e) whenever a personal pronoun is used herein, it is understood that such usage shall include both singular and plural, masculine, feminine and neuter, and refer in appropriate cases to corporations or other legal entities as well as individuals;

(f) the captions contained herein are for reference only and in no way effect this Sublease;

(g) each obligation the Sublandlord or of the Subtenant in this Sublease, even though not expressed as a covenant, is considered for all purposes to be a covenant;

(h) if the Subtenant is more than one person or corporate entity, then each covenant, agreement and obligation of the Subtenant herein shall be deemed to be a joint and several covenant, agreement and obligation of each of the persons or corporate entities named herein;

(i) if any covenant, obligation or agreement or part thereof or the application thereof to any person or circumstances shall be found to be invalid or unenforceable then such covenant, obligation or agreement or part thereof shall be deemed to be severable and shall not affect the validity or enforceability of any other provision or covenant hereof;

(j) this Sublease, including any schedules thereto, constitutes the entire agreement among the parties pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, between the parties. There are no warranties, representations or other agreements between the parties in connection with the subject matter hereof except as specifically set forth herein;

(k) each party will from time to time hereafter and upon any reasonable request of any other party, execute, make or cause to be made, all such further acts, deeds, assurances, certificates and things as may be required to more effectually implement the true intent of this Sublease;

(l) this Sublease shall enure to and be binding upon the parties hereto and their respective successors and assigns;

(m) this Sublease may be executed by counterparts each of which will be deemed to be an original and all of which taken together will be deemed to constitute one and the same instrument; and

(n) this Sublease shall be considered validly executed and delivered by a party, if said party delivers an executed copy of the document to the other parties hereto in a .PDF or other common format by email; such emailed copy shall be deemed as valid and binding as an executed original.

27. Sublandlord Conditions

Notwithstanding anything to the contrary in this Sublease, this Sublease shall remain conditional upon the following:

(1) 45 Day Conditions:

(a) Head Lease. Either (i) the Head Landlord shall have provided to the Sublandlord its written consent to this Sublease and the transaction contemplated by this Sublease, or (ii) the Court shall have granted an order in the Receivership, among other things, confirming that no consent of the Head Landlord is required for the Sublandlord to complete the transaction contemplated by this Sublease (which order shall have become a final order)

(b) Court Approval. The Court shall have granted an order in the Receivership approving, among other things, this Sublease and the Sublandlord entering into this Sublease in form and substance acceptable to the Sublandlord (which order shall have become a final order);

(c) Termination Fee Acknowledgement. Each of (i) Royal Bank of Canada ("**RBC**"), as administrative agent pursuant to the credit agreement dated as of January 26, 2024, among, *inter alia*, YSS 1, as borrower, and RBC, as administrative agent and lender, and the lenders thereunder, as lenders, and (ii) RioCan Real Estate Investment Trust, shall have delivered a written acknowledgement to the Sublandlord and the Subtenant acknowledging that the Termination Fee shall be paid by the Sublandlord to the Subtenant from the proceeds of any Alternative Transaction pursuant to the terms of this Sublease;

(d) Lender Approval. The Sublandlord obtaining prior written consent of RBC to this Sublease; and

(e) Nominee Matters. Either (i) Hudson's Bay Company ULC (the "**Sublandlord Nominee**"), as the registered owner of the leasehold interest in the Premises and the Tenant's interest in the Head Lease, which interests are held by the Sublandlord Nominee as nominee and bare trustee for and on behalf of the Sublandlord, shall have executed and delivered to the Sublandlord such additional documents as may be necessary or desirable for the completion

of the transaction contemplated by this Sublease, or (ii) the Court shall have granted an order in the Receivership, among other things, addressing any matters related to the Sublandlord Nominee holding legal title as nominee and bare trustee for and on behalf of the Sublandlord,

in each case, on or prior to the date that is forty-five (45) days after the date of mutual execution of this Sublease by the parties hereto, provided that the Sublandlord may, by delivery of written notice to the Subtenant at any time prior to the date of expiry of the foregoing conditions, further extend such date(s) of expiry (for any, or all, conditions) by a period of up to a further forty-five (45) days;

In the event the Court's order in (a) or (b) above is appealed, the aforementioned forty-five (45) day deadline for satisfaction of the conditions in (a) and (b) above will automatically be extended for the duration of the appeal if the Receiver determines that such appeal should be pursued or contested; and

(2) 30 Day Condition (Sublandlord Cost): The Sublandlord being satisfied, in its sole discretion, that the aggregate cost of completing the Sublandlord's Work as defined in this Sublease shall not exceed $2,500,000.00, plus applicable taxes, by the date that is thirty (30) days after the date of mutual execution of this Sublease by the parties hereto.

If the Sublandlord does not notify the Subtenant of the waiver or satisfaction of all of the foregoing conditions set out in the above Sections 27(1) and (2), respectively, within the appropriate deadline(s), this Sublease shall be null and void and neither party shall have any further liability to the other hereunder.

28. Condition Precedent

Intentionally deleted.

29. Good Faith Implementation

Each of the Sublandlord and the Subtenant covenants and agrees to cooperate with the other and to act reasonably, diligently, and in good faith in carrying out their respective obligations and in exercising their respective rights under this Sublease, including in connection with the implementation and administration of the terms hereof. The Sublandlord agrees to employ commercially reasonable efforts to: (i) satisfy the Sublandlord conditions set forth in Section 27(1) hereinabove; and (ii) complete the assessment contemplated within the Sublandlord condition set forth in Section 27(2) hereinabove in good faith by the deadline set out therein, respectively. The parties further agree to take such steps and actions as may be reasonably required to give full effect to the provisions and intent of this Sublease. The Sublandlord acknowledges that it would prejudice the Subtenant if the Sublandlord shared any information contained in this Sublease with any third party other than its professionals referred to herein.

30. Acceptance by the Sublandlord

The present Sublease is open for acceptance by the Sublandlord until August 13th, 2025 at 5:00 p.m. Eastern Time. If not accepted and signed by the Sublandlord and delivered to the Subtenant within this deadline, this Sublease shall automatically become null and void without further notice or delay.

[Signature page follows.]

IN WITNESS WHEREOF the parties hereto have executed this Sublease.

FTI CONSULTING CANADA INC., solely in its capacity as court appointed receiver and manager, without security, of all of the assets, undertakings and properties of HBC YSS 1 LIMITED PARTNERSHIP and HBC YSS 1 LP INC. and not in its personal or corporate capacity

Per: _____
Name: Jim Robinson
Title: Senior Managing Director

I/We have the authority to bind the Sublandlord.

FAIRWEATHER LTD.

Per: _____
Name: Isaac Benitah
Title: President

I have the authority to bind the Subtenant.

IN WITNESS WHEREOF the parties hereto have executed this Sublease.

FTI CONSULTING CANADA INC., solely in its capacity as court appointed receiver and manager, without security, of all of the assets, undertakings and properties of HBC YSS 1 LIMITED PARTNERSHIP and HBC YSS 1 LP INC. and not in its personal or corporate capacity

Per: _____
Name:
Title:

I/We have the authority to bind the Sublandlord.

FAIRWEATHER LTD.

Per: _____
Name: Isaac Benitah
Title: President

I have the authority to bind the Subtenant.

Appendix “J"

From:	Evan Cobb (he/him)
To:	D. J. Miller
Cc:	"anesbitt@tgf.ca"; Robinson, Jim; paul.bishop@fticonsulting.com
Subject:	Yorkdale
Date:	August 19, 2025 6:05:09 PM
Attachments:	Sublease Agreement - Yorkdale - Signed by Subtenant and Receiver.pdf

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D.J.,

Further to the case conference today, please find attached a copy of the Sublease Agreement with Fairweather Ltd.

The August payments for STC and Square One should now have landed at Oxford. Please let us know if they have not.

We are available to discuss at a mutually convenient time once you have reviewed the sublease.

Thank you.

Evan Cobb
Partner

Norton Rose Fulbright Canada LLP / S.E.N.C.R.L., s.r.l.
222 Bay Street, Suite 3000, P.O. Box 53, Toronto ON M5K 1E7 Canada
T: +1 416.216.1929 | M: +1 647.201.2865 | F: +1 416.216.3930
evan.cobb@nortonrosefulbright.com

NORTON ROSE FULBRIGHT

Appendix “K”

Thornton Grout Finnigan LLP
RESTRUCTURING + LITIGATION

Toronto-Dominion Centre
100 Wellington Street West
Suite 3200, P.O. Box 329
Toronto, ON Canada M5K 1K7
T 416.304.1616 F 416.304.1313

D.J. Miller
T: 416-304-0559
E: djmiller@tgf.ca
File No. 1143-011

September 4, 2025

BY EMAIL

Norton Rose Fulbright Canada LLP
222 Bay Street, Suite 3000
Toronto, ON
M5K 1E7

Attention: Mr. Evan Cobb

Dear Evan:

Re: RioCan Real Estate Investment Trust et al v. RioCan-HBC Limited Partnership et al, Court File No.: CV-25-00744295-00CL (the "JV Receivership Proceeding")

As you are aware, we are counsel to Oxford Properties ("**Oxford**") in connection with the JV Receivership Proceeding, and the parallel CCAA proceeding involving Hudson Bay Company ("**HBC**").

We refer to:

1. The Order dated June 3, 2025 as amended, appointing FTI Consulting Canada Inc. as Receiver over various JV Entities including HBC YSS 1 LP, as such terms are defined therein (the "**Receivership Order**") in respect of certain head tenant lessee interests ("**Leasehold Interests**") in certain Leasehold Properties as defined in the Receivership Order described in Part III of Schedule "A" thereto;

2. the lease (the "**Head Lease**") dated September 26, 2002 between Yorkdale Shopping Centre Holdings Inc., as landlord, and HBC YSS 1 LP as tenant in respect of certain premises located at Yorkdale Mall previously operated by HBC (the "**Leased Premises**");

3. the sublease (the "**Sublease**") dated November 25, 2015 between HBC in its capacity as general partner of HBC YSS 1 LP, as sublandlord, and HBC as subtenant, in respect of the Leased Premises;

4. an Agreement dated August 12, 2025 (the "**Proposed Sublease Agreement**") between "the Receiver of HBC YSS 1 LP and HBC YSS 1 LP Inc.[1] as Sublandlord" and Fairweather Ltd. ("**Fairweather**") whereby the Receiver seeks to create a new Sublease with Fairweather. A copy of the Proposed Sublease Agreement was provided to Oxford following the case conference on August 19, 2025.

The agreement sent to us by the Receiver is not an assignment of the Head Lease, or an assignment of the Sublease. It is an entirely new Proposed Sublease Agreement that the Receiver seeks to enter into, while acting as Receiver of a tenant under the Head Lease that is subject to an insolvency proceeding under the *Bankruptcy and Insolvency Act* (the "**BIA**").

Section 19 of the Proposed Sublease Agreement indicates that the Receiver intends to seek an assignment of the Head Lease to a solvent entity at some future date pursuant to a separate agreement (the "**Proposed Future Head Lease Assignment**"), although no details relating to that further proposed transaction or the proposed assignee ("**Proposed Future Assignee**") have been provided. As you are aware, the Proposed Sublease Agreement and the Proposed Future Head Lease Assignment are each subject to the terms of the Head Lease with Oxford. It is the interest of the head tenant under the Head Lease over which the Receiver was appointed, defined as the Leasehold Interest forming part of the Property under paragraph 3 of the Receivership Order.

Oxford reserves its rights in terms whether the Receivership Order permits the Receiver to enter into a new Proposed Sublease Agreement with a third party, while leaving the Head Lease in place and under the continuing control of the Receiver in an insolvency proceeding. While we await full details from the Receiver as to any Proposed Future Head Lease Assignment, we make certain information requests as we and our client consider the matter.

Please provide particulars and supporting documentation as follows:

1. **Corporate Information:**

   (a) *Proposed Future Assignee:* Full legal name of the Proposed Future Assignee under a Proposed Future Head Lease Assignment, together with details of ownership, affiliation, or control by RioCan; corporate profile, articles of incorporation, and shareholder list;

   (b) *Fairweather:* Corporate profile, articles of incorporation, and shareholder register;

   (c) *Corporate Structures:* For both the Proposed Future Assignee and Fairweather: organizational charts (including parent companies and

[1] The Proposed Sublease Agreement refers to HBC YSS 1 LP Inc. in the definition of the Receiver's capacity as "Sublandlord", although this entity is not a party to the Head Lease or Sublease in respect of the Leased Premises at Yorkdale Mall.

subsidiaries) and a description of the types of businesses carried on by each entity and their affiliates;

(d) *Leadership:* Lists of directors and officers of each of the Proposed Future Assignee and Fairweather;

(e) *Tenant Contacts:* Name, title, and contact details of the individual(s) who would serve as the primary contact for the Proposed Future Assignee as tenant under the Head Lease;

(f) *Decision-Makers:* Names and titles of persons at the Proposed Future Assignee responsible for decision-making with respect to the Head Lease;

(g) *Fairweather Leadership:* Names and titles of those responsible for the Les Ailes de la Mode ("**LADLM**") brand;

(h) *LADLM IP:* Evidence of ownership of the LADLM intellectual property and trademarks;

2. **Financial Information:**

(a) Audited financial statements, *pro forma* balance sheets, and income statements for both the Proposed Future Assignee and Fairweather;

(b) Banking details for both the Proposed Future Assignee and Fairweather, including duration of banking relationships and disclosure of any terminated banking relationships;

(c) Financial details regarding capitalization of any business to be operated from the Leased Premises by the Proposed Future Assignee and Fairweather;

(d) Current credit checks for both the Proposed Future Assignee and Fairweather;

(e) Full disclosure as to whether Fairweather, or any of its affiliates, predecessors, or related entities, together with any of their respective directors, officers, or principals, has ever: (i) filed for protection under the *Companies' Creditors Arrangement Act* (Canada); (ii) become subject to receivership, whether privately appointed or court-appointed, in respect of all or any portion of its assets or operations; (iii) made an assignment in bankruptcy or been petitioned into bankruptcy; or (iv) been subject to any formal or informal arrangement, compromise, or settlement with its creditors;

3. **Department Store Experience**:

(a) *Fairweather:* Details of Fairweather's experience as a department store operator, including:

(i) Current and historical number of stores;

(ii) Number of stores closed, together with dates and reasons for any closures;

(iii) Whether any lease of Fairweather or its affiliates (across all brands) has been terminated: (i) by any landlords due to default, or (ii) by Fairweather in connection with any insolvency proceeding;

(b) *LADLM* : Details regarding LADLM, including:

(i) The number of operating and closed locations, with the dates and reasons for closure;

(ii) Names and positions of all members of the senior leadership team;

(iii) Customer demographics, market studies, competitor analysis, and research in respect of the LADLM brand, and any particular data in respect of the proposed department store operation at Yorkdale Mall;

(iv) Details of the goods and services offered, categories of departments, and supplier information; and

(v) A copy of the use clause from all current LADLM leases, or, if there are currently no leases, copies of use clauses from the most recent 5 LADLM leases;

(c) *LADLM at Yorkdale:* Detailed information regarding the proposed operations within the Leased Premises, including:

(i) Floor plans, designs, drawings, renderings, and applicable design standards;

(ii) Sales projections;

(iii) Key milestone dates and anticipated opening timeline; and

(iv) Business and marketing plans;

(d) *Proposed Future Assignee:* Details of any department store experience of the Proposed Future Assignee of the Head Lease, including:

(i) Current operating department stores; and

(ii) Details of any previous store closures, with dates and reasons for closure.

Oxford will continue to review and evaluate information received regarding the Proposed Sublease Agreement, and may, upon reviewing the financial materials, request that one of its accountants meet with the CFO of each of Fairweather and the Proposed Future Assignee (once the details as to the to Proposed Future Head Lease Assignment are provided) to address any additional questions or concerns. As you know, additional protections in favour of Oxford were negotiated and made to the Receivership Order in respect of any intended transaction involving the Leasehold Interest, making it different than the terms of the model order that's used as a baseline in receivership proceedings.

Oxford has prepared a one-page summary of the estimated costs required to be incurred to bring the Leased Premises into compliance with the obligations under the Head Lease, based on information received from consultants and its own information. That summary is attached, and indicates that approximately $9.3 million is required immediately, and over the next 24 months, with $16.9 million being required overall.

We also note that the Receiver has not ensured that all FF&E was removed from the Leased Premises at Square One Shopping Centre and Scarborough Town Centre upon the effective date of the Notice of Intended Termination (August 31, 2025), nor has the exterior signage been removed at either location. The premises were not left in a broom-swept condition as required, and that must be addressed forthwith. Photos showing the extensive amount of FF&E and garbage remaining on site at each location are being sent with this letter and are accessible at the following ShareFile link:

https://tgf.sharefile.com/public/share/web-se848396eccae499a9d399080d0d7e043

Oxford expressly reserves its rights, including as to payment of ongoing rent by the Receiver at both locations until such time as the FF&E has been removed as required.

Yours truly,

D.J. Miller

[*electronic signature*]
D.J. Miller

c.c. *Oxford Properties*

Yorkdale - Consolidated Capital Needs by Category					
Category	**Immediate**	**Short Term[1]**	**Mid Term[2]**	**Total**	**Commentary**
Building Structure	$0	$30,000	$30,000	**$60,000**	**- Penthouse Wall Repairs** - Significant cracking was observed on the east exterior wall of the penthouse equipment room leading to potential integrity issues **- Structural Maintenance Repairs** - Age-related deterioration such as slab cracking, delamination, and waterproofing damage in the penthouse and basement areas require attention to prevent further degradation
Roofing	$0	$0	$6,350,000	**$6,350,000**	**- North Roof Replacement** - Built Up Roof (BUR) system is +30 years old and Modified Bitumen Membrane (MBM) system is ~18 years old. Both are nearing end-of-life and are recommended to be replaced at the same time to make use of economies of scale and for warranty purposes. Overall replacement is needed to prevent leaks and interior damage **- South Roof Replacement** - MBM system is 18 years old and showing signs of deterioration and poor maintenance. Insufficient bleed-out of the bitumen material also could lead to open seams and water infiltration. Replacement is recommended within 6 - 10 years
Cladding	$20,000	$0	$185,000	**$205,000**	**- Precast Sealant Replacement -** Sealant is approaching the end of its typical service life of 15-20 years. Sealant currently ranges from fair to poor condition with adhesive failures and cracking. Replacement is needed to maintain weatherproofing and prevent moisture ingress **- Localized Repairs, Penthouse Brick/Ceramic Tile Repairs, and Panel Replacements** - Cracked precast panels, damaged ceramic tiles, and punctured aluminum panels require targeted repairs to preserve integrity
Electrical	$0	$10,000	$50,000	**$60,000**	**- Thermal Infrared Scan, Power Distribution Refurbishments, and Miscellaneous Repairs** - Equipment age is unknown and may require upgrades to maintain safe and reliable operation. Budget is held for preventative maintenance, assess equipment condition, and address minor issues
Mechanical	$17,500	$1,907,500	$0	**$1,925,000**	**- Heating Boiler Replacement** - Boilers from 1983 are past their 25-year life expectancy. Replacement is needed to avoid heating failures, poor temperature control, and uncomfortable working conditions **- Air Handling Unit (AHU) Replacements** - Units from ~1985 are aging and require replacement to ensure adequate ventilation and energy efficiency **- Domestic Hot Water Boiler & Tank** - Units from 1991 to 1994 are beyond their service life and should be replaced to avoid service interruptions **- Heating Water Circulation Pump** - Decommissioned due to failure. Immediate replacement is required **- Heat Exchanger Replacement** - From 1983, the exchanger is aging and should be replaced to maintain heating performance
Escalators and Elevators	$0	$2,200,000	$0	**$2,200,000**	**- Large Freight Elevator Modernization** - Original 1964 system is obsolete. Modernization is needed to avoid downtime and costly repairs **- Escalator In-Truss Modernization and Escalator Replacement** - Of the total eight escalators, half may be able to retain only their escalator structural truss and replacing all other components to provide a renewed escalator. The other half will likely need replacement, a more disruptive alternative to modernization but much faster
Building and Fire Code	$177,300	$0	$0	**$177,300**	**- Range of fire code violations are required to be corrected immediately for fire code compliance (BCA list was non-exhaustive)**
Hazmat[3]	$3,735,667	$0	$0	**$3,735,667**	**- Hazmat Removal Estimate** - Refer to Hazmat report details. Estimates are an average and include interior demolition
Consult Fees[3]	$592,570	$622,125	$992,250	**$2,206,945**	**- Required Reports** - Scoped, documented and reviewed by third party entities
Total[4]	**$4,543,037**	**$4,769,625**	**$7,607,250**	**$16,919,912**	

[1] "Short-term" means within the next 24 months
[2] "Mid-Term" means within the next 3 to 10 years
[3] Estimates for Hazmat removal is based on an average of 3rd party estimates. Consulting fees estimate for out-of-scope reports, conservative estimate at 15% (actual consult fees can range from 15-30% based on project and total project cost)
[4] Totals in the summary above may differ from BCA due to hazmat estimates, consulting estimates, and Oxford's internal expertise and assessment

Appendix “L”

From:	Evan Cobb (he/him)
To:	D. J. Miller
Cc:	Robinson Jim; paul.bishop@fticonsulting.com; Andrew Nesbitt; Deborah Palter; Orestes Pasparakis
Subject:	Riocan-HBC / Oxford
Date:	October 1, 2025 9:56:21 AM

Hi D.J.,

I am writing further to your letters dated September 4tth and September 23rd.

September 23rd - Yorkdale Property Taxes

An unpaid balance of $303,365.35 appears to be the accrued amount for the pre-filing period from January 1st to March 6th. HBC confirmed this portion was not paid by them. They did remit property taxes for the period March 7 to June 15th, and the Receiver has paid all property tax instalments since that time.

The Receiver is not in a position to pay property tax amounts that arose before the Receiver's appointment. It appears HBC was not able to pay property tax amounts that arose prior to the CCAA proceedings.

That non-payment of the $303,365.35 amount causes the shortfall now showing in Oxford's records, though part of it is offset by what appears to be a HBC overpayment for the post-filing period.

September 4th – FFE

Your correspondence raised concerns about FF&E remaining on site at Square One and Scarborough Town Centre.

The Receiver has confirmation from HBC that the FF&E removal at Square One is now complete.

The Receiver has also received confirmation from HBC that the FF&E removal at Scarborough Town Centre was completed last week.

This removal remained the responsibility of HBC in accordance with the Amended and Restated Liquidation Sale Approval Order.

The Receiver has spoken with HBC regarding signage at each of the locations as well. The Receiver understands that HBC is not removing signage from any locations at this time. The Receiver has not assumed responsibility to remove signage that was in place at the time of the Receiver's appointment.

Yorkdale Transaction

We understand there is no consensual resolution between the parties on the proposed Yorkdale transaction and the Court will be required to deal with the matter. Please let us know as soon as possible if you have a different understanding.

The Receiver is not in a position to provide the information requested in your September 4th letter regarding Fairweather Ltd. We understand Fairweather is a known counterparty to Oxford and other major landlords. The Receiver will address the appropriate information in its materials.

Based on the current status, we need to schedule the motion and a timetable. Our proposal would be:

1. Receiver's Motion Record - October 8th

nd

2. Oxford Responding Motion Record – October 22
3. Receiver's Reply (if any) – October 28th
4. Hearing the week of November 3rd.

Facta would need to be exchanged during the period between October 28th and the hearing date.

Please let us know if we can agree on the above schedule and we can work with the Commercial List office to reserve the court dates, or attend a scheduling appointment as soon as possible with Justice Osborne if needed.

Thanks.

Evan Cobb
Partner

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Appendix “M”

Thornton Grout Finnigan LLP
RESTRUCTURING + LITIGATION

Toronto-Dominion Centre
100 Wellington Street West
Suite 3200, P.O. Box 329
Toronto, ON Canada M5K 1K7
T 416.304.1616 F 416.304.1313

D.J. Miller
T: 416-304-0559
E: djmiller@tgf.ca
File No. 1143-072

October 2, 2025

BY EMAIL

Norton Rose Fulbright Canada LLP
222 Bay Street, Suite 3000
Toronto, ON M5K 1E7

Attention: Mr. Evan Cobb

Dear Evan:

Re: RioCan Real Estate Investment Trust et al v. RioCan-HBC Limited Partnership et al, Court File No.: CV-25-00744295-00CL (the "JV Receivership Proceeding")

As you are aware, we are counsel to Oxford Properties ("**Oxford**") in connection with the JV Receivership Proceeding, and the parallel CCAA proceeding involving Hudson Bay Company ("**HBC**").

We refer to your email received on October 1, 2025, which is in response to our letter dated September 3, 2025 (the "**September 3 Oxford Letter**") requesting certain information, in respect of which we also followed up by email dated September 15, 2025.

Capitalized terms used in this letter and not defined, are as defined in the September 3 Oxford Letter.

We also refer to:

(i) The Order dated June 3, 2025 as amended, appointing FTI Consulting Canada Inc. as Receiver over various JV Entities including HBC YSS 1 LP, as such terms are defined therein (the "**Receivership Order**") in respect of certain head tenant lessee interests ("**Leasehold Interests**") in certain Leasehold Properties as defined in the Receivership Order described in Part III of Schedule "A" thereto;

(ii) the lease (the "**Head Lease**") dated September 26, 2002 between Yorkdale Shopping Centre Holdings Inc., as landlord, and HBC YSS 1 LP as tenant in respect of certain premises located at Yorkdale Mall previously operated by HBC (the "**Leased Premises**");

(iii) the sublease (the "**Sublease**") dated November 25, 2015 between HBC in its capacity as general partner of HBC YSS 1 LP, as sublandlord, and HBC as

subtenant, in respect of the Leased Premises;

(iv) an Agreement dated August 12, 2025 (the "**Proposed Sublease Agreement**") between "the Receiver of HBC YSS 1 LP and HBC YSS 1 LP Inc.[1] as Sublandlord" and Fairweather Ltd. ("**Fairweather**") whereby the Receiver seeks to create a new Sublease with Fairweather. A copy of the Proposed Sublease Agreement was provided to Oxford following the case conference on August 19, 2025. As indicated in the September 3 Oxford Letter, the Proposed Sublease Agreement is not an assignment of the Head Lease, or an assignment of the Sublease. It is an entirely new Proposed Sublease Agreement that the Receiver seeks to enter into, while acting as Receiver of a tenant under the Head Lease that is subject to an insolvency proceeding under the *Bankruptcy and Insolvency Act* (the "**BIA**").

Section 19 of the Proposed Sublease Agreement indicates that the Receiver intends to seek an assignment of the Head Lease to a solvent entity at some future date pursuant to a separate agreement (the "**Proposed Future Head Lease Assignment**"), although no details relating to that further proposed transaction or the proposed assignee ("**Proposed Future Assignee**") have been provided. As you are aware, and as confirmed in the September 3 Oxford Letter, the Proposed Sublease Agreement and the Proposed Future Head Lease Assignment are each subject to the terms of the Head Lease with Oxford. It is the interest of the head tenant under the Head Lease over which the Receiver was appointed, defined as the Leasehold Interest forming part of the Property under paragraph 3 of the Receivership Order.

The September 3 Oxford Letter requested certain information in relation to the Proposed Sublease Agreement and a Proposed Future Head Lease Assignment contemplated by the Proposed Sublease Agreement, in respect of which no details or information have been provided. One month after receiving the September 3 Oxford Letter, the Receiver has now responded by email to state that it is not providing any of the information requested by Oxford. This is extraordinary, coming from a court officer.

On what possible basis does the Receiver believe that it is not required to respond to the September 3 Oxford Letter and provide the information requested by the landlord? This appears to be the same approach initially taken by the Receiver in serving a Report the evening prior to a case conference (following service of an Aide Memoire by Oxford), wherein the Receiver disclosed for the first time that it had entered into a transaction at Yorkdale – but refused to provide any details or a copy of the transaction document to Oxford. Only following the Court's direction at the case conference was the Proposed Sublease Agreement provided by the Receiver to Oxford.

[1] The Proposed Sublease Agreement refers to HBC YSS 1 LP Inc. in the definition of the Receiver's capacity as "Sublandlord", although this entity is not a party to the Head Lease or Sublease in respect of the Leased Premises at Yorkdale Mall.

To state that the proposed assignee is "well known to Oxford and other landlords" is inexplicable. Oxford is entitled to receive the information set out in the September 3 Oxford Letter in respect of any proposed transaction involving Yorkdale Mall. The Receiver's refusal to provide any information speaks volumes. We urge the Receiver to reconsider its position in that regard.

Your email indicates "*We understand there is no consensual resolution between the parties on the proposed Yorkdale transaction and the Court will be required to deal with the matter*." On what basis could the Receiver ever assume otherwise? The Receiver has not provided any information to Oxford in connection with the transaction, including the information requested in the September 3 Oxford Letter. In any event, the assumption is correct, and if the Receiver chooses to proceed in seeking Court approval of the Proposed Sublease Agreement, Oxford will vigorously oppose it.

The schedule you propose for the hearing of a contested motion is not workable, and also does not reflect the lack of urgency with which the Receiver has addressed the transaction to date, including in taking one month to respond to our letter – only then to advise that it does not intend to respond or provide any of the information requested. Oxford will require three weeks from whatever date the Receiver (and any parties supporting the motion) serve motion materials, to file responding materials. The Receiver (and any parties supporting the motion) can then serve any Reply materials within 5 days of the date on which Oxford serves its responding materials, which Reply materials are limited to replying to issues raised in Oxford's responding materials. Once any Reply materials are received, we will need 5 clear days to prepare for examinations that will be conducted, including Rule 39.03 examinations. Three full days will need to be set aside for examinations. Following receipt of transcripts from the examinations, the Receiver (and all parties supporting its motion) will serve any Factum – you can advise as to how long you require following receipt of the transcripts. Oxford will serve its responding Facta one week after the Receiver (and supporting parties) deliver their Factum. The hearing date will flow from that timetable. Once you consider the above, you can provide us with a proposed timetable and we will respond promptly to same.

As it relates to the removal of FF&E and signage at Square One and Scarborough Town Centre (two locations for which the leases were terminated by the Receiver), Oxford reserves its rights against both the Receiver and HBC in that regard. We do not accept that any arrangement that may have been reached between HBC and the Receiver is binding on Oxford. Our client also reserves the right to take steps to have the exterior signage removed immediately and have all such costs reimbursed by HBC and the Receiver on a joint and several priority basis. The Receiver can sort out with HBC whatever arrangements you choose, but Oxford relies on the terms of the court Orders that have been issued in the CCAA proceeding and in the receivership proceeding.

Contrary to the assertion in your email of October 1, 2025 that "*the FF&E removal was completed last week*", FF&E has not been completely removed from the Square One and Scarborough Town Centre locations that were terminated by the Receiver. Here is a link that includes photos of the remaining FF&E at each location, taken on October 1, 2025. A PDF containing these photos of the remaining FF&E at each location will be sent to you under separate cover:

Thornton Grout Finnigan LLP

https://tgf.sharefile.com/d-s29503741bb1d4d6eb4b7d4c035f78ee0

The remaining FF&E must be removed forthwith and represents an ongoing breach of a court Order.

As it relates to the payment of property taxes, we disagree with your position. Oxford will address it as part of any further court attendance.

Yours truly,

"D.J. Miller"
[electronic signature]

D.J. Miller

c.c. Oxford Properties

Appendix “N”

NORTON ROSE FULBRIGHT

October 9, 2025

Norton Rose Fulbright Canada LLP
222 Bay Street, Suite 3000
Toronto, Ontario, Canada M5K 1E7,

F: +1.416.216.3930
nortonrosefulbright.com

Sent By Email

Thornton Grout Finnigan LLP
100 Wellington Street West, Suite 3200
Toronto, Ontario, Canada
M5K 1K7

Attention: D.J. Miller

James Renihan
416.216.1944
james.renihan@nortonrosefulbright.com

Dear Ms. Miller:

Re: RioCan Real Estate Investment Trust et al. v. 2455034 Ontario Limited Partnership et al. (Court File No. CV-25-00744295-00CL) (the "Receivership Proceedings")

We write on behalf of our client, FTI Consulting Canada Inc., in its capacity as court-appointed receiver and manager (the "**Receiver**") in the Receivership Proceedings, in response to your letter dated October 2, 2025.

The specific purpose of this letter is to respond to Oxford's stated concerns about the Proposed Sublease Agreement with Fairweather. Capitalized terms used in this letter and not otherwise defined have the meanings given to them in your October 2nd letter.

The Proposed Sublease Agreement is the result of the Receiver's good faith efforts to perform its duty to maximize value from the assets of 2491815 Ontario Limited Partnership (formerly HBC YSS 1 Limited Partnership) and maximize recoveries for the benefit of stakeholders. The transaction also provides continuity of the head lease for the benefit of the head landlord. At all times, the Receiver's focus has been on achieving the best outcome for all stakeholders as an officer of the Court. The Receiver does not intend to individually respond to the attempts throughout your October 2nd letter to impugn its intentions or actions.

The Receiver understands Oxford intends to oppose the Proposed Sublease Agreement. Oxford has an obligation as landlord in these circumstances to consider the Proposed Sublease Agreement in an objectively reasonable manner. This obligation is stated clearly in the Head Lease as well as applicable legislation and case law. Further, as you are aware, Oxford has certain obligations under the Leasehold Lender Agreement dated January 26, 2024 with Royal Bank of Canada, as secured lender to 2491815 Ontario Limited Partnership. Those obligations also inform the parties' reasonable expectations and appropriate matters for Oxford to consider in relation to the Proposed Sublease Agreement.

The case law is clear that a landlord acts unreasonably if it withholds consent arbitrarily, opportunistically or for an improper or ulterior purpose. Landlords must also comply with the general contractual obligations of good faith in considering a proposed sublease.

Reviewing the correspondence received from Oxford on this matter, the Receiver has significant concerns about Oxford's objectives. Rather than reasonably considering the Proposed Sublease Agreement, it appears that Oxford is adopting a litigation strategy intended to frustrate any transaction that would support the continued existence of the Head Lease, even with an experienced and bona fide subtenant. The Receiver is concerned that Oxford's objective is to force a surrender of the remaining term of the Head Lease, which exceeds 100 years, for no consideration. Such a result would be detrimental to 2491815 Ontario Limited Partnership and to recoveries on the Royal Bank of Canda's loan of approximately $75 million secured by the Head Lease, as well as other

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interested stakeholders. This would be an inequitable result given the viable solution presented by the Proposed Sublease Agreement.

A few examples highlight the Receiver's concerns:

1. Oxford has requested various categories of corporate and ownership structure information about Fairweather, as counterparty on the Proposed Sublease, including proof of its existence as a corporation in good standing.

We are told that Fairweather is an existing tenant at various Oxford properties and recently entered into a new department store lease with Oxford for a former HBC location at Kingsway Mall in Edmonton. Oxford should therefore be familiar and comfortable with Fairweather's corporate existence.

2. Oxford has requested extensive financial information about Fairweather, without the protection of a non-disclosure agreement, including:

    a. Non-public and confidential audited and pro forma financial statements;

    b. Details of Fairweather's confidential banking arrangements;

    c. Current credit checks on Fairweather; and

    d. Disclosure of whether Fairweather, any of its affiliates, predecessors or related entities, together with any of their respective directors, officers or principals has ever been subject to a formal insolvency proceeding or any informal arrangement, compromise or settlement with its creditors.

The Receiver is advised that Fairweather has not been required to provide any of the foregoing information in connection with its other dealings with Oxford or other major landlords. The Receiver also understands that Fairweather has a lengthy track record of more than 25 years in the Canadian retail market and currently operates over 100 locations across Canada. Fairweather has not agreed to provide the above highly sensitive confidential and competitive information. The Receiver believes that Fairweather's position is reasonable in the circumstances.

3. Oxford has further requested detailed information regarding Fairweather's department store plans including:

    a. Floor plans, designs, drawings, renderings and applicable design standards;

    b. sales projections; and

    c. marketing plans.

The Receiver does not believe any of the foregoing information is required to reasonably assess Oxford's consent to the Proposed Sublease Agreement. It is understandable that at this stage Fairweather would not be willing to share its confidential, proprietary, business plans with Oxford.

4. Oxford has proposed to establish a litigation schedule for the Proposed Sublease Agreement approval that will run into at least December and involve three full days of examination of third parties to be identified, who the Receiver assumes would include representatives of Fairweather.

The Receiver's proposal for the Yorkdale premises is a reasonable commercial transaction resulting from marketing processes that involves a single sublease of a single location. There is no need for an expanded litigation schedule and no need to subject a bona fide counterparty to the burden of an unwarranted investigation and multi-day examination, which could only be value destructive. Further, as Oxford is aware, it is a condition of

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the Proposed Sublease Agreement that Oxford's consent or Court approval is obtained prior to the conclusion of Oxford's proposed schedule.

As you know, assignment or consent restrictions in a commercial agreement involving an insolvent counterparty are often addressed in a summary fashion either at the time Court approval of a transaction is sought or within 7 to 10 days after that approval has been obtained. These are real-time commercial matters which are addressed in a timely, cost-efficient and summary way. The proposed Fairweather transaction should proceed on a fair and reasonable litigation schedule.

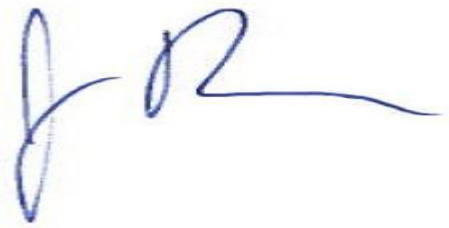
We believe the foregoing clarifies the Receiver's position with respect to information previously requested. As noted in prior correspondence, the Receiver will provide appropriate information in its motion materials and in response to appropriate requests.

The Receiver reserves all rights to seek costs in connection with an opposed approval motion in the circumstances, and any other remedies to the extent Oxford's approach to this matter and to Fairweather is determined to be unreasonable and/or otherwise impairs the transaction.

The Receiver will seek a motion date prior to the November 11, 2025 deadline under the Proposed Sublease Agreement and hopes that Oxford will work cooperatively with it to do so.

In the meantime, the Receiver remains available to respond to reasonable questions regarding the Proposed Sublease Agreement with information that is within the Receiver's control, and which is not otherwise already available or accessible to Oxford.

Yours Truly,



James Renihan

Appendix “O”

Court File No. CV-25-00738613-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MR.	)	FRIDAY, THE 21ST DAY
	)	
JUSTICE OSBORNE	)	OF MARCH, 2025

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF HUDSON'S BAY COMPANY ULC COMPAGNIE DE LA BAIE D'HUDSON SRI, HBC CANADA PARENT HOLDINGS INC., HBC CANADA PARENT HOLDINGS 2 INC., HBC BAY HOLDINGS I INC., HBC BAY HOLDINGS II ULC, THE BAY HOLDINGS ULC, HBC CENTERPOINT GP INC., HBC YSS 1 LP INC., HBC YSS 2 LP INC., HBC HOLDINGS GP INC., SNOSPMIS LIMITED, 2472596 ONTARIO INC., and 2472598 ONTARIO INC.

ORDER
(Lease Monetization Process)

THIS MOTION, made by Hudson's Bay Company ULC Compagnie de la Baie D'Hudson SRI ("**Hudson's Bay**"), HBC Canada Parent Holdings Inc., HBC Canada Parent Holdings 2 Inc., HBC Bay Holdings I Inc., HBC Bay Holdings II ULC, The Bay Holdings ULC, HBC Centerpoint GP Inc., HBC YSS 1 LP Inc., HBC YSS 2 LP Inc., HBC Holdings GP Inc., Snospmis Limited, 2472596 Ontario Inc., and 2472598 Ontario Inc. (collectively, the "**Applicants**") for an order approving the Lease Monetization Process (defined below) was heard this day at 330 University Avenue, Toronto, Ontario and via videoconference.

ON READING the affidavits of Jennifer Bewley sworn March 7, 2025, March 14, 2025, and March 21, 2025, and the Exhibits thereto, the pre-filing report of Alvarez & Marsal Canada Inc. ("**A&M**"), in its capacity as proposed monitor of the Applicants dated March 7, 2025 (the "**Pre-Filing Report**"), the first report of A&M, in its capacity as monitor of the Applicants, (in such capacity, the **"Monitor**"), dated March 16, 2025, and the Supplement to the First Report of the Monitor dated March 21, 2025, and on hearing the submissions of counsel to the Applicants, counsel to the Monitor, and such other parties as listed on the Counsel Slip, with no one else appearing although duly served as appears from the Affidavits of Service of Brittney Ketwaroo sworn March 17, 2025 and March 21, 2025.

SERVICE AND DEFINITIONS

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record herein is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that capitalized terms used but not otherwise defined herein have the meanings ascribed in the Lease Monetization Process attached hereto as Schedule "A" (the "**Lease Monetization Process**") or the Amended and Restated Initial Order, dated March 21, 2025 (the "**ARIO**"), as applicable.

APPROVAL OF THE LEASE MONETIZATION PROCESS

3. **THIS COURT ORDERS** that the Lease Monetization Process is hereby approved. The Applicants, the Monitor and the Broker are hereby authorized and directed to take any and all actions as may be necessary or desirable to implement and carry out the Lease Monetization Process.

4. **THIS COURT ORDERS** that the agreement dated March 20, 2025, engaging Oberfeld Snowcap Inc. ("**Oberfeld**") as Broker to Hudson's Bay in the form attached as Exhibit "B" to the Affidavit of Jennifer Bewley sworn March 21, 2025, and the retention of Oberfeld under the terms thereof, is hereby approved.

5. **THIS COURT ORDERS** that each of the Applicants, the Monitor, the Broker and their respective affiliates, partners, directors, employees, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages or liabilities, of any nature or kind, to any person in connection with or as a result of the Lease Monetization Process, except to the extent such losses, claims, damages or liabilities result from the gross negligence or wilful misconduct of the Applicants, the Monitor, or the Broker, as applicable, in performing their obligations under the Lease Monetization Process, as determined by this Court.

6. **THIS COURT ORDERS** that notwithstanding anything else contained herein, the Applicants and any Related Person that wishes to submit or participate in a Sale Proposal must declare such intention to the Monitor and the Broker in writing by April 7, 2025. If the Applicant or any Related Person makes such declaration, the Monitor and the Broker shall design and implement additional procedures for the Lease Monetization Process in respect

of the sharing of information with the Applicants so as to ensure and preserve the fairness of the Lease Monetization Process and shall advise the parties on the service list for these proceedings of these additional procedures.

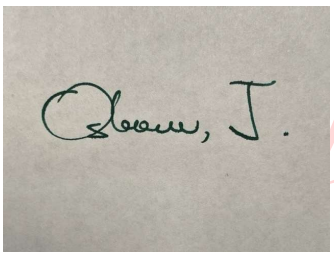
7. **THIS COURT ORDERES** that notwithstanding any other term contained herein and paragraph 11 of the ARIO, on or before July 15, 2025, the Applicants shall send a notice of disclaimer with respect to any Lease that is not subject to a Successful Bid pursuant to the SISP or the Lease Monetization Order that has not been terminated in accordance with terms thereof.

8. **THIS COURT ORDERS** that, pursuant to section 3(c) of the Electronic Commerce Protection Regulations, Reg. 81000-2-175 (SOR/DORS), the Applicants, the Monitor and the Broker are authorized and permitted to send, or cause or permit to be sent, commercial electronic messages to an electronic address of prospective bidders or offerors and to their advisors, but only to the extent required to provide information with respect to the Lease Monetization Process in these proceedings.

9. **THIS COURT ORDERS** that the Applicants or the Monitor may from time to time apply to this Court to amend, vary or supplement this Order or for advice and directions in the discharge of their respective powers and duties hereunder.

10. **THE COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

11. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.



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Date: 2025.03.23 22:48:27 -04'00'

Schedule "A"

LEASE MONETIZATION PROCESS

Introduction

On March 7, 2025, Hudson's Bay Company ULC Compagnie De La Baie D'Hudson SRI (the "**Company**") and those parties listed in Schedule "**A**" hereto (collectively, the "**Applicants**") sought and obtained protection under the *Companies' Creditors Arrangement Act* (the "**CCAA**") pursuant to an initial order (as amended, restated or varied from time to time, the "**Initial Order**") granted by the Ontario Superior Court of Justice (Commercial List) (the "**Court**"). Parties listed in Schedule "**B**" were also granted protection as "Non-Applicant Stay Parties". Alvarez & Marsal Canada Inc. was appointed as monitor in the CCAA proceedings (in such capacity, the "**Monitor**").

On March 14, 2025, the Applicants served a motion seeking, among other things, an order for the approval of a sale process (as same may be amended from time to time, the "**Lease Monetization Process**") pursuant to, and in accordance with, the Lease Monetization Order (as defined below) to be conducted under the supervision of the Court and the Monitor.

The purpose of this Lease Monetization Process is to seek Sale Proposals from Qualified Bidders and to implement one or a combination of them in respect of the Leases, which implementation may include sales, dispositions, assignments, surrender (if accepted by the applicable landlord), or other transaction forms. The Applicants, in their reasonable business judgment, and in consultation with the Broker, the Monitor and Agents, may, from time to time, withdraw any Lease from this Lease Monetization Process in accordance with the CCAA, the Applicants' rights under the Initial Order, or if any agreement is reached with the landlord of the relevant Lease.

On March 21, 2025, the Court entered an order approving the Lease Monetization Process (the "**Lease Monetization Order**").

This Lease Monetization Process describes, among other things: (a) the Leases available for sale (which, for greater certainty, is without prejudice to the position of a Landlord as to whether a Non-Applicant Stay Party's interest in a Lease can be subject to such sale) (the "**Landlord Reservation of Rights**"); (b) the manner in which Interested Bidders may gain access to due diligence materials concerning the Leases; (c) the manner in which bidders and bids become Qualified LOI Bidders or Qualified Bidders and Qualified LOI Bids or Qualified Bids, respectively; (d) the ultimate selection of one or more Successful Bidders; and (e) the process for obtaining such approvals (including the approval of the Court) as may be necessary or appropriate in respect of a Successful Bid, as applicable.

Defined Terms

1. The following capitalized terms have the following meanings when used in this Lease Monetization Process:

   (a) "**Agents**" means collectively: (a) Bank of America, N.A. (including acting through branches and affiliates) in its capacity as administrative agent and collateral agent under the ABL Credit Agreement; (b) Restore Capital, LLC in its capacity as agent for the FILO Credit Facility lenders under the ABL Credit Agreement; and (c) Pathlight Capital LP, in its capacity as administrative agent under the Pathlight Credit Agreement (each as defined in the Affidavit of Jennifer Bewley sworn March 7, 2025).

(b) "**Applicants**" is defined in the introduction hereto.

(c) "**Approval Motion**" is defined in paragraph 23.

(d) "**ARIO**" means the Amended and Restated Initial Order dated March 21, 2025

(e) "**Broker**" means Oberfeld Snowcap Inc.

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

(g) "**CA**" means a confidentiality agreement in form and substance satisfactory to the Company, in consultation with the Monitor. For greater certainty, there is no requirement for Landlords to enter into CA's in respect of their own Leases.

(h) "**CCAA**" is defined in the introduction hereto.

(i) "**Company**" is defined in the introduction hereto.

(j) "**Court**" is defined in the introduction hereto.

(k) "**Deposit**" is defined in paragraph 20(k).

(l) "**Form of Purchase Agreement**" means the form of purchase and sale agreement to be developed by the Applicants, in consultation with the Monitor and the Broker, and provided to Qualified Bidders that submit a Qualified LOI for a Sale Proposal.

(m) "**Initial Order**" is defined in the introduction hereto.

(n) "**Interested Bidder**" is defined in paragraph 8.

(o) "**Landlord LOI**" means a non-binding letter of intent from a landlord for an acquisition or consensual transaction for one or more of its Leases that is submitted on or before the Phase 1 Bid Deadline.

(p) "**Landlord Qualified Bid**" means a final binding proposal from a landlord for an acquisition or consensual transaction for one or more of its Leases and which meets the requirements set out in paragraphs 20(a), 20(c), 20(d), 20(e), 20(g), 20(h), 20(i), 20(j), 20(k) and 20(l)

(q) "**Lease Monetization Order**" is defined in the introduction hereto.

(r) "**Leases**" means the Applicants' and the Non-Applicant Stay Parties' leasehold interests and all related rights and obligations in connection with the properties listed in Schedule "**C**" hereto, subject in all respects to the Landlord's Reservation of Rights, as defined herein.

(s) "**LOI**" is defined in paragraph 7.

(t) "**Monitor**" is defined in the introduction hereto.

(u) "**Non-Applicant Stay Parties**" are the entities listed in Schedule "**B**" hereto.

(v) "**Outside Date**" means June 17, 2025.

(w) "**Phase 1**" is defined in paragraph 7.

(x) "**Phase 1 Bid Deadline**" is defined in paragraph 9.

(y) "**Phase 2**" means such period of time from the Phase 1 Bid Deadline to the Approval Motion.

(z) "**Qualified Bid**" means an offer or combination of offers, in the form of a Sale Proposal or Sale Proposals, which meets the requirements of paragraph 20.

(aa) "**Qualified Bid Deadline**" is defined in paragraph 18.

(bb) "**Qualified Bidder**" means a bidder that submits a Qualified Bid.

(cc) "**Qualified LOI**" is defined in paragraph 10.

(dd) "**Qualified LOI Bid**" is defined in paragraph 16.

(ee) "**Qualified LOI Bidder**" is defined in paragraph 16.

(ff) "**Related Person**" has the same meaning as in the *Bankruptcy and Insolvency Act* (Canada).

(gg) "**Sale Proposal**" means an offer to acquire or otherwise assume of all or some of the Leases. A "Sale Proposal" may include a transaction involving the assignment and assumption, and/or surrender of a Lease or Leases (in the case of a surrender, such proposal may only form part of a Landlord Qualified Bid, or otherwise require the Landlord's consent to a surrender of the Lease).

(hh) "**SISP**" means the Sale and Investment Solicitation Process approved by the Court on March 21, 2025.

(ii) "**Successful Bid**" is defined in paragraph 22(b).

(jj) "**Successful Bidder**" is defined in paragraph 22(b).

(kk) "**Targeted Outside Date**" means June 3, 2025, or such later date as may be determined by the Applicants, on consent of the Monitor, in consultation with the Broker and the Agents, provided that in no event shall such date be after June 17, 2025.

(ll) "**Teaser Letter**" is defined in paragraph 4.

Supervision of the Lease Monetization Process

2. The Monitor will supervise, in all respects, the Lease Monetization Process, any attendant sales and, without limitation, will supervise the Broker's performance under its

engagement by the Company in connection therewith. The Applicants shall assist and support the efforts of the Monitor and the Broker as provided for herein. In the event that there is disagreement or clarification required as to the interpretation or application of this Lease Monetization Process or the responsibilities of the Monitor, the Broker or the Applicants hereunder, the Court will have jurisdiction to hear such matter and provide advice and directions, upon application of any interested person. For the avoidance of doubt, and without limiting the rights and protections afforded to the Monitor under the CCAA, the Initial Order and the Lease Monetization Order, the terms of the Initial Order and the Lease Monetization Order shall govern the Monitor's role as it relates to the Lease Monetization Process.

"As Is, Where Is"

3. The sale of the Leases will be on an "**as is, where is**" basis and without representations or warranties of any kind, nature, or description by the Monitor, the Broker, the Applicants or any of their respective directors, officers, employees, advisors, professionals, agents, estates or otherwise, except and only to the extent set forth in a definitive sale agreement executed by an Applicant.

Solicitation of Interest

4. As soon as reasonably practicable, but in any event no later than three (3) Business Days after the issuance of the Lease Monetization Order, the Broker shall distribute an initial offering summary of the Leases in form acceptable to the Applicants and the Monitor (the "**Teaser Letter**") notifying those potentially interested parties that are identified by the Broker, the Monitor and the Applicants, each in their sole discretion, of the existence of the Lease Monetization Process and inviting such parties to express an interest in making an offer to acquire all or some of the Leases.

Participation Requirements

5. Unless otherwise ordered by the Court, or as otherwise determined by the Applicants, in consultation with the Monitor, each person seeking to participate in the Lease Monetization Process other than a Landlord in respect of any of its own Leases must deliver to the Broker at the address specified in Schedule "**D**" hereto (including by email transmission):

   (a) a letter setting forth such person's identity, the contact information for such person and full disclosure of the principals of such person; and

   (b) an executed CA which shall include provisions whereby such person agrees to accept and be bound by the provisions contained therein.

6. All secured creditors of the Applicants shall have the right to bid in the Lease Monetization Process, including by way of credit bid, provided however that until a secured creditor, including the Agents, declare that they will not submit a bid in the Lease Monetization Process, all consultation and consent rights herein shall be paused and the Monitor and the Applicants may place such limitations on the consultation and consent rights contained herein as they consider appropriate, so as to ensure and preserve the fairness of the Lease Monetization Process.

LEASE MONETIZATION PROCESS - PHASE 1

Phase 1 Initial Timing

7. For a period from the date of the Lease Monetization Order until the Phase 1 Bid Deadline ("**Phase 1**"), the Broker (with the assistance of the Monitor and the Applicants) will solicit non-binding letters of intent from prospective parties to acquire one or more of the Leases (each, an "**LOI**").

Due Diligence

8. Subject to the provisions of paragraph 28, the Broker will provide each party who executes a CA (an "**Interested Bidder**") with access to an electronic data room. The Monitor, the Broker and the Applicants, and each of their representatives, make no representation or warranty as to the information: (a) contained in the electronic data room; (b) provided through any diligence process; or (c) otherwise made available, except to the extent expressly contemplated in any definitive sale agreement executed by an Applicant.

Non-Binding Letters of Intent from Interested Bidders

9. Interested Bidders that wish to pursue a Sale Proposal must deliver an LOI to the Broker at the address specified in Schedule "**D**" hereto (including by email transmission), so as to be received by the Broker not later than 5:00 PM (Toronto time) on or before April 15, 2025, or such later date or time as may be determined by the Applicants, with the consent of the Monitor, in consultation with the Broker and the Agents (the "**Phase 1 Bid Deadline**"). Notwithstanding anything else contained herein, the Applicants and any Related Person that wishes to submit an LOI or participate in Lease Monetization Process must declare such intention to the Broker and the Monitor in writing by April 7, 2025**.** If the Applicant or any Related Party makes such declaration, the Broker and the Monitor shall design and implement additional procedures for the Lease Monetization Process in respect of the sharing of information with the Applicants so as to ensure and preserve the fairness of the Lease Monetization Process and shall advise the parties on the service list for these proceedings of these additional procedures.

10. An LOI so submitted will be considered a qualified LOI for the purposes hereof (each a "**Qualified LOI**") only if:

    (a) it is submitted on or before the Phase 1 Bid Deadline;

    (b) it contains an indication of whether the Interested Bidder is offering to acquire all or some of the Leases;

    (c) it identifies or contains the following:

        (i) the purchase price (or range thereof) in Canadian dollars;

        (ii) the Leases or Lease subject to the transaction; and

        (iii) any proposed allocation of the purchase price as between each Lease;

(d) it provides a general description of any likely financing associated with the proposed transaction, subject to any restrictions that may exist in the applicable Leases;

(e) it provides a general description as to whether the Interested Bidder anticipates its bid containing any provisions that do not conform to the restrictions surrounding the "permitted use" of the property as defined in each of the Leases;

(f) it describes any additional due diligence required to be conducted during Phase 2;

(g) it identifies any anticipated terms or conditions of the Sale Proposal that may be material to the proposed transaction; and

(h) it contains such other information reasonably requested by the Applicants in consultation with the Monitor and the Broker.

11. Notwithstanding anything to the contrary contained herein, a Landlord LOI shall be deemed to be a Qualified LOI.

12. The Applicants, with the consent of the Monitor and in consultation with the Broker, may waive compliance with any one or more of the requirements specified in paragraph 10 (other than those in 10(c) and (d)) and deem such non-compliant bids to be a Qualified LOI. However, for the avoidance of doubt, the completion of any Sale Proposal shall be subject to the approval of the Court and the requirement of such approval may not be waived.

Assessment of Qualified LOIs and Continuation or Termination of Lease Monetization Process

13. Within five (5) Business Days following the Phase 1 Bid Deadline, or such later date as may be reasonably determined by the Applicants with the consent of the Monitor, in consultation with the Broker and the Agents, the Applicants will, in consultation with the Broker, the Monitor, and the Agents, assess the Qualified LOIs received during Phase 1, and will determine whether there is a reasonable prospect of obtaining a Qualified Bid. For the purpose of such consultations and evaluations, the Monitor or the Broker may request clarification of the terms of any Qualified LOI submitted by an Interested Bidder.

14. In assessing the Qualified LOIs submitted in Phase 1, the Applicants, following consultation with the Monitor, the Broker and the Agents, will consider, among other things, the following:

(a) the form and amount of consideration being offered;

(b) the effect of accepting Sale Proposals which are not on an en bloc basis;

(c) the financial capability of the Interested Bidder to consummate the proposed transaction;

(d) the financial and other capabilities of the Interested Bidder to perform, observe and comply with the terms (including payment, use provisions and other obligations) of the applicable Lease(s);

(e) the anticipated conditions to closing of the proposed transaction (including any required regulatory and landlord approvals);

(f) the estimated time required to complete the proposed transaction and whether, in the Applicants' reasonable business judgment, in consultation with the Monitor and the Broker, it is reasonably likely to result in the execution of a definitive agreement on or before the Targeted Outside Date and in any event, no later than the Outside Date; and

(g) such other criteria as the Applicants may, in consultation with the Monitor and the Broker, determine.

15. If one or more Qualified LOIs are received and the Applicants, in consultation with the Broker, the Monitor, and the Agents, determine that there is a reasonable prospect of obtaining a Qualified Bid, the Applicants shall continue the Lease Monetization Process as set forth herein.

PHASE 2

Due Diligence

16. Each Interested Bidder that: (a) submits a Qualified LOI; and (b) is not eliminated from the Lease Monetization Process by the Applicants, following consultation with the Broker and the Monitor, and after assessing whether such Qualified LOI meets the criteria in paragraph 14 herein, may be invited by the Applicants to participate in Phase 2 (each such bidder, a "**Qualified LOI Bidder**").

17. Subject to the provisions of paragraph 28, to the extent that a Qualified LOI Bidder requested due diligence within their Qualified LOI as per paragraph 10(f) herein, the Broker will provide the Qualified LOI Bidder with access to due diligence materials and information relating to the Leases as the Applicants, in their reasonable business judgment and in consultation with the Broker and the Monitor, determine appropriate, including all guarantees and indemnities by any person, and information or materials reasonably requested by Qualified LOI Bidders.

Qualified Bids

18. The Phase 2 deadline for submission of binding bids to be considered for the sales of Lease(s) (the "**Qualified Bids**") shall be May 1, 2025, or such later date or time as may be determined by the Applicants with the consent of the Monitor and in consultation with the Broker and the Agents (the "**Qualified Bid Deadline**").

19. Notwithstanding anything to the contrary herein, a Landlord Qualified Bid shall be deemed to be a Qualified Bid.

20. Any Qualified LOI Bidder who wishes to become a Qualified Bidder must submit a Qualified Bid satisfying the conditions set forth below for the applicable Lease(s):

(a) it is received by the Qualified Bid Deadline;

(b) it is a final binding proposal in the form of a duly authorized and executed purchase agreement, including the purchase price for the Leases proposed to be acquired, based on the Form of Purchase Agreement and accompanied by a clean Word version and a blacklined mark-up to the Form of Purchase Agreement showing amendments and modifications made thereto, together with all exhibits and schedules thereto, and such ancillary agreements as may be required by the Qualified LOI Bidder with all exhibits and schedules thereto;

(c) it is irrevocable until the earlier of: (i) the approval by the Court of a Successful Bid, and (ii) 28 days following the Qualified Bid Deadline, provided that if such bidder is selected as a Successful Bidder, its offer will remain irrevocable until the closing of its Successful Bid;

(d) it includes written evidence of a firm, irrevocable commitment for financing, or other evidence of ability to consummate and perform the proposed transaction, and to meet all of the financial obligations under the Lease(s) that will allow the Applicants, in consultation with the Broker and the Monitor, to make a reasonable determination as to the Qualified LOI Bidder's financial and other capabilities to consummate and perform the transaction contemplated by its Qualified Bid;

(e) it lists the Lease(s) proposed to be subject to the bid and an allocation of the purchase price on a Lease by Lease basis;

(f) it includes details of any amendments which such Qualified LOI Bidder seeks in respect of any such Lease(s) from the applicable landlord(s) and other non-landlord liabilities to be assumed by the Qualified LOI Bidder, provided that, for greater certainty, nothing in this Lease Monetization Process shall be construed to: (i) permit or require any amendments to the terms of any Lease(s) without the prior written consent of the applicable landlord(s), or (ii) obligate any landlord to negotiate with a Qualified LOI Bidder regarding any such amendments;

(g) it is not conditional upon, among other things:

(i) the outcome of unperformed due diligence by the Qualified LOI Bidder; or

(ii) obtaining financing;

(h) it fully discloses the identity of each entity that will be sponsoring or participating in the bid, and the complete terms of such participation;

(i) with respect to any condition to closing contained in the definitive documentation, it outlines the anticipated time frame and any anticipated impediments for obtaining such approvals;

(j) it includes evidence, in form and substance reasonably satisfactory to the Applicants, the Monitor and the Broker, that the requisite authorization(s) and/or approval(s) with respect to the submission, execution, delivery and closing of the transaction contemplated by the bid have been obtained by the bidder;

(k) it is accompanied by a deposit (the "**Deposit**") in the form of a wire transfer (to a bank account specified by the Monitor), or such other form acceptable to the Monitor, payable to the order of the Monitor on behalf of the Applicants, in trust, in an amount equal to 10% of the purchase price for the Lease(s) proposed to be acquired, to be held and dealt with in accordance with the terms of a definitive agreement executed by an Applicant and this Lease Monetization Process.

(l) it includes an acknowledgement and representation that the bidder: (i) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the assets to be acquired and liabilities to be assumed in making its bid; (ii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the Leases to be acquired or liabilities to be assumed or the completeness of any information provided in connection therewith, except as expressly stated in the purchase and sale agreement; and (iii) acknowledges that the occupancy of the premises set forth in the Leases may not be available until the completion of any inventory sale at the premises; and

(m) it contains such other information reasonably requested by the Applicants, in consultation with the Monitor and the Broker.

21. The Applicants with the consent of the Monitor, in consultation with the Broker, the Monitor and the Agents, may waive compliance with any one or more of the requirements with respect to Qualified Bids or Landlord Qualified Bids specified herein.

22. The Applicants, in consultation with the Broker, the Monitor, and the Agents:

(a) may engage in negotiations with Qualified Bidders as they deem appropriate and may accept revisions to Qualified Bids, in their discretion;

(b) shall determine which is the most favourable bid with respect to such Lease(s) (the "**Successful Bid**" and the person(s) who made the Successful Bid shall become the "**Successful Bidder**"), taking into account, among other things:

(i) the form and amount of consideration being offered;

(ii) whether the Qualified Bid maximizes value for the Leases, including the effect of accepting Sale Proposals which are not on an en bloc basis;

(iii) the demonstrated financial capability of the Qualified Bidder to consummate the proposed transaction and capability of performing the obligations of the tenant under the applicable Lease(s);

(iv) the conditions to closing of the proposed transaction (including any required regulatory and landlord approvals and any lease amendments);

(v) the terms and provisions of any proposed transaction documentation;

(vi) the estimated time required to complete the proposed transaction and whether, in the Applicants' reasonable business judgment, in consultation with the Monitor and the Broker, it is reasonably likely to result in the execution of a definitive agreement on or before the Targeted Outside Date and in any event, no later than the Outside Date; and

(vii) such other criteria as the Applicants may in consultation with the Monitor and the Broker determine.

Approval Motion for Definitive Agreements

23. The Applicants will apply to the Court (the "**Approval Motion**") for an order, among other things, approving the Successful Bid(s), and authorizing the Applicants to enter into any and all necessary agreements with respect to the Successful Bid(s), as applicable, and to undertake such other actions as may be necessary or appropriate to give effect to the Successful Bid(s), as applicable. The Approval Motion may be adjourned or rescheduled by the Applicants, in consultation with the Monitor and the Agents, without further notice by an announcement of the adjourned date at the Approval Motion. Nothing in this Lease Monetization Process and nothing in any arrangements made during the course thereof between the Monitor and/or the Applicants on the one hand and a Successful Bidder on the other shall in any way prejudice or impair the ability of a Landlord(s) to object to the Court approval of a Successful Bid.

OTHER TERMS

Approvals

24. For the avoidance of doubt, the approvals required pursuant to the terms hereof are in addition to, and not in substitution for, any other approvals required by the CCAA or any other statute or as otherwise required at law in order to implement a Successful Bid, or Qualified Bid, as applicable.

Amendment

25. If there is any proposed material modification to the Lease Monetization Process by the Applicants, the Applicants will seek Court approval of such material modification on notice to the Service List. Otherwise, the Applicants retain the discretion, with the consent of the Monitor and in consultation with the Broker and the Agents, to modify the Lease Monetization Process from time to time.

Disclaimers

26. Notwithstanding any other term contained herein and paragraph 12 of the ARIO, on or before July 15, 2025, the Applicant shall send a notice of disclaimer with respect to any Lease that is not subject to a Successful Bid pursuant to the SISP or this Lease Monetization Process that has not been terminated in accordance with terms thereof.

Monitor Updates

27. The Monitor will provide periodic updates to the Court on notice to the Service List with respect to the conduct and progress of the Lease Monetization Process, including an update to be delivered to the Court at the conclusion of Phase 1.

Reservation of Rights

28. The Applicants, in their reasonable business judgment and in consultation with the Monitor and the Broker, may provide Interested Bidders with any diligence materials and information, including site visits, that the Applicants deem necessary and appropriate to maximize the value of Lease Monetization Process at any time after entry of the Lease Monetization Order.

29. Notwithstanding anything else contained herein, at any time after entry of the Lease Monetization Order, the Applicants, in their reasonable business judgment and in consultation with the Broker, the Monitor, and the Agents, may, from time to time, withdraw any Lease(s) from this Lease Monetization Process in accordance with the CCAA, the Applicants' rights under the Initial Order, or if any agreement is reached with the landlord of the relevant Lease(s).

30. The Applicants, after consultation with the Broker, the Monitor, and the Agents, may reject any or all bids. For the avoidance of doubt, the approvals required pursuant to the terms hereof are in addition to and not in substitution for, any other approvals required by the CCAA or any other statute or as otherwise required at law, or any other Order of the Court in order to implement a Successful Bid or Qualified Bid, as applicable.

31. To the extent any notice of changes to these procedures or related dates, time, or locations is required or otherwise appropriate, the Monitor may publish such notices on the Monitor's public web site at http://www.alvarezandmarsal.com/HudsonsBay and the Applicants shall forthwith serve such notices on the Service List, and such notice shall be deemed satisfactory, subject to any other notice requirements specifically set forth herein or as required by the Court.

32. This Lease Monetization Process does not, and will not be interpreted to, create any contractual or other legal relationship between the Applicants, the Broker or the Monitor and any Qualified Bidder, other than, with respect to the Applicants, as specifically set forth in a definitive agreement that may be executed by an Applicant. At any time during the Lease Monetization Process, the Applicants or the Monitor may apply to the Court for advice and directions with respect to the discharge of their powers and duties hereunder.

33. Nothing in the Lease Monetization Process or the Lease Monetization Order acknowledges or declares that the interests in the Leases being marketed within this Lease Monetization Process are capable of being transferred by the Applicants or the Non-Applicant Stay Parties. For clarity, all parties' ability to challenge the Applicants' and Non-Applicant Stay Parties' ability to transfer any Leases are expressly preserved and not derogated from (the "**Reservation of Rights**").

34. All consent and consultation rights provided to the Agents in this Lease Monetization in respect of any JV Head Lease shall instead be provided to RioCan Real Estate Investment

Trust and the relevant Non-Applicant Secured Creditor(s) (as defined in the ARIO) of the Non-Applicant Stay Party in respect of such Business or Property, to the exclusion of the Agents.

35. In respect of any JV Head Lease (as defined in the Initial Order) and without detracting from the Reservation of Rights and any rights RioCan Real Estate Investment Trust and/or its affiliates may have in relation to such JV Head Lease, no bid shall be considered a Successful Bid or Landlord Qualified Bid: (a) in respect of any JV Head Lease without the prior written consent of the relevant Non-Applicant Secured Creditor in respect of such JV Head Lease; and (b) in respect of RioCan Real Estate Investment Trust's interest in any JV Head Lease without the prior written consent of RioCan Real Estate Investment Trust. All references to the consent of any party in this paragraph relating to any JV Head Lease with a Non-Applicant Stay Party and RioCan Real Estate Investment Trust is in addition to any consent right that may exist in favour of the landlord under the applicable JV Head Lease.

Agents Consultation

36. The Applicants, the Monitor and the Broker will communicate and consult with all Agents through the Lease Monetization Process and will provide information to the Agents in connection with such communications, including copies of all bids within one day of receipt of same. The Applicants, the Monitor and the Broker shall provide the Agents with any and all information reasonably requested with respect to the Lease Monetization Process.

Landlord Communications

37. The Applicants, the Monitor and the Broker will communicate with the landlord party to the Leases from time to time, as appropriate, in connection with their respective interests in the Lease Monetization Process.

SCHEDULE A

Applicants

HBC Canada Parent Holdings Inc.

HBC Canada Parent Holdings 2 Inc.

The Bay Holdings ULC

HBC Bay Holdings I Inc.

HBC Bay Holdings II ULC

HBC Centerpoint GP Inc.

HBC YSS 1 LP Inc.

HBC YSS 2 LP Inc.

HBC Holdings GP Inc.

Snospmis Limited

2472596 Ontario Inc.

2472598 Ontario Inc.

SCHEDULE B

Non-Applicant Stay Parties

RioCan-HBC General Partner Inc.

HBC Holdings LP

RioCan-HBC Limited Partnership

RioCan-HBC (Ottawa) Holdings Inc.

RioCan-HBC (Ottawa) GP, Inc.

RioCan-HBC (Ottawa) Limited Partnership

HBC YSS 1 Limited Partnership

HBC YSS 2 Limited Partnership

HBC Centerpoint LP

The Bay Limited Partnership

EXHIBIT 'C'

LEASES

Hudson's Bay

Center	City	Prov.	GLA	Landlord
The Bay Centre	Victoria	BC	229,275	Manulife - Jones Lang LaSalle
Polo Park Shopping Centre	Winnipeg	MB	212,086	Cadillac Fairview
Midtown Plaza	Saskatoon	SK	174,306	Cushman & Wakefield
Market Mall	Calgary	AB	200,000	Cadillac Fairview
Cambridge Centre	Cambridge	ON	131,453	Morguard
Fairview Park	Kitchener	ON	184,714	Westcliff
Sherway Gardens	Toronto	ON	223,477	Cadillac Fairview
Champlain Mall	Brossard	QC	143,786	Cominar
Woodbine Centre	Toronto	ON	139,953	Woodbine Mall Holdings Inc.
Fairview Pointe Claire	Pointe Claire	QC	179,578	Cadillac Fairview
St. Laurent Shopping Centre	Ottawa	ON	145,074	Morguard
Markville Shopping Centre	Markham	ON	140,094	Cadillac Fairview
Erin Mills Town Centre	Mississauga	ON	140,526	Cushman & Wakefield
Aberdeen Mall	Kamloops	BC	123,289	Cushman & Wakefield
Willowbrook Shopping Centre	Langley	BC	131,146	Quadreal Property Group
Kingsway Garden Mall	Edmonton	AB	153,264	Oxford
Fairview Mall	Toronto	ON	152,420	Cadillac Fairview
Carrefour De L'Estrie	Sherbrooke	QC	116,265	Group Mach Inc
Sunridge Mall	Calgary	AB	161,330	Primaris
Centerpoint Mall	Toronto	ON	122,502	Morguard
Parkwood Mall	Prince George	BC	111,500	BentalGreen Oak

Center	City	Prov.	GLA	Landlord
Pickering Town Centre	Pickering	ON	121,730	PTC Ownership LP c/o Salthill Property Management Inc.
Mapleview Centre	Burlington	ON	129,066	Ivanhoe Cambridge
Upper Canada Mall	Newmarket	ON	142,780	Oxford
Coquitlam Centre	Coquitlam	BC	120,086	Morguard
Whiteoaks Mall	London	ON	165,759	Westdell Development
St. Vital Shopping Centre	Winnipeg	MB	122,002	BentallGreen Oak
Limeridge Mall	Hamilton	ON	125,307	Cadillac Fairview
Hillcrest Mall	Richmond Hill	ON	136,915	Oxford
Masonville	London	ON	84,928	Cadillac Fairview
Les Promenades Gatineau	Gatineau	QC	140,364	Westcliff
Les Galeries De La Capitale	Quebec City	QC	163,034	Primaris
Mayflower Mall	Sydney	NS	82,944	Mccor
Richmond Centre	Richmond	BC	169,692	Cadillac Fairview
Oakville Place	Oakville	ON	119,428	Riocan
Londonderry Mall	Edmonton	AB	60,838	Cushman & Wakefield
Medicine Hat Mall	Medicine Hat	AB	93,217	Primaris
St. Albert Centre	St. Albert	AB	93,313	Primaris
Orchard Park Shopping Centre	Kelowna	BC	127,290	Primaris
Village Green Mall	Vernon	BC	83,036	BentallGreen Oak
Mic Mac Mall	Dartmouth	NS	151,303	Cushman & Wakefield
Bramalea City Centre	Brampton	ON	131,438	Morguard
Cataraqui Town Centre	Kingston	ON	113,054	Primaris
Conestoga Mall	Waterloo	ON	130,580	Primaris

Center	City	Prov.	GLA	Landlord
Centre Commercial Rockland	Montreal	QC	147,594	Cominar
Place Rosemere Shopping Centre	Rosemere	QC	132,483	Morguard
Woodgrove Centre	Nanaimo	BC	146,452	Central Walk Woodgrove
Mayfair Shopping Centre	Victoria	BC	166,073	Central Walk Mayfair
Oshawa Centre	Oshawa	ON	122,624	Primaris
Carrefour Angrignon	LaSalle	QC	128,888	Westcliff
Yorkdale Shopping Centre	Toronto	ON	303,438	Oxford
Guildford Shopping Centre	Surrey	BC	174,462	Ivanhoe Cambridge
Centre Laval	Laval	QC	134,377	Cominar
Southgate Shopping Centre	Edmonton	AB	236,551	Primaris
Sevenoaks Shopping Centre	Abbotsford	BC	128,739	Morguard
Cherry Lane Shopping Centre	Penticton	BC	94,643	Manulife- Jones Lang LaSalle
Chinook Centre	Calgary	AB	206,514	Cadillac Fairview
Bower Place	Red Deer	AB	110,672	Quadreal Property Group
West Edmonton Mall	Edmonton	AB	164,250	Triple Five
Southcentre Mall	Calgary	AB	164,514	Oxford
Lethbridge Centre	Lethbridge	AB	133,243	Melcor
Georgian Mall	Barrie	ON	90,748	Riocan
Place d'Orleans Shopping Centre	Ottawa	ON	115,501	Primaris
Bayshore Shopping Centre	Ottawa	ON	180,696	Cushman & Wakefield
Pen Centre	St. Catharines	ON	150,110	BentallGreen Oak
Downtown	Vancouver	BC	636,828	RioCan-HBC Limited Partnership
Downtown	Calgary	AB	448,834	RioCan-HBC

Center	City	Prov.	GLA	Landlord
				Limited Partnership
Downtown	Montreal	QC	655,396	RioCan-HBC Limited Partnership
Downtown	Ottawa	ON	305,305	RioCan-HBC Limited Partnership
Square One	Mississauga	ON	204,174	Oxford
Devonshire Mall	Windsor	ON	165,584	RioCan-HBC Limited Partnership
Scarborough Town Centre	Toronto	ON	231,759	Oxford
Les Promenades St Bruno	St-Bruno	QC	131,808	Cadillac Fairview
Carrefour Laval	Laval	QC	177,022	Cadillac Fairview
Metrotown Centre	Burnaby	BC	140,545	Ivanhoe Cambridge II Inc. and Ivanhoe Cambridge Inc.
Park Royal Shopping Centre	Vancouver	BC	161,647	Park Royal Shopping Centre Holdings Ltd
Eglinton Square	Toronto	ON	115,205	KS Eglinton Square Inc.
176 Yonge St.	Toronto	ON	675,722	Ontrea Inc.
Les Galeries d'Anjou	Montreal	QC	176,474	Ivanhoe Cambridge Inc. – Anjou

Saks Fifth Avenue

Center	City	Prov.	GLA	Landlord
Sherway Gardens	Toronto	ON	132,256	Cadillac Fairview
Chinook Centre	Calgary	AB	115,586	Ontrea Inc.
Toronto Eaton Centre	Toronto	ON	175,000	Ontrea Inc.

Saks Fifth Avenue Off Fifth

Center	City	Prov.	GLA	Landlord
Tanger Outlets	Ottawa	ON	28,357	Riocan Holdings (TJV) Inc. and 1633272 Alberta ULC
Outlet Collection at Niagara	Niagara	ON	32,387	The Outlet Collection (Niagara) Limited
Vaughan Mills	Vaughan	ON	34,992	Ivanhoe Cambridge II Inc. and TRE2 Non-US Bigfoot Corp.
Toronto Premium Outlets	Halton Hills	ON	24,887	Halton Hills Shopping Centre Partnership
Crossiron Mills	Rockey View	AB	30,009	Crossiron Mills Holdings Inc.
Queensway	Toronto	ON	27,042	Horner Developments Ltd. and Mantella & Sons Investments Ltd.
Downtown Ottawa	Ottawa	ON	34,887	RioCan-HBC Limited Partnership
Tsawwassen Mills	Tsawwassen	BC	32,733	Central Walk Tsawwassen Mills Inc.
Outlet Collection Winnipeg	Winnipeg	MB	32,204	The Outlet Collection at Winnipeg Limited and Seasons Retail Corp
Place Ste-Foy	Quebec	QC	33,254	Ivanhoe Ste-Foy Inc.
Pickering Town Centre	Pickering	ON	30,033	PTC Ownership LP
Skyview Power Centre	Edmonton	AB	30,026	Skyview Equities Inc. and SP Green Properties LP
Park Royal Shopping Centre	Vancouver	BC	33,300	Park Royal Shopping Centre Holdings Inc.

Distribution Centres

Center	City	Prov.	GLA	Landlord
Scarborough Logistics Center	Toronto	ON	738,102	100 Metropolitan Portfolio Inc
Vancouver Logistics Center	Richmond	BC	416,900	PIRET (18111 Blundell Road) Holdings Inc.
Eastern Big Ticket Center	Toronto	ON	501,000	ONTARI Holdings Ltd.
Toronto Logistics Center	Toronto	ON	221,244	BCIMC Realty Corporation

SCHEDULE D

To the Company:

Hudson Bay Company ULC
401 Bay Street
Toronto, ON M5H 2Y4

Attn: Jennifer Bewley
Email: jennifer.bewley@hbc.com

With a copy to:

Stikeman Elliott LLP
5300 Commerce Court West
199 Bay Street
Toronto, ON M5L 1B9

Attn: Ashley Taylor / Maria Konyukhova
Email: ataylor@stikeman.com / mkonyukhova@stikeman.com

To the Monitor :

Alvarez & Marsal Canada Inc. Court appointed Monitor of Hudson's Bay Company ULC et al.
Royal Bank Plaza, South Tower 200 Bay Street, Suite 29000
P.O. Box 22
Toronto, ON M5J 2J1

Attn: Alan Hutchens / Greg Karpel
Email: ahutchens@alvarezandmarsal.com / gkarpel@alvarezandmarsal.com

With a Copy to:

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Toronto, ON M5X 1A4

Attn: Michael Shakra / Sean Zweig
Email: ShakraM@bennettjones.com / ZweigS@bennettjones.com

To the Broker:

Oberfeld Snowcap Inc.
121 King Street West, Suite 1800
Toronto, ON M5H 3T9

Attn: Jay Freedman
Email: jay@oberfeldsnowcap.com

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

ORDER
(Lease Monetization Order)

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Lawyers for the Applicants

Appendix “P”

YORKDALE SHOPPING CENTRE
AMENDING AGREEMENT

NEITHER THIS AGREEMENT NOR NOTICE THEREOF MAY BE REGISTERED ON TITLE

THIS AGREEMENT is made as of the 3rd day of April, 2014.

B E T W E E N: **YORKDALE SHOPPING CENTRE HOLDINGS INC.**

(hereinafter called the "**Landlord**")

OF THE FIRST PART

AND: **OMERS REALTY CORPORATION, OMERS REALTY HOLDINGS (YORKDALE) INC., ARI YKD GP INC. and ARI YKD INVESTMENTS LP**

(hereinafter collectively referred to as the "**Owners**")

OF THE SECOND PART

AND: **HUDSON'S BAY COMPANY**

(hereinafter referred to as the "Tenant")

OF THE THIRD PART

WHEREAS:

A. The Landlord, as landlord, OMERS Realty Corporation, OMERS Realty Holdings (Yorkdale) Inc. and 1331430 Ontario Inc., (the "**Original Owners**") as owners of the shopping centre known as "Yorkdale Shopping Centre" in the City of Toronto, Ontario (the "**Shopping Centre**"), and the Tenant, as tenant, entered into a lease agreement for premises comprising a portion of the said Shopping Centre's lands and improvements, made as of September 26, 2002, notice of which was registered on September 26, 2002, on title to the lands in and upon which the Shopping Centre is situated in the Land Registry Office for the Land Titles Division of Toronto (No. 66) as Instrument No.AT3195, and was re-registered on November 11, 2005 as Instrument No. AT976895;

B. The said lease agreement was subsequently amended by three separate Partial Surrender of Lease agreements among the aforementioned four parties, each dated as of April 2, 2004, and by a letter agreement between the Landlord and the Tenant, dated June 28, 2011;

C. The said lease agreement, as so amended, is hereinafter referred to as the "**Lease**";

D. On September 30, 2013 1331430 Ontario Inc. transferred its interest in the Shopping Centre to ARI YKD GP. Inc. and ARI YKD Investments LP, such that, as of the date first written above, the current owners of the Shopping Centre and successors to the Original Owners under the Lease are OMERS Realty Corporation, OMERS Realty Holdings (Yorkdale) Inc., ARI YKD GP Inc. and ARI YKD Investments LP; and

E. The parties hereto have agreed to further amend the Lease as hereinafter more particularly set forth.

NOW THEREFORE THIS AGREEMENT WITNESSETH that, in consideration of the covenants and conditions hereinafter contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereto hereby agree to amend the Lease, subject always to the satisfaction and/or waiver of the conditions to this Agreement set out in Section 10 hereof, in accordance with the following terms and conditions:

1. The parties hereto hereby acknowledge and agree that the foregoing recitals of the present agreement (the "**Agreement**") are true.

2. Words and phrases in this Agreement that are capitalized shall have the meanings that are ascribed to such capitalized terms in the Lease, unless otherwise expressly provided herein.

3. For the purposes of this Agreement and the Lease, the term "**Condition Satisfaction Date**" shall mean the date (if any) upon which all the conditions to this Agreement set out in Section 10 hereof have been duly satisfied or waived in accordance with the provisions of the said Section 10.

4. The Tenant is duly registered under Subdivision (d) of Division V of Part IX of the Excise Tax Act (Canada) with respect to goods and services tax and harmonized sale tax and its registration number is 10242 0296 RT0001.

5. **Parking Ratio Reduction.**

   (a) In consideration of the Tenant entering into this Agreement, the Owners shall pay to the Tenant within five (5) Business Days (as hereinafter defined) following the Condition Satisfaction Date the sum of Five Million Dollars (**$5,000,000.00**), together with any applicable federal and/or provincial sales, value-added, harmonized sales, or goods and services taxes (the "**HST**") that the Tenant is required to collect pursuant to the applicable legislation (which sum, including all applicable HST, is hereinafter referred to as the "**Base Payment**").

   (b) The parties further acknowledge and agree that, effective as of the later of:

      (i) the Condition Satisfaction Date; and

      (ii) the date upon which the Tenant has received the full amount of the Base Payment from the Landlord:

   Subsection 7.04(d) of the Lease shall be deleted in its entirety and replaced with the following:

   > "(d) The Landlord shall at all times maintain or cause to be maintained sufficient parking spaces to (i) meet all applicable legal requirements for the whole of the Shopping Centre and (ii) maintain not fewer than 4.1 parking spaces for each 1,000 square feet of Gross Leasable Area of Retail Premises (as that term is hereinafter defined) in the Shopping Centre. For the purposes of this Lease, the term "Retail Premises" means all rented or rentable space in the Shopping Centre that is occupied or if unoccupied, is appropriate and intended for use for a business of providing any of the goods or services to the public of the nature commonly found in a shopping centre, including, retail shops, kiosks and other types of sales outlets, service establishments such as banks, trust companies, dry cleaners, barbers, hair and beauty salons, spas and eating establishments such as snack bars, coffee uses and restaurants but excluding all office space and recreational space and any space occupied or appropriate and intended for occupancy for residential, hotel or motel services."

6. **Change to No-Build Exception.** Effective as of the Condition Satisfaction Date, the Lease shall be further amended as follows:

   (a) The parties acknowledge that, under the existing provisions of Subsection 20.00(5) of the Lease, the Landlord is permitted to construct within the No Build

Area two (**2**) buildings within the areas shown shaded on **YELLOW** to the Site Plan attached as Schedule "B" to the Lease, subject to the further conditions set out in the said Subsection 20.00(5). Effective as of the Condition Satisfaction Date, Subsection 20.00(5) of the Lease shall be amended such that the Landlord shall thereafter be permitted to construct only one (**1**) building within the No Build Area, the location of which building (the "**Permitted Building**") shall be the northernmost area shown shaded in **YELLOW** on Schedule "B" to the Lease, provided again that such Permitted Building shall not exceed **8,000** square feet and shall not be used as a fitness facility. For the sake of greater certainty, the parties hereto hereby acknowledge and agree that:

(i) the said location of the Permitted Building is the area that is shown shaded in **YELLOW** and circled in **RED** on the copy of Schedule "B" that is attached as Appendix 1 to this Agreement; and

(ii) the Landlord shall cease to have any right to construct any building within the area that is shown shaded in YELLOW and bears a large black "X" on Appendix 1 hereto.

(b) the plan of the Shopping Centre attached as Appendix 1 to this Agreement is hereby added as Appendix 1 to the Lease.

7. **Tenant Renovation**. Effective as of the Condition Satisfaction Date, the parties agree that, and the Lease shall be further amended to provide that, if the Tenant should elect at any time within two (**2**) years following the Condition Satisfaction Date to carry out a renovation of the Tenant Department Store (consisting of such alterations, repairs, rebuilding, refurbishment, re-finishing and decorations and improvements in and to the exterior and interior of the Tenant Department Store as the Tenant deems desirable or advantageous for its operations therein and therefrom), the Tenant, acting in its sole discretion, shall have the right to cause the Owners, in consideration for the Renovation Work (as defined below) to pay to the Tenant an allowance of Six Million Dollars (**$6,000,000.00**) (the "**Renovation Allowance**"), plus any applicable HST, of which Five Million Dollars (**$5,000,000.00**) will be used as a contribution towards all costs incurred by the Tenant in carrying out all work required to perform its desired alterations, repairs, rebuilding, refurbishment, re-finishing and improvements to the exterior façade of the Tenant Department Store and One Million Dollars (**$1,000,000.00**) will be used as a contribution towards all costs incurred by the Tenant in carrying out all work required to perform its desired alterations, repairs, rebuilding, refurbishment, re-finishing and decorations and improvements to the interior of the Tenant Department Store (all of which work, both exterior and interior, is hereinafter collectively referred to as the "**Renovation Work**"), which right shall be exercised in accordance with, and subject to, the following terms and conditions:

(a) The Tenant shall exercise its right to secure payment of the Renovation Allowance by delivering written notice to the Landlord confirming the Tenant's election to do so, provided always that the said notice (the "**Tenant's Election Notice**") shall be delivered to the Landlord no later than two (**2**) years following the Condition Satisfaction Date, failing which the Tenant's right to secure payment of the Renovation Allowance as aforesaid shall forever cease. The date upon which the Landlord receives the Tenant's Election Notice is herein referred to as the "**Tenant Election Notice Date**".

(b) In the event that the Tenant exercises the foregoing right to secure payment of the Renovation Allowance:

(i) Within twelve (**12**) months following the Tenant Election Notice Date, the Tenant shall submit to the Landlord for the Landlord's approval the Tenant's drawings, renderings, plans and specifications and cost

estimates for the proposed Renovation Work (hereinafter collectively referred as the "**Renovation Plans**"), which approval shall not be unreasonably withheld, conditioned or delayed. The Landlord shall respond to the Tenant's request for approval of such Renovation Plans in writing within a reasonable time but, in any event, no later than four (**4**) weeks following the Tenant's submission of such Renovation Plans to the Landlord for approval, failing which the Landlord shall be deemed to have approved the Renovation Plans in question. The Tenant's request for approval will include a reference to this provision and a reminder that if the Landlord has not disapproved the Renovation Plans within four (**4**) weeks, it shall be deemed to have approved them.

(ii) The Tenant, at its sole cost, shall use commercially reasonable efforts to secure all municipal and other governmental permits, licenses and approvals that are required for the performance of the Renovation Work (collectively, the "**Governmental Permits**"), and the Landlord hereby covenants to co-operate with the Tenant and provide such assistance (if any) as the Tenant may reasonably require from the Landlord in its efforts to secure such Governmental Permits.

(iii) Subject to any delays that may be occasioned by the intervention of Unavoidable Delay, the Tenant shall commence the said Renovation Work no later than twelve (**12**) months following the date upon which it has received all necessary Governmental Permits therefor and shall thereafter carry out the Renovation Work to substantial completion no later than twelve (**12**) months following the date upon which the Renovation Work has commenced. The actual date on which the Renovation Work commences "**Renovation Commencement Date**") shall be confirmed by way of written notice delivered by the Tenant to the Landlord as soon as possible thereafter;

(iv) The Tenant shall carry out the Renovation Work in accordance with the Renovation Plans therefor that have been duly approved by the Landlord, provided that the said Renovation Plans may be subject to such reasonable changes as may be agreed at any time between the Landlord and the Tenant, each acting reasonably and without delay, and the Tenant shall promptly provide the Landlord with notice of any changes the Tenant may wish or be required to make to the Renovation Work during the course of its performance of the same.

(v) The Tenant covenants that the actual costs (exclusive of HST) incurred by the Tenant in carrying out the Renovation Work shall equal or exceed the exact amount of the Renovation Allowance, provided further that the Tenant will incur at least **$5,000,000** in renovating the exterior façade of the Tenant Department Store and at least **$1,000,000** in renovating the interior of the Tenant Department Store.

(vi) The parties hereto hereby further acknowledge and agree that, if the Landlord requires the Tenant to use unionized labour in carrying out the Renovation Work (and the Tenant is not otherwise required by law to do so), the Owners shall, in further consideration of the Renovation Work, contribute to the costs incurred by the Tenant in using unionized labour to carry out the Renovation Work by paying an amount to the Tenant equal to **6.9%** of the cost of the Renovation Work (the "**Union Amount**"), plus applicable HST, which payment shall be made by the Owners to the Tenant within five (**5**) Business Days (as that term is hereinafter defined) of the Landlord's receipt of the Tenant's invoice(s) therefor, which invoices shall be submitted to the Landlord only upon substantial completion of the

Renovation Work and shall be accompanied by evidence of the costs paid by the Tenant in respect thereof. If the Owners fail to make the payment of the Union Amount when due as aforesaid, the Tenant, in addition to any other rights it may have at law, shall be entitled to deduct the amounts so payable by the Owners from any payments of annual basic rent and/or additional rent and/or any other payments that the Tenant is required to make to the Landlord under the Lease.

(vii) the Owners shall pay the Tenant the exact amount of the Renovation Allowance plus applicable HST, in three (**3**) equal instalments, as hereinafter more particularly provided:

(1) Two Million Dollars (**$2,000,000.00**) (the "**First Tranche**"), plus all HST applicable thereto, shall be paid to the Tenant on or before the fifteenth (**15th**) day following the date upon which the Landlord receives written notice from the Tenant confirming the Renovation Commencement Date (the "**First Tranche Due Date**").

(2) An additional Two Million Dollars (**$2,000,000.00**) (the "**Second Tranche**"), plus all HST applicable thereto, shall be paid to the Tenant, subject to any holdback requirements applicable to such payment under the then current legislation in the Province of Ontario, including, without limitation, legislation governing construction lien and workers' compensation claims, on or before the later of the following two dates (which later date is herein referred to as the "**Second Tranche Due Date**"):

(a) forty-five (**45**) days following the First Tranche Due Date; or

(b) five (**5**) Business Days (as that term is hereinafter defined) following the date upon which the Tenant has provided the Landlord with: (A) a written demand for payment of the Second Tranche and a statutory declaration signed by a senior officer of the Tenant stating that the Tenant has paid an aggregate amount, exclusive of HST, for work, services and materials performed or supplied by third parties in carrying out the Renovation Work that, subject to statutory holdbacks and any bona fide holdbacks to cover deficiencies or uncompleted work, equals or exceeds the amount of the First Tranche, and identifying any bona fide dispute in respect of any withheld payments and providing relevant particulars of the same, and (B) a subsearch of title to the lands comprising the Shopping Centre Lands indicating that no liens have been filed on title to the said lands in connection with the Renovation Work.

(3) The final Two Million Dollars (**$2,000,000.00**) (the "**Third Tranche**") plus all HST applicable thereto shall be paid to the Tenant, subject to any holdback requirements applicable to such payment under the then current legislation in the Province of Ontario, including, without limitation, legislation governing construction lien and workers' compensation claims, on or before the later of the following two dates (which later date is herein referred to as the "**Third Tranche Due Date**"):

(a) forty-five (**45**) days following the Second Tranche Due Date;

(b) five (**5**) Business Days (as that term is hereinafter defined) following the date upon which the Tenant has provided the Landlord with (A) a written demand for payment of the Third Tranche and a statutory declaration signed by a senior officer of the Tenant stating that it has paid an aggregate amount, exclusive of HST, for work, services and materials performed or supplied by third parties in respect of the Renovation Work that, subject to statutory holdbacks and any bona fide holdback to cover deficiencies or uncompleted work equals or exceeds the aggregate amount of the First Tranche and Second Tranche, and identifying any bona fide dispute in respect of any withheld payments and providing relevant particulars of the same, and (B) a subsearch of title to the lands comprising the Shopping Centre Lands indicating that no liens have been filed on title to the said lands in connection with the Renovation Work.

(4) Should the Tenant fail to demand payment of the Second or Third Tranche as aforesaid within the Required Period (as that term is hereafter defined), then, for all purposes of this Agreement and the Lease, the amount of the Renovation Allowance declared in the Tenant's Election Notice (and due to the Tenant hereunder) shall thereupon be automatically deemed to be reduced to the aggregate amount of the instalment(s) of Renovation Allowance that have actually been paid by the Owners to the Tenant. For the purposes of this Agreement and the Lease, the term "**Required Period**" shall mean the sixteen (**16**) month period commencing on the Renovation Commencement Date, provided that, if the Tenant is unable to complete the Renovation Work within twelve (**12**) months of the Renovation Commencement Date due to the intervention of Unavoidable Delay, the Required Period shall be extended beyond sixteen (**16**) months by the number of days during which such circumstances of Unavoidable Delay delayed completion of the Renovation Work beyond the twelfth month following the Renovation Commencement Date.

(5) Should the Owners not make payments on account of the Renovation Allowance (and/or the HST applicable thereto) when required hereunder, interest shall accrue thereon (including interest on any unpaid HST to the extent and from the date that the Tenant is required to pay HST to the applicable governmental authority) in favour of the Tenant commencing as of the date on which payment was due to the date on which payment is made to the Tenant at an annual rate equal to ten per cent (**10%**) above the annual rate of interest charged from time to time by the Canadian Imperial Bank of Commerce at its main Toronto branch to its most creditworthy customers, which interest shall be calculated and compounded at the end of each calendar month, and the Tenant, in addition to any other rights it may have at law, shall be entitled to deduct the amounts so payable by the Owners, together with interest thereon, from any payments of annual basic rent, additional rent and/or any other payments that the Tenant is required to make to the Landlord under the Lease.

(6) Within sixty (**60**) days following the date upon which the Tenant has completed the Renovation Work the Tenant shall provide the Landlord with a statutory declaration signed by an officer of the

Tenant certifying the date upon which the Renovation Work was completed, the total cost incurred by the Tenant (exclusive of GST) in carrying out the Renovation Work (the "**Renovation Costs**"), and that no liens have been filed against title to the lands comprising the Shopping Centre Lands in respect of the Renovation Work (which statutory declaration is herein referred to as the "**Renovation Work Statutory Declaration**").

(7) If the actual aggregate amount of Renovation Costs incurred by the Tenant (exclusive of GST) should be less than the amount of the Renovation Allowance that has been paid to it by the Owners hereunder (or deducted from rent otherwise payable by the Tenant under the Lease) the Tenant shall pay to the Owners concurrently with the delivery of the Renovation Work Statutory Declaration to the Landlord a sum equal to the full amount by which the Renovation Allowance so paid (or deemed paid) to the Tenant exceeds the actual aggregate amount of Renovation Costs incurred by the Tenant (the "**Differential**"), plus applicable GST, which sum shall be deemed to be owing to the Landlord as additional rent under the terms of the Lease, in which event, the amount of Added Rent payable by the Tenant hereunder shall be automatically adjusted, with retroactive effect as of the Added Rent Commencement Date, by reducing the amount of the Renovation Allowance used in determining the amount of Added Rent pursuant to Subsection 7(c) of this Agreement by the amount of the Differential.

The parties hereto hereby acknowledge and agree that, for the purposes of this Agreement and the Lease, the term "**Business Days**" shall mean all days of the calendar week other than Saturday, Sunday and any statutory holiday in the Province of Ontario.

(c) In the event that:

(i) the Tenant receives payment of the full amount of the Renovation Allowance (and all applicable HST and interest accruing thereon in accordance with the foregoing provisions of this Agreement) payable to it in accordance with the terms of this Agreement; or

(ii) the Owners do not pay the Tenant the full amount of the Renovation Allowance (and all applicable HST and interest accruing thereon in accordance with the foregoing provisions of this Agreement) when due hereunder and the Tenant subsequently exercises its right to deduct from its payments of the annual basic rent, additional rent and/or other payments that the Tenant is required to make to the Landlord under the Lease the unpaid amount of the Renovation Allowance (and all applicable HST and interest accruing thereon as aforesaid) so owing to it by the Owners;

then, throughout the period of the Term commencing thirty (**30**) days after the date upon which the Tenant has obtained the full amount of the Renovation Allowance due to the Tenant (and all HST and interest applicable thereto), whether by receiving payment thereof from the Owners or by deducting the same from its payments of rent under the Lease as aforesaid (which date is hereinafter referred to as the "**Added Rent Commencement Date**") and ending thirty (**30**) years after the said Added Rent Commencement Date (the "**Added Rent Period**"), the Tenant shall pay to the Landlord, in addition to the annual basic rent, additional rent and/or other payments that the Tenant is currently required to

pay to the Landlord under the Lease, a further monthly rent (the "**Added Rent**") in accordance with, and subject to, the following terms and conditions:

(i) The monthly amount of Added Rent shall be determined in accordance with the following formula:

$$Z = X / ((1-(1+R)^{-N}) / R)$$

in which formula :

Z = the monthly amount of Added Rent to be determined

X = the amount of the Renovation Allowance (exclusive of HST)

R = the product of the 30 year Bank of Canada Rate (as that term is hereinafter defined) in effect as at the Tenant Election Notice Date, plus 2.5%, divided by 12

N = **360**, being the number of months contained in the Added Rent Period

The parties hereto hereby acknowledge and agree that, for all purposes of this Agreement and the Lease (as hereby amended) the term "**30 year Bank of Canada Rate**" shall mean the Government of Canada 30 Year Bond Yield issued by the Bank of Canada (as currently published by Bloomberg L.P.).

For greater clarity, and by way of example only, the parties acknowledge and agree that, if (a) based on a Renovation Allowance (exclusive of HST) of **$6,000,000**, and (b) the 30 year Bank of Canada Rate as of the Tenant Election Notice Date were to be **3.0%**, the resulting value of **R** would be **0.0045833** (i.e. (.03 +.025)/ 12) and the monthly amount of Added Rent would be **$34,067.34**, calculated as follows:

$$\$6,000,000 / ((1-(1+0.0045833)^{-360})/ 0.0045833) = \$34,067.34.$$

(ii) The Tenant shall pay the Added Rent in equal monthly instalments at the same time and otherwise in accordance with the same provisions as govern the Tenant's payments of annual basic rent to the Landlord under Article 4 ("RENT") of the Lease.

(iii) Notwithstanding any of the foregoing, the parties hereto acknowledge and agree that the Tenant shall have the right to pay to the Landlord on the first day of any calendar month occurring throughout the Added Rent Period the whole or any portion of the then present value of Added Rent payable by the Tenant throughout the remainder of the Added Rent Period, which present value of Added Rent shall be determined in accordance with the following formula (the "Added Rent Present Value Formula"):

$$PV = X ((1 - (1 + R)^{-P}) /R)$$

in which formula:

PV = the present value of the said Added Rent as of the date scheduled for payment (the "**Payment Date**")

X = the current monthly amount of Added Rent

R = the product of the 30 year Bank of Canada Rate as of the Tenant Election Notice Date, plus 2.5%, divided by 12

P = the number of months remaining between the aforementioned Payment Date and the end of the Added Rent Period

For greater clarity, and by way of example only, the parties acknowledge and agree that, if (a) the current monthly amount of Added Rent were to be **$34,067.34**, (b) the number of months remaining between the proposed Payment Date and the end of the Added Rent Period were to be **240**, and (c) the 30 year Bank of Canada Rate as of the Tenant Election Notice Date were to be **3.0%**, the resulting value of **R** would be **0.0045833** (i.e. (.03 +.025)/ 12) and the present value of Added Rent payable throughout the remainder of the Added Rent Period as of the Payment Date would be **$4,952,459.46**, calculated as follows:

$$\$34,067.34\ [(1-(1+0.0045833)^{-240})/0.0045833] = \$4,952,459.46$$

The Tenant shall exercise the foregoing right to pay to the Landlord the whole or any portion of the said present value of Added Rent by sending no less than one (**1**) month's prior written notice thereof to the Landlord.

(iv) If the Tenant should elect at any time to exercise the foregoing right to pay to the Landlord the whole of the then present value of Added Rent payable throughout the remainder of the Added Rent Period, the Tenant shall be forever relieved of its obligation to pay Added Rent to the Landlord from and after the date upon which such payment is made.

(v) If the Tenant should elect at any time or from time to time to exercise the foregoing right to pay to the Landlord only a portion of the then present value of Added Rent payable throughout the then current remainder of the Added Rent Period, the monthly amount of Added Rent payable by the Tenant throughout said remainder of the Added Rent Period shall be reduced, effective as of the date upon which payment is so made by the Tenant, in proportion to the percentage reduction so effected in the present value of the Added Rent payable throughout the remainder of the Added Rent Period.

For greater clarity, and by way of example only, the parties acknowledge and agree that, if (a) the Payment Date were to be the first day of the **120th** month following the month in which the Added Rent Commencement Date occurs, and (b) the monthly amount of Added Rent as of the Payment Date were to be **$34,067.34**, and (c) the present value of the Added Rent payable throughout the remainder of the Added Rent Period as of the Payment Date were to be **$4,952,459.46,** and (d) the Tenant were to elect to pay to the Landlord on the said Payment Date the sum of **$2,500,000** (which amount equals 50.48**%** of the said present value of Added Rent), then, from and after the said Payment Date, the monthly amount of Added Rent would be reduced by 50.48% from **$34,067.34** to **$16,870.15**.

(d) Notwithstanding any of the foregoing, the parties hereto further acknowledge and agree that:

(i) If the Term of the Lease should expire prior to the end of the Added Rent Period as a result of the Tenant not exercising its right under Article 3 ("TERM, EXTENSIONS AND RIGHT OF TERMINATION") of the Lease to extend the Term of the Lease for any of the periods of extension

occurring throughout the Added Rent Period, the Tenant shall be required to pay to the Landlord on or before the expiration date of the Lease the present value of the Added Rent payable by the Tenant throughout the remainder of the Added Rent Period (determined as of the expiration date in accordance with the aforementioned Added Rent Present Value Formula).

(ii) If at any time during the Added Rent Period the Landlord should exercise any right it may have under the Lease to terminate this Lease by reason of the Tenant's default thereunder, the Tenant shall be required to pay to the Landlord on or before the date upon which the Lease is so terminated the present value of the Added Rent payable by the Tenant throughout the remainder of the Added Rent Period (determined as of the said termination date in accordance with the aforementioned Added Rent Present Value Formula).

8. **Landlord Option to Increase Annual Minimum Rent**. Effective as of the Condition Satisfaction Date, Article 4 ("RENT") of the Lease shall be amended by adding the following text as a new Section 4.06 after Section 4.05 thereof:

"Section 4.06 The Landlord shall have the right to increase the amount of the annual basic rent payable by the Tenant under Section 4.00 hereof in accordance with, and subject to, the following terms and conditions:

(a) The Landlord shall exercise the foregoing right by giving the Tenant prior written notice thereof (the "**Rent Increase Notice**") at any time during the remainder of the Term.

(b) The Rent Increase Notice shall specify the amount by which the annual basic rent payable by the Tenant under Section 4.00 hereof shall be increased (the "**Annual Rent Increase Amount**"), which Annual Rent Increase Amount shall be equal to the average annual amount of the [additional rent payable by the Tenant pursuant to the provisions of Article 10 ("COMMON FACILITIES OPERATING COSTS") of the Lease for the five (**5**) calendar years immediately preceding the calendar year in which the said increase in annual basic rent takes effect.

(c) If the Landlord should duly exercise the foregoing right to increase the amount of annual basic rent, then, commencing as of the first day of the first calendar month following the month in which the Tenant receives the Rent Increase Notice from the Landlord and thereafter throughout the remainder of the Term:

(i) the amount of annual basic rent payable by the Tenant under the Lease shall be increased by an amount equal to the Annual Rent Increase Amount specified in the Rent Increase Notice; and

(ii) the Tenant shall forever cease to be required to pay any additional rent or charge to the Landlord under the provisions of Article 10 ("COMMON FACILITIES OPERATING COSTS") of the Lease."

9. **Owners' Intervention.** Each and every one of the parties comprising the Owners hereunder hereby acknowledges and agrees with the Tenant that it fully accepts and continues to be bound by all the covenants and obligations of the Owners contained in the Lease, as hereby amended, including, without limitation and for the sake of greater certainty, all those covenants and obligations of the Owners contained in Article 26 thereof.

10. The parties hereto hereby agree that this Agreement shall be conditional upon satisfaction (and/or waiver, if applicable) of the following conditions:

    (a) This Agreement shall be conditional upon the Tenant obtaining approval thereof from the management committee and/or board of directors of Hudson's Bay Company, within thirty (**30**) days after the date of execution hereof. The aforesaid condition is for the benefit of the Tenant alone and may be waived by the Tenant at any time prior to the expiry of the aforesaid 30-day period. In the event the Landlord does not receive written notice from the Tenant that this condition has been satisfied or is being waived by the Tenant within the aforesaid 30-day period, then this Agreement shall become null and void and the parties shall be relieved of all obligations hereunder.

    (b) This Agreement shall be conditional upon the Landlord and the Owners obtaining approval thereof from their respective senior executive within thirty (**30**) days after the date of execution hereof. The aforesaid condition is solely for the joint benefit of the Landlord and the Owners and may be waived by the Owners and the Landlord at any time prior to the expiry of the aforesaid 30-day period. In the event the Tenant does not receive written notice from the Owners and the Landlord that this condition has been satisfied or is being jointly waived by the Owners and Landlord within the aforesaid 30-day period, then this Agreement shall become null and void and the parties shall be relieved of all obligations hereunder.

    (c) This Agreement shall be conditional upon the Tenant obtaining approval thereof from its lender within thirty (**30**) days after the date of execution hereof. In the event the Landlord does not receive written notice from the Tenant that this condition has been satisfied or is being waived by the Tenant within the aforesaid 30-day period, then this Agreement shall become null and void and the parties shall be relieved of all obligations hereunder

11. The Lease is hereby amended wherever necessary to give effect to the provisions herein contained and subject thereto, and except as otherwise provided herein, all terms, clauses and conditions of the Lease shall remain in full force and effect, unchanged and unmodified.

12. The Landlord and the Owners represent and warrant that there is no lender to them whose consent is required to the entering into by them of this Agreement.

13. Neither this Agreement nor any notice or short form thereof shall be registered on title to the Shopping Centre or any other lands.

14. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns under the Lease.

15. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. Counterparts may be executed either in original, emailed or pdf or faxed form and the parties adopt any signatures received electronically as original signatures of the parties; provided, however, that any party providing its signature in such manner shall promptly forward to the other parties an original of the signed copy of this Agreement which was provided electronically.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF the parties hereto have duly executed this Agreement.

Signed, this 7th day of April, 2014

YORKDALE SHOPPING CENTRE HOLDINGS INC.

Per: _____
Name: Jeffrey Hess Authorized Signing Officer

Per: _____
Name: Celia Hitch Authorized Signing Officer
(I/We have authority to bind the Corporation)

Signed, this ___ day of _____, 2014

HUDSON'S BAY COMPANY

Per: _____
Name:

Per: _____
Name:
(I/We have authority to bind the Corporation)

Signed, this 7th day of April, 2014

OMERS REALTY CORPORATION

Per: _____
Name: Jeffrey Hess Authorized Signing Officer

Per: _____
Name: Celia Hitch Authorized Signing Officer
(I/We have authority to bind the Corporation)

Signed, this 7th day of April, 2014

OMERS REALTY HOLDINGS (YORKDALE) INC.

Per: _____
Name: Jeffrey Hess Authorized Signing Officer

Per: _____
Name: Celia Hitch Authorized Signing Officer
(I/We have authority to bind the Corporation)

IN WITNESS WHEREOF the parties hereto have duly executed this Agreement.

Signed, this 9th day of April, 2014

YORKDALE SHOPPING CENTRE HOLDINGS INC.

Per: _____
Name: CRAIG COLEMAN
Authorized Signing Officer

Per: _____
Name:
(I/We have authority to bind the Corporation)

Signed, this ___ day of _____, 2014

HUDSON'S BAY COMPANY

Per: _____
Name:

Per: _____
Name:
(I/We have authority to bind the Corporation)

Signed, this ___ day of _____, 2014

OMERS REALTY CORPORATION

Per: _____
Name:

Per: _____
Name:
(I/We have authority to bind the Corporation)

Signed, this ___ day of _____, 2014

OMERS REALTY HOLDINGS (YORKDALE) INC.

Per: _____
Name:

Per: _____
Name:
(I/We have authority to bind the Corporation)

IN WITNESS WHEREOF the parties hereto have duly executed this Agreement.

Signed, this ___ day of _____, 2014

YORKDALE SHOPPING CENTRE HOLDINGS INC.

Per: _____
Name:

Per: _____
Name:
(I/We have authority to bind the Corporation)

Signed, this 11th day of April, 2014

HUDSON'S BAY COMPANY

Per: _____
Name: David Pickwoad
SVP & General Counsel

Per: _____
Name: Bruce Moore, SVP Real Estate
(I/We have authority to bind the Corporation)

Signed, this ___ day of _____, 2014

OMERS REALTY CORPORATION

Per: _____
Name:

Per: _____
Name:
(I/We have authority to bind the Corporation)

Signed, this ___ day of _____, 2014

OMERS REALTY HOLDINGS (YORKDALE) INC.

Per: _____
Name:

Per: _____
Name:
(I/We have authority to bind the Corporation)

Signed, this 9th day of APRIL, 2014

ARI YKD INVESTMENTS LP, by its general partner, ARI YKD GP INC.

Per: _____
Name: CRAIG COLEMAN
Authorized Signing Officer

Per: _____
Name: Melvyn Need
Authorized Signing Officer
(I/We have authority to bind the Corporation)

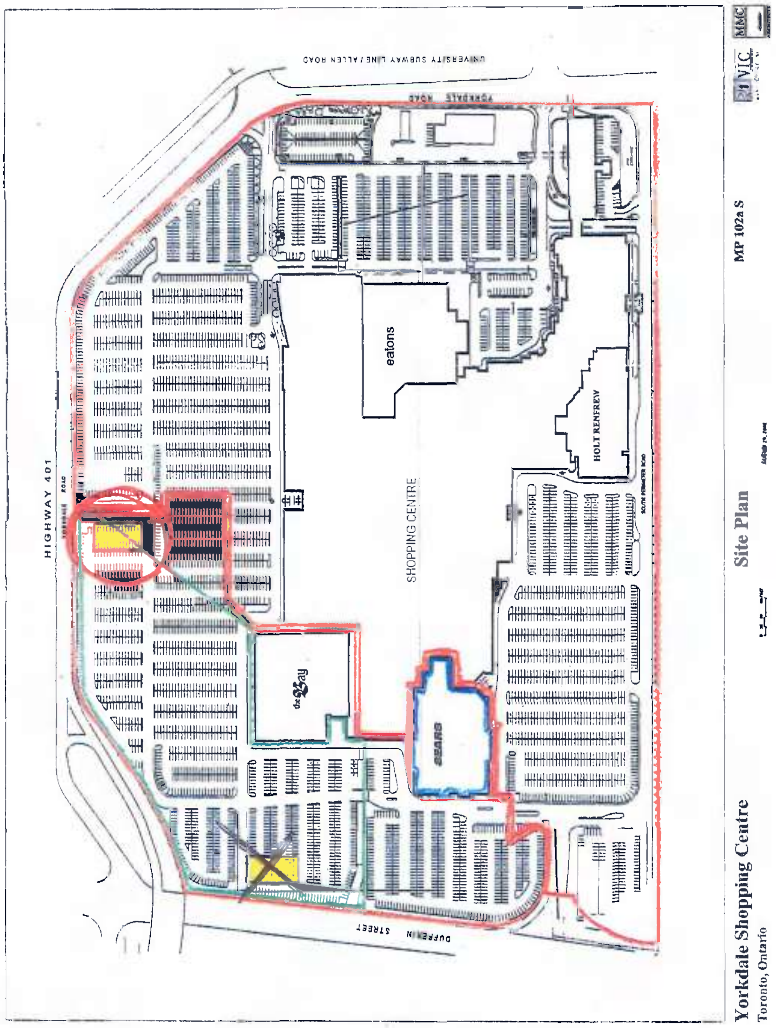
Signed, this 9th day of April, 2014

ARI YKD GP INC.

Per: _____
Name: CRAIG COLEMAN
Authorized Signing Officer

Per: _____
Name: Melvyn Need
Authorized Signing Officer
(I/We have authority to bind the Corporation)

APPENDIX "1"



SCHEDULE "B"

RIOCAN REAL ESTATE INVESTMENT TRUST, et al,	AND	2455034 ONTARIO LIMITED PARTNERSHIP, et al.	Court File No. CV-25-00744295-00CL
Applicants		Respondents	

"

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

FIFTH REPORT OF THE RECEIVER

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Counsel for FTI Consulting Canada Inc., as Receiver

TAB 3

Court File No. CV-25-00744295-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.	)	●, THE ●
	)	
JUSTICE OSBORNE	)	DAY OF ●, 2025

B E T W E E N:

RIOCAN REAL ESTATE INVESTMENT TRUST, RIOCAN HOLDINGS INC., RIOCAN HOLDINGS (OAKVILLE PLACE) INC., RIOCAN PROPERTY SERVICES TRUST, RC HOLDINGS II LP, RC NA GP 2 TRUST and RIOCAN FINANCIAL SERVICES LIMITED

Applicants

-and-

2455034 ONTARIO LIMITED PARTNERSHIP, 2455034 ONTARIO INC., 2491815 ONTARIO LIMITED PARTNERSHIP, 2491815 ONTARIO INC., 2491816 ONTARIO LIMITED PARTNERSHIP, 2491816 ONTARIO INC., 2681842 ONTARIO LIMITED PARTNERSHIP, 2681845 ONTARIO INC., 2681842 ONTARIO INC.

Respondents

IN THE MATTER OF AN APPLICATION UNDER SECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED; and SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED

APPROVAL ORDER
(Yorkdale Sublease)

THIS MOTION, made by FTI Consulting Canada Inc., as court-appointed receiver and manager (in such capacity, the "**Receiver**") of the assets, undertakings and properties of 2455034 Ontario Limited Partnership, 2455034 Ontario Inc., 2491815 Ontario Limited Partnership, 2491815 Ontario Inc. (together with 2491815 Ontario Limited Partnership, "**YSS 1**"), 2491816 Ontario Limited Partnership, 2491816 Ontario Inc., 2681842 Ontario Limited Partnership, 2681842 Ontario Inc., 2681845 Ontario Inc. (collectively, the "**JV Entities**"), for an Order, among other things:

(i) Approving the Sublease Agreement, dated August 12, 2025 (the "**New Sublease**") between the Receiver and Fairweather Ltd. ("**Fairweather**") for the

premises located at Yorkdale Mall in Toronto (the "**Subleased Premises**"), formerly occupied by Hudson's Bay Company ULC ("**HBC**"); and

(ii) Providing certain ancillary relief in connection with the New Sublease,

was heard this day by Zoom videoconference at Toronto, Ontario.

ON READING the Notice of Motion, the Fifth Report of the Receiver, dated ● (the "**Fifth Report**"), the Affidavit of Dennis Blasutti, sworn ●, 2025, and ●, and on hearing the submissions of respective counsel for the Receiver, RioCan Real Estate Investment Trust, Oxford Properties Group, and such other counsel as were present, no one else appearing although duly served as appears from the Lawyer's Certificate of ●, dated ●, 2025, filed:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record herein is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

APPROVAL OF NEW SUBLEASE

2. **THIS COURT ORDERS AND DECLARES** that the New Sublease is hereby approved, and the Receiver's entry into the New Sublease is hereby ratified and approved, with such amendments to the terms of the New Sublease as may be agreed between the Receiver and Fairweather, including, without limitation, amendments with respect to term, renewal, rent, payment of rent, and subtenant and sublandlord covenants, save and except with respect to the obligation of Fairweather to perform all of the obligations of the tenant under the Head Lease (as defined in the Fifth Report), which shall be subject to further order of the Court. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable pursuant to the New Sublease.

3. **THIS COURT ORDERS** that, notwithstanding:

(a) the pendency of these proceedings;

(b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of YSS 1 and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made in respect of YSS 1;

the New Sublease shall be binding on any trustee in bankruptcy that may be appointed in respect of YSS 1 and shall not be void or voidable by creditors of the JV Entities, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

4. **THIS COURT ORDERS** that the Head Lease remains in full force and effect and no party to the Head Lease, including, without limitation, Yorkdale Shopping Centre Holdings Inc. (together, with its affiliates, "**Oxford**"), may accelerate, terminate, rescind, refuse to perform, or otherwise repudiate its obligations thereunder or enforce or exercise any right or make any demand under or in respect of the Head Lease, and no automatic termination will have any validity or effect by reason of:

(a) The Receiver's entry into and performance under the New Sublease;

(b) Any event that occurred on or prior to the effective date of the New Sublease, including (without limitation) any defaults or events of default arising as a result of these proceedings, the proceedings of HBC under the *Companies' Creditors*

Arrangement Act (Canada) (the "**HBC CCAA Proceedings**"), or any insolvency of YSS 1 or HBC or any of their affiliates;

(c) Any orders granted in these proceedings or in the HBC CCAA Proceedings;

(d) Any discharge of the Receiver; or

(e) Any non-compliance with any covenant, warranty, representation, term, provision, condition or obligation in the Head Lease arising from the Receiver's entry into the New Sublease and the implementation of the transaction contemplated by the New Sublease, including, without limitation, relating to HBC ceasing to operate from the Subleased Premises and Fairweather's use and occupancy of the Subleased Premises going forward in replace of HBC (collectively, the "**Specified Events**").

5. **THIS COURT ORDERS** that, from and after the date of this Order, all parties to the Head Lease, including Oxford, shall be deemed to have waived any and all defaults or events of default relating to the Specified Events, provided however that nothing in this Order or the New Sublease shall be deemed to excuse the Receiver or any successor in interest from performing its obligations under the Head Lease other than in respect of the Specified Events.

6. **THIS COURT ORDERS** that Oxford shall be and is hereby deemed to have consented to the New Sublease.

GENERAL

7. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

8. **THIS COURT HEREBY REQUESTS** the aid and recognition of any Court, tribunal, regulatory or administrative bodies, having jurisdiction in Canada or in the United States of

America, to give effect to this Order and to assist YSS 1 and the Receiver and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to YSS 1 and to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Receiver in any foreign proceeding, or to assist YSS 1 and the Receiver and their respective agents in carrying out the terms of this Order.

9. **THIS COURT ORDERS** that this Order shall be effective as of 12:01 a.m. (Toronto time) on the date of this Order without the need for entry or filing of this Order.

_____

RIOCAN REAL ESTATE INVESTMENT TRUST, et al,	AND	2455034 ONTARIO LIMITED PARTNERSHIP, et al.	Court File No. CV-25-00744295-00CL
JV Entities		Respondents	

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

APPROVAL ORDER
(Yorkdale Sublease)

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Counsel for FTI Consulting Canada Inc., as Receiver

RIOCAN REAL ESTATE INVESTMENT TRUST, et al,	AND	RIOCAN-HBC LIMITED PARTNERSHIP, et al.
JV Entities		Respondents

Court File No. CV-25-00744295-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST

Proceeding commenced at Toronto

MOTION RECORD
(Yorkdale Sublease)

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Toronto, ON M5K1E7

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James Renihan LSO#: 57553U
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Counsel for FTI Consulting Canada Inc., as Receiver