ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CV-25-00744295-00CL **DATE: 24-JULY-2026**

NO. ON LIST: 3

TITLE OF PROCEEDING: 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; RIOCAN FINANCIAL SERVICES LIMITED v. 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; RIOCAN-HBC (OTTAWA) GP, INC.

BEFORE: JUSTICE KIMMEL

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
Evan Cobb	Counsel for FTI Consulting Canada Inc., as Receiver	evan.cobb@nortonrosefulbright.com
Andrew Harmes	Counsel for Applicants, 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	aharmes@goodmans.ca

For Defendant, Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
Trevor Courtis	Counsel to Bank of Montreal and Desjardins;	tcourtis@mccarthy.ca
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Paul Bishop Jim Robinson	Receiver, FTI Consulting Canada Inc	paul.bishop@fticonsulting.com jim.robinson@fticonsulting.com

ENDORSEMENT OF JUSTICE KIMMEL:

The Receiver's Motion and Background

[1] On May 25, 2026, upon the motion by FTI Consulting Canada Inc., the court- appointed receiver and manager of the assets, properties and undertakings of 2455034 Ontario Limited Partnership ("RC-HBC LP") and 2455034 Ontario Inc. ("RC-HBC GP" and, together with RC-HBC LP, "RC-HBC"), among others (the "Receiver") and by 1242939 B.C. Unlimited Liability Company ("HBC"), the court approved the proposed sale of four properties described (and defined as): the Calgary Real Property, the Devonshire Real Property and the Vancouver Real Property (collectively, the "Transactions") and granted related relief. Approval and vesting orders ("AVOs") were granted on May 25, 2026 in respect of each of these proposed Transactions.

[2] The Receiver now seeks orders:

(a) authorizing and directing the Receiver to make distributions to senior secured creditors (the "Distributions") of the net proceeds of sale of the Ottawa Real Property, the Devonshire Real Property, the Vancouver Real Property and the Calgary Real Property as further described in the Seventh Report of the Receiver dated July 17, 2026 (the "Seventh Report"), subject to such holdbacks and reserves as the Receiver deems appropriate; and

(b) Sealing the Confidential Appendix "I" (the "Confidential Appendix") to the Seventh Report which provides the estimated net sale proceeds from the Calgary Real Property, the sale of which has not yet closed.

[3] Capitalized terms not otherwise defined in this endorsement shall have the meanings ascribed to them in the Receiver's factum filed on this motion.

[4] The Receiver was appointed in respect of a number of real properties of the JV Entities at which Hudson's Bay Company stores operated. Those retail operations ceased shortly following the date of the Receivership Order, and the JV Entities' real property assets were then substantially vacated. A primary objective of these proceedings was the realization upon those JV Entities' real property interests, and the distribution of the proceeds of those realizations in accordance with legal priorities.

[5] The only remaining material assets of the JV Entities are:

(a) the Calgary Real Property and the net proceeds of that property upon completion of its sale (the "Calgary Net Proceeds"), the net proceeds of the Devonshire Real Property (the "Devonshire Net Proceeds"), the net proceeds of the Ottawa Real Property (the "Ottawa Net Proceeds") and the net proceeds of the Vancouver Real Property (the "Vancouver Net Proceeds") (collectively, the "Net Proceeds"); and

(b) a remaining real property asset in Montreal that is currently the subject of a marketing process and a mortgage in favour of the Royal Bank of Canada.

Approval of Proposed Distributions

[6] The Receiver has obtained an independent legal opinion from its counsel with respect to the validity and enforceability of the security interests of the Senior Secured Creditors in the respective property against which their security is registered. Under the previously granted AVOs, the encumbrances held by a Senior Secured Creditor attach to the respective Net Proceeds from the sale of that Senior Secured Creditor's collateral. Each of the Senior Secured Creditors holds a first in time mortgage and charge that was registered against title to the applicable real property. The Receiver has further determined that each of the Senior Secured Creditor is the only pre-filing secured party with an economic interest in their respective collateral and the proceeds thereof.

[7] The senior secured creditors in respect of each of the properties that are the subject of this motion face significant shortfalls in their respective recoveries, based upon the Net Proceeds available from the respective property in which they have an interest. The Receiver recommends that it be authorized to make distributions to these secured creditors in accordance with their legal entitlements, while retaining sufficient reserves to: (i) satisfy foreseeable claims ranking in priority to the Senior Secured Creditor claims (the only known such priorities would be charges granted in these insolvency proceedings); and, (ii) satisfy the estimated remaining costs of these proceedings. The Receiver has provided informed estimates of these reserves and none of the Senior Secured Creditors have raised any objections to them.

[8] It is the Receiver's considered view that distributions at this time will not prejudice any stakeholders in the receivership and will benefit the Senior Secured Creditors whose respective shortfalls continue to grow through the passage of time.

[9] Court approval of interim distributions to secured creditors is consistent with the practice on the Commercial List: see *Kingsett Mortgage Corporation v. Churchill Lands United Inc.* [2024] ONSC 7127 at para. 43. Even in the case of the Calgary Real Property, which Transaction has not yet closed, granting the approval now when the closing is anticipated imminently is an efficient way to proceed, to avoid the delay and expense of a further motion: see *GE Canada Real Estate Financing Business Property Company v. 1262354 Ontario Inc.*, [2014] ONSC 1173 at para. 53.

[10] The distributions are approved.

Receiver's Protections in Proposed Distribution Order

[11] The requested form of Order approving the proposed distributions states that the Receiver will make these distributions: "without personal or corporate liability to any person or entity, including without limitation any governmental body or taxation authority".

[12] The Receiver has outlined in its Seventh Report the justification for granting this added protection, including that:

(a) all taxation authorities in relevant jurisdictions have been provided notice of this motion – they are on the Service List and individuals at those authorities (not generic email inboxes) received the Motion Record, including the Receiver's Seventh Report, its Factum and other material in which the request for this added protection for the Receiver was outlined;

(b) the Receiver has not identified any registered prior ranking claims against the proceeds to be distributed;

(c) the JV Entities have no employees who may assert statutory priority claims for unpaid wages;

(d) the Receiver is not aware of the JV Entities, as real estate holding companies, conducting any business that could result in priority claims under BIA Sections 81.1 (30-day goods), 81.2 (farmers, fishermen, aquaculturists), 81.5 or 81.6 (prescribed pension plans);

(e) the proposed distributions will not be made to parties outside of Canada; and

(f) the Receiver has received no notice of any unpaid sales tax amounts owing by the JV Entities, and all necessary sales tax returns are up to date.

[13] Such an Order provides finality and certainty to the Receiver and to recipients of the proposed Distributions that is desirable the circumstances. The court has had occasion to consider these types of protections in recent cases, noting that: "What this approach does demonstrate is that the court is not adverse to incorporating language into its orders in appropriate circumstances to protect insolvency professionals carrying out court approved distributions that have been found to be appropriate, having regard to the interests and relative priorities, rights and entitlements of all stakeholders": see *One Bloor West Toronto Group (The One) Inc. (Re)*, 2026 ONSC 1678, at para. 41. While this case was decided under the CCAA, similar considerations apply in receivership proceedings as well, and similar orders have been granted in other receivership proceedings (such as in the cases identified in footnote 20 of the Receiver's factum).

[14] What is important for the court to consider when determining whether to exercise its discretion to grant such as order is that there is evidence of the types of potential exposures that it might be relieving the court officer of and evidence that the relevant authorities are on notice of the request for this protection and have not objected to it, all of which is present in this case: there is no suggestion of any known potential liabilities arising from the proposed Distributions and no objections have been raised by the taxation authorities on the Service List.

[15] In the circumstances, as the court found in *One Bloor West* (at para. 54): "[The Receiver] should not face even the prospect of personal liability for not withholding taxes. The court expects and demands a lot of these insolvency professionals and they are entitled to expect and demand protection from personal liability, or even the prospect of a future claim for such, when they are acting in good faith in performing their duties under a court order." I have, accordingly, approved the inclusion of the protective language for the Receiver contained in the proposed Distribution Order.

Sealing Order

[16] The Receiver requests that Confidential Appendix "I" to the Seventh Report remain sealed until the completion of the sale of the Calgary Real Property. That appendix contains confidential information regarding the purchase price for the Calgary Real Property. The Receiver has explained that disclosure of

the purchase price would materially prejudice any remarketing process for the Calgary Real Property in the unlikely event the Court- approved sale transaction does not close.

[17] Sealing of the Calgary Senior Secured Creditor purchase price information until the completion of the sale of the Calgary Real Property or further Order of the Court is necessary to maximize recoveries in these proceedings. There are no alternatives to sealing this confidential information that would appropriately respond to these concerns. The beneficial effects of sealing this information outweigh any detriment to stakeholders and the public. This information would be unsealed upon completion of the Calgary Real Property sale.

[18] I am satisfied that the limited nature and scope of the proposed sealing order is appropriate and satisfies the *Sierra Club of Canada v. Canada (Minister of Finance),* 2002 SCC requirements, as modified by the reformulation of the test in *Sherman Estate v. Donovan*, 2021 SCC 25, at para 38. Preservation of the confidentiality of information in the context of a sale process is recognized as meeting the requirements of the test for sealing court documents in *Sherman Estate v. Donovan*, 2021 SCC 25, at para. 85 when limited to only that material that contains the confidential and sensitive information and only for as long as may be necessary.

[19] Counsel for the Applicants are directed to ensure that the sealed Confidential Appendix I is provided to the court clerk at the filing office in an envelope with a copy of this endorsement and the signed order with the relevant provisions highlighted so that the confidential schedule can be physically sealed. Counsel is further directed to apply, at the appropriate time, for an unsealing order.

Order

[20] The Distribution Order signed by me today may issue.

Kimmel J.

Date: Jul 24, 2026

KIMMEL J.