

## **ENVIRONMENTAL INDEMNITY AGREEMENT**

**(674 Granville Street)**

THIS AGREEMENT is made as of May 31, 2022,

BY:

**RIOCAN-HBC LIMITED PARTNERSHIP**

(hereinafter referred to as the "**Borrower**")

IN FAVOUR OF:

**HSBC BANK CANADA**, as Administrative Agent

(the "**Agent**")

WHEREAS:

- A. pursuant to a credit agreement made as of May 24, 2022, among the Borrower, as borrower, Hudson's Bay Company ULC Compagnie de la Baie d'Hudson SRI, as nominee, the Agent, as Administrative Agent for and on behalf of the Lenders, HSBC Bank Canada, as Sole Lead Arranger, and the financial institutions from time to time parties thereto as lenders, as the same may be amended, restated, supplemented or otherwise modified from time to time the "**Credit Agreement**", the Lenders have agreed to make available the Credit Facility to the Borrower on the terms and subject to the conditions set forth therein;
- B. it is a condition precedent to the Drawdown of the Credit Facility that the Borrower executes this agreement; and
- C. the Borrower wishes to indemnify the Agent and each Lender from any liability which the Agent or any Lender may become subject to before or after repayment of the Credit Facility as a result of any Environmental Law;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the foregoing recitals and the mutual covenants and agreements hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

- 1. In this agreement, unless there is something in the subject matter or text that is inconsistent therewith, all capitalized terms used herein (including in the recitals hereto) but not otherwise defined shall have the meanings ascribed thereto in the Credit Agreement. In addition, the following terms shall have the following meanings:
  - (a) "**Credit Indebtedness**" means the Credit Facility, interest thereon, and all other costs, expenses, fees and amounts owing in connection with the Credit Facility pursuant to the Credit Agreement or the other Loan Documents;
  - (b) "**Indemnified 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 Agent and each Lender), investigations costs (including, without limitation, sampling, testing, analysis and monitoring of soil, water, air, building or other materials) incurred by any Indemnified Party for any claim or cause of action as against such Indemnified Party 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 Substance, 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 Substance and the Property made or given by any Obligor to any of the Indemnified Parties 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 any Hazardous Substance and the ownership, sale, use, operation, development or otherwise of the Property;
- (iv) the failure to comply with any Environmental Law relating to any Hazardous Substance in, on, or around the Property;
- (v) the failure 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

unless such damages, expenses, fines, penalties or costs arise due to the gross negligence or wilful misconduct of an Indemnified Party;

- (c) **"Indemnified Parties"** means, collectively, the Agent, each Lender and their respective parents, subsidiaries and affiliates, assignees, any purchasers, lessees, receivers, receiver-managers, operators, or clean-up crew of the Property at, from or through the Agent or any Lender and the officers, directors, employees, attorneys, agents and representatives of each of them; and **"Indemnified Party"** means any one of them; and

- (d) **“Property”** means the lands and premises legally described in Schedule A hereto, including any improvements thereof or thereon whether or not constructed at the time this agreement is executed and in the case of real property includes the soil, ground water or soil vapour on or under such real property.
2. All of the obligations of the Borrower under this agreement, including any Indemnified Costs incurred by any Indemnified Party, shall be added to the amount of the Credit Indebtedness and secured by the Security and shall bear interest at the rate of interest set out in the Credit Agreement. Notwithstanding any provision of the Credit Agreement, the rights of the Indemnified Parties under this agreement shall not be affected by any provision of the Credit Agreement limiting the recourse of the Agent or the Lenders or limiting the Borrower's liability for the Credit Indebtedness and shall survive: (i) the repayment of the Credit Indebtedness and the discharge and/or release of any Security granted in relation thereto (if the Agent or the Lenders have been in possession or control of the Property at any time or any claim is made against any of the Indemnified Parties); or (ii) the repayment of the Credit Indebtedness and the discharge and/or release of any Security in relation thereto (in the event the Agent, any Lender or a third party becomes owner of the Property upon default of the Borrower).
3. The Borrower indemnifies and holds each of the Indemnified Parties harmless from and against any and all Indemnified Costs of any of the Indemnified Parties.
4. In the event any investigation or monitoring of site conditions or any clean-up, containment, restoration, removal or other remedial work (**“Remedial Work”**) is required (a) under any Environmental Law, (b) in order to comply with any agreement of any Obligor affecting the Property, or (c) to prevent the release of any Hazardous Substance from the Property and otherwise is consistent with the prudent ownership of property of the character of the Property, as a result of the existence of any Hazardous Substance on the Property during or prior to any Obligor's ownership, possession or control thereof, or resulting from any activities on the Property during or prior to any Obligor's ownership, possession or control of the Property which directly or indirectly result in the Property becoming contaminated with any Hazardous Substance, the Borrower shall perform or cause to be performed such Remedial Work. All Remedial Work shall be conducted (i) in a diligent and timely fashion by a licensed environmental engineer, (ii) pursuant to a detailed written plan for the Remedial Work approved by any Governmental Authority with a legal or contractual right to such approval, (iii) with such insurance coverage pertaining to liabilities arising out of the Remedial Work as is then customarily maintained with respect to such activities, and (iv) only following receipt of all permits, required to commence such Remedial Work. In addition, the Borrower shall submit to the Agent and the Lenders promptly upon receipt or preparation, copies of any and all reports, studies, analyses, correspondence, governmental comments or approvals, proposed removal or other Remedial Work contracts and similar information prepared or received by the Borrower or any other Obligor in connection with any Remedial Work or Hazardous Substance relating to the Property. All costs and expenses of such Remedial Work shall be paid by the Borrower, including, without limitation, the charges of the Remedial Work contractors and the consulting environmental engineer, any taxes or penalties assessed in connection with the Remedial Work and the reasonable fees and costs incurred by the Agent and each Lender in connection with monitoring or reviewing such Remedial Work. In the event the Borrower should fail to commence or cause to be commenced such Remedial Work in a timely fashion, or fail diligently to

prosecute to completion such Remedial Work, the Agent or any Lender (following ten (10) days written notice to the Borrower) may, but shall not be required to, cause such Remedial Work to be performed, and all reasonable costs and expenses thereof, or incurred in connection therewith shall be Indemnified Costs.


5. If for purposes of obtaining judgment in any court it becomes necessary to convert any currency due hereunder into any other currency, the Borrower will pay such additional amount, if any, as may be necessary to ensure that the amount paid in respect of such judgment is the amount in such other currency which, when converted, would yield the same amount of the currency due hereunder. Any amount due from the Borrower under this Section will be due as a separate debt and shall not be affected by judgment being obtained for any other sum due under or in respect of this agreement.
6. Upon demand by any Indemnified Party, the Borrower shall defend any investigation, action or proceeding involving any Indemnified Costs which is brought or commenced against such Indemnified Party, all at the Borrower's own cost and by counsel to be approved by such Indemnified Party in the exercise of its reasonable judgment. The Borrower's legal counsel shall control defence of the claim or proceeding, except that no settlement or compromise shall be accepted or entered into which binds an Indemnified Party unless such Indemnified Party has given its prior written consent thereto, which consent will not be unreasonably withheld or delayed. In the alternative, any Indemnified Party may elect to conduct its own defence at the expense of the Borrower.
7. The Borrower shall promptly notify the Agent and the Lenders if the Borrower becomes aware that there may be any Hazardous Substance on the Property or that the Borrower, any other Obligor or the Property may be subject to any investigation by any governmental or other agency under any Environmental Law, and will advise the Agent and the Lenders of its intended response thereto.
8. The Indemnified Parties shall have the right, but not the duty, at any reasonable time on reasonable notice to enter and visit the Property for the purposes of observing the Property, taking property samples, and conducting tests on any part of the Property. In no event shall any site visit or testing by any Indemnified Party be a representation that Hazardous Substances are or are not present in, on or under the Property or that there has been or shall be compliance with any Environmental Law and neither the Borrower, nor any other Obligor nor any other parties shall be entitled to rely on any site visit or testing by any Indemnified Party. The Indemnified Parties owe no duty of care to protect the Borrower, any other Obligor or any other party against, or to inform the Borrower, any other Obligor or any other party of, any Hazardous Substances or any other adverse condition affecting the Property.
9. The Agent or the Lenders may declare the Borrower to be in default under the Credit Agreement and the Security if the Borrower fails to perform any of its obligations under this agreement or purports to revoke this agreement or claim this agreement has become ineffective for any reason.
10. Nothing in this agreement shall be construed to limit any claim or right which any Indemnified Party may otherwise have at any time against the Borrower, any other Obligor or any other party arising from any source other than this agreement.


11. If any Indemnified Party delays in exercising or fails to exercise any right or remedy against the Borrower or any other Obligor, that alone shall not be construed as a waiver of that right or remedy. All remedies of any Indemnified Party against the Borrower or any other Obligor are cumulative.
12. All notices, requests, demands, directions and communications to be made or given hereunder shall be in writing and shall be deemed to have been sufficiently given or served for all purposes when given in accordance with the provisions of the Credit Agreement.
13. Every provision of this agreement is intended to be severable and in the event any part of this agreement is declared to be illegal or invalid, such illegality or invalidity shall not affect the other parts of this agreement which shall remain binding and enforceable.
14. This agreement shall bind and benefit the heirs, executors, administrators, legal representatives, successors and assigns of all of the parties hereto provided, however, that the Borrower may not assign this agreement without the prior written consent of the Agent and the Lenders.
15. Where there is more than one person comprising the Borrower under this agreement then each such person shall be jointly and severally liable under this agreement and the release of any such person shall not in any way be deemed a release of any other such person, and a separate action may be brought and prosecuted against any or all such persons.
16. Time is of the essence in this agreement.
17. This agreement shall be governed by, and construed in accordance with, the laws of the Province of British Columbia.
18. This agreement may be executed in any number of counterparts and delivered by electronic means, 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, and it shall not be necessary in making proof of this agreement to produce or account for more than one such counterpart executed by each party.

***[Signature Page Follows]***

IN WITNESS WHEREOF the undersigned has executed this agreement as of the date first above written.

**RIOCAN-HBC LIMITED PARTNERSHIP**, by its  
general partner, **RIOCAN-HBC GENERAL  
PARTNER INC.**

By:   
Name: Ian Putnam  
Title: Executive Vice President

By:   
Name: Jennifer Bewley  
Title: Treasurer

I / We have the authority to bind the above.

## **SCHEDULE A**

### **Description of the Property**

**Municipal Address:** 674 Granville Street, Vancouver, British Columbia

**Legal Description:** Parcel Identifier: 011-168-803 Parcel "B", Except Parts on Reference Plan 2608, Block 43 District Lot 541 Group 1 New Westminster District Plan 5428