Court File No. CV-25-00738613-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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.

Applicants

RESPONDING FACTUM OF PRIMARIS MANAGEMENT INC. ("PRIMARIS") AND QUADREAL PROPERTY GROUP ("QUADREAL")

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TO: **THE SERVICE LIST**

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PART I – OVERVIEW

1. Primaris and QuadReal oppose the Applicants' ("**HBC**") motion for an order under section 11.3 of the *Companies' Creditors Arrangement Act* ("**CCAA**") approving the assignment of leases ("**Leases**") to Ruby Liu Commercial Investment Corp. ("**PurchaserCo**") relating to a May 23rd, 2025 asset purchase agreement ("**APA**").

2. The Court faces an unprecedented situation: it is being asked to override the Monitor's support for terminating the APA expressed on 3 separate occasions, and to ignore the near unanimous, detailed, and credible opposition of 24 out of 25 landlords to the proposed lease assignments. The landlords' objections are based on unchallenged expert evidence showing that the proposed assignee—a flawed start-up with no retail experience—lacks the financial resources and operational capacity to assume the leases.

3. The Court would also have to overlook what the Monitor describes as "credible and reasonable concerns raised with respect Ms. Liu's conduct", which includes misleading or

otherwise failing to provide accurate information to the Court and stakeholders.[1] Despite PurchaserCo knowing it needs to put its best foot forward to secure either: (a) landlord consent; or (b) Court approval of the proposed lease assignments, PurchaserCo, through its owner and guiding mind Ruby Liu ("**Liu**"), engaged in the following conduct:

(a) Improperly sent *ex parte* communications to the Court twice despite clear warnings from professional advisors;

(b) Failed to take the most basic and necessary steps to advance the transaction prompting HBC to threaten, and the Monitor on three occasions to endorse termination of the APA;

(c) Hired former HBC President, Wayne Drummond, on an hourly basis to attend landlord meetings and falsely touted him as an active executive of PurchaserCo, after which he issued a cease-and-desist over Liu's repeated misrepresentations;

(d) Ended engagements with at least two major law firms and KPMG within months;

(e) Misrepresented in its Business Plan that it would rely on J2 for merchandising, warehousing, and distribution, but later admitted under cross-examination that it will not and has no substitute; and

(f) Claimed the June 6th, 2025 landlord consent letter was sent without Liu's knowledge and that she did not see it until her cross-examination,[2] which if true, means it provided landlords with no written business plan until compelled by Court order, and then only on the last permissible day.

4. Throughout this process, PurchaserCo fractured business relationships and ignored its advisors' recommendations, confirming landlords' serious doubts about PurchaserCo's suitability as a tenant and its capacity to honour the leases.

[1] Monitor's Eighth Report at para. 6.45(d).
[2] Liu Transcript at p. 103-107.

5. Approving this assignment would set an unacceptable precedent for landlords. If landlords cannot rely on the protections in section 11.3 of the *CCAA* to limit assignments to appropriate tenants, pre-insolvency lease terminations for monetary and non-monetary defaults will surge. Landlords will have little choice but to terminate leases at the first sign of default, rather than risk being forced into an unsuitable tenancy, undermining the cooperative spirit that has characterized landlord-tenant relations, especially since the COVID-19 pandemic.

6. HBC cannot meet their burden under section 11.3 of the *CCAA* for the Court to exercise its extraordinary powers to force the assignment of leases.

7. Primaris and QuadReal adopt the other landlords' factum submissions. This factum will address PurchaserCo's inability to meet the criteria under sections 11.3(3) (b) and (c) of the *CCAA* by reason of PurchaserCo's: (a) unrealistic renovation timeline; (b) unrealistic renovation budget; (c) intention to seek lease amendments despite assignment being "as is where is"; (d) inability to comply with lease use clauses; and (e) inability to comply with continuous-operation covenants.

PART II – STATEMENT OF ISSUES AND ARGUMENT

A. PurchaserCo's Entirely Unrealistic Timeline to "Transform" Former Bay Stores

8. PurchaserCo's Business Plan is premised on operating three categories of stores: Standard, Platinum and Flagship.[3] A key assumption of the Business Plan is that the Standard and Platinum stores open within 6 months, and 12 months for Flagship stores.[4]

[3] Liu Transcript at p. 125.

[4] Although evidence is inconsistent about whether that includes permits. See for example, Business Plan at p.29, compared to paragraphs 42, 47, and 55 (e) of the Ruby Liu Affidavit as well as pages 12, 18 and 26 of the Business Plan, suggest the time runs from lease assignment.

9. Within that time, PurchaserCo's plan involves concurrently renovating 28 department stores and transforming each into "exquisitely designed spaces",[5] which Liu wants to be even nicer than depicted in the Business Plan:[6]

B. Bay Stores Are in Poor Condition from Years of Neglect

10. For years, HBC neglected its stores by failing to perform required work because it lacked funds for even basic repairs.[7] HBC acknowledges landlords repeatedly asked HBC to address repairs.[8] Deteriorating exterior masonry at CF Markville typifies the overall condition of stores:[9]

[5] Lui Transcript at p. 124.
[6] Liu Transcript at p. 125.
[7] Ampas Transcript at p. 28 and 51.
[8] Perugini Affidavit at para. 71.
[9] MacLeod Affidavit at para. 118(e).

11. Equipment servicing the stores (HVAC, vertical transportation, etc.) is for the most part past its expected useful life, and in many cases in critical disrepair or non-functional. For example, Southgate Centre's original elevators are from 1969, and the escalators are from 1981[10] - neither are operational.[11] The escalators at Southcentre Mall were installed in 1974. Replacement components are no longer manufactured and custom parts require lead times of four months.[12] Air handling units (AHUs) at CF Sherway Gardens are over 54 years old.[13]

12. Professional engineering firms' building condition assessment reports ("**BCA**") and internal landlord estimates identify short-term repairs (within two years) will cost $125–$180 million, reflecting HBC's failure to perform routine maintenance and replace end-of-life systems.[14]

C. Business Plan is Premised on Timelines and Milestones that are Unattainable

13. To prepare each store for opening, PurchaserCo must: (1) hire interior designers or architects to develop concept and detailed plans, (2) engage contractors, (3) secure permits and satisfy regulatory requirements, (4) source construction and FF&E materials, and finally (5) complete the work.[15]

14. Despite the tremendous amount of work ahead, PurchaserCo has no finalized designs, floor plans, or quotes from construction companies, and has retained no general contractors, subtrades, architects or designers for 28 concurrent major department store renovations.[16] HBC's assessment is that PurchaserCo will need at least 4 designers and 10 contractors.[17]

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[10] Sullivan Affidavit, Exhibit "W" at p. 31-35.
[11] Sullivan Transcript at p. 20, 26, 30.
[12] See the unchallenged evidence in the Affidavit of Nadia Corrado (Oxford) at Exhibit "R".
[13] Ampas Cross-Examination Exhibit 6, CF Sherway Building Condition Assessment at p.1.2 (Brief of Transcripts, p. 1898).
[14] Schedule "C" of Factum; Also see Appendix "J" of E&Y Report that provides a partial summary.
[15] MacLeod Affidavit at para. 95-102. E&Y Report at para 71 – and see MacLeod Affidavit at para 98.
[16] Zalev Transcript at p. 137, q. 558-564 and 567-568.
[17] Perugini Affidavit at para. 74.

15. Leases require delivery of complete technical drawings to the landlords before commencing any work. Based on landlord experience for large-format stores, the first stage alone, engaging architectural and design firms, examining options, preparing drafts, and finalizing plans/drawings requires a minimum 4 to 6 months, and the entire design process can require more than a year.[18]

16. After obtaining finalized designs and landlord approval, municipal review typically adds a minimum of 8 to 12 weeks for building permits, with frequent delays in major urban centres.[19] Given the well publicized deficiencies, locations will receive scrutiny from municipal officials.[20]

17. PurchaserCo's building permit applications will in turn obligate it to upgrade all life safety systems to current building code standards. These upgrades typically trigger further requirements such as bringing electrical panels, generators, and backup systems up to code and addressing environmental issues like asbestos in floor tiles, drywall plaster, utility system insulation, and roof insulation.[21] The full extent of the code-related repair and replacement obligations will depend on PurchaserCo's scope of work.

18. Lead time can be significant. Estimates based on current market conditions are:

(a) To order parts to repair vertical transportation and install → six to eleven weeks;

(b) To order and replace vertical transportation and install → eight to ten weeks for shop drawings, 18-20 weeks for fabrication, plus 4 weeks for installation;

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[18] MacLeod Affidavit at para. 101.(b).
[19] MacLeod Affidavit at para. 101(c).
[20] Sullivan Affidavit at para. 73.
[21] Sullivan Affidavit at para. 61.

(c) To order and install HVAC units → Basic units off the shelf are six to eight weeks; Custom units are 16-20 weeks; plus three to four weeks for install;

(d) To order and install an electrical panel → Panel only no new service 12-16 weeks, plus three weeks to install. Complete new switchgear and components 40-60 weeks;

(e) To prepare, order materials and replace a roof → Shop drawings three weeks; material 4 weeks, installation six to eight weeks; and

(f) Typical environmental abatement program → 12-16 weeks.[22]

19. Unlike established operators, who typically build in planning lead time when rolling out new stores, PurchaserCo's Business Plan allows no such lead time,[23] yet PurchaserCo's "Timelines and Milestones" requirements for Month 1 (i.e. September 2025), include submitting design packages to landlords for approval, permit applications, and beginning renovations/leasehold improvements. The schedule contemplates the renovation/leasehold improvements to be underway and "continuing" by Month 2, and complete by Months 4 & 5.[24] Objectively, this is impossible when starting from scratch.

(i) Construction Timelines Compared to Other Benchmarks

20. The landlords' expert, Sharon Hamilton of Ernst & Young ("**E&Y**"), reviewed opening timelines for comparable Canadian department stores—Target, Nordstrom, Saks, and Simons—and determined that each opened roughly two years after securing a lease or announcing the plans (Target 26+ months, Nordstrom 24 months, Saks 26 months, Simons 22 months).[25]

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[22] Sullivan Affidavit at paras. 56, 59-60, 72(d).
[23] Hamilton Transcript at p. 68-69, q. 228.
[24] Business Plan at p. 18.
[25] E&Y Report at para. 73.

21. The Applicants and PurchaserCo. provided no comparable benchmarks that are consistent with their proposed timelines.

22. E&Y concludes that the Business Plan does not support PurchaserCo being able to meet the stated timeline, and it is likely unrealistic. E&Y notes that preparing detailed plans and obtaining permits alone will take PurchaserCo beyond six months. [26]

(ii) No Progress in Three Months at PurchaserCo's 3 Locations

23. PurchaserCo has not started any repair/renovation work on the 3 stores in Central Walk shopping centres despite knowing since at least May 2025 that it would acquire those leases because those shopping centres are within Liu's control.[27]

24. PurchaserCo's inaction is consistent with its conduct following signing the APA, including failing "to take the most basic and necessary steps to advance its bid", resulting in HBC's threat to terminate the APA, which termination the Monitor has consistently supported.[28]

(iii) Total reliance on Ampas Evidence for its Assessment of Reasonableness

25. PurchaserCo's renovation scope of work is based on information from Reflect and HBC.[29]

26. With respect to HBC information, PurchaserCo relies upon the evidence of Mr. Perugini and Mr. Ampas, who have been put forward by PurchaserCo and HBC to assess the viability of construction timelines and budget. However, the evidence about the feasibility of PurchaserCo's construction timeline and budget ultimately all flows back to Mr. Ampas.

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[26] E&Y Report at para. 74 and Hamilton transcript at p. 61, q. 210.
[27] Liu Transcript at p. 160.
[28] Camacho Affidavit, Exhibit "C", July 5th, 2025 Stikeman Elliot LLP letter; Monitor's Eight Report at para.3.12.
[29] Liu Affidavit at paras. 40-41.

27. Mr. Perugini acknowledges he has no firsthand knowledge of whether $120 million is sufficient for all repairs. He relied entirely on Mr. Ampas for that assessment.[30]

28. Adam Zalev acknowledges that Reflect has no construction expertise and that Reflect is wholly reliant on Mr. Ampas for whether the budget is adequate for the 25 stores.[31]

29. Despite all roads leading back to Mr. Ampas, his actual involvement in the Business Plan and construction budget/timeline is minimal. He did not even see the final Business Plan until after the motion was served. Before that, he briefly saw a "very premature draft", but provided no comments on it.[32]

30. Mr. Ampas' assessment standard[33] is based on a condition to allow stores to open.[34] It does not align with PurchaserCo's plans to transform stores into "exquisitely designed spaces".

31. The only document Mr. Ampas reviewed and commented on was a single page store renovation analysis spreadsheet ("**Renovation Spreadsheet**"). Mr. Ampas received it (July 23rd, 2025) from Mr. Perugini, who in turn received it through Reflect.[35] Mr. Ampas reviewed it "quickly".[36] He did not see, nor did he ask to see, underlying documents. He does not even know whether the Renovation Spreadsheet was based on quotes and he made no inquiries.[37]

32. PurchaserCo contacted Mr. Ampas on Friday July 25th, 2025 (the day the Business Plan was due) asking to include his name on PurchaserCo's "org chart" as a key executive. That day, Mr. Ampas had a single, 1-hour conversation with Mr. Zhao and Ms. Wang of PurchaserCo.[38]

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30 Perugini Transcript at p.93, q. 344-345.
31 Zalev Transcript at p.136, q.556; p. 138, q. 565-566; p. 139; p. 570-571.
32 Ampas Transcript at p. 56-59.
33 Ampas Affidavit at para. 29."reasonably achievable, subject to mitigating ordinary course execution risks".
34 Ampas Transcript at p. 95.
35 Ampas Transcript at p. 23.
36 Ampas Transcript at p. 46.
37 Ampas Transcript at p. 46, 24 and 30-31.
38 Ampas Transcript at p. 94-95 and 31.

33. Mr. Ampas did not ask whether there was supporting information for the sums in the Renovation Spreadsheet, although he testified that he would need detailed reports to assess whether item costs are reasonable. Mr. Ampas made no inquiries whether the author of the Renovation Spreadsheet attended any stores or how it was developed. He simply assumed it was prepared by people who had some knowledge and experience.[39]

34. When asked, Mr. Ampas and Mr. Zalev both admitted that they made no inquiries into HBC's Saks renovation—a project comparable to PurchaserCo's planned luxury upgrade—to assess the Renovation Spreadsheet's reasonableness.[40]

D. Insufficient Funds Allocated for Costs to Repair, Replace and Fixture the Stores

35. On June 25th, 2025, PurchaserCo sent an unsolicited email to some landlords representing to them that PurchaserCo intended to spend approximately $30 million on up to 8 Flagship stores with projected total renovation costs of approximately $300 million.[41]

36. One month later, Liu told the Court that the "key components" of PurchaserCo's Business Plan include a $120 million renovation budget (actually $117.7 million) and the schedule for reopening all stores.[42] The only record substantiating the proposed renovation budget is the single page Renovation Spreadsheet, which was omitted from the Business Plan as well as HBC's and PurchaserCo's initial Motion Records.[43] There is also no explanation for why the $300 million represented by PurchaserCo, became $120 million in the Business Plan.

37. The $117.7 million construction budget is $4.7 million per store or $30.60 per square foot.

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[39] Ampas Transcript at p. 30-31; 39-41; 46; and 64.
[40] Ampas Transcript at p.101-102; Zalev Transcript at p. 135-136.
[41] MacLeod Affidavit at paras. 74-75 and Exhibit "S"; and Sullivan Affidavit at para. 27 and Exhibit "C".
[42] Liu Affidavit at para. 29(iii) and (vii).
[43] The Renovation Budget was produced in response to landlord request for documents after receiving the Motion Record and in PurchaserCo's Reply Motion Record.

38. Comparable spending benchmarks by other Canadian department store retailers between 2011 and 2024 ranged from $10.9 million to $37.5 million per store, and between $87 per square foot (Target beginning in 2011) to $329 per square foot (Simons 2024).[44] Based on Liu's statements and the description in the Business Plan of "beautiful designed spaces that blend tech-enhancements with interactive design", the level of finishes would be closer to Simons than Target. Further, labour and material costs are considerably higher due to inflation, which is conceded by HBC.[45]

39. The Renovation Spreadsheet is further deficient because it does not include any estimate for design costs that can be significant.[46] Nor does it account for demolition or remediation costs.

40. Based on landlords' experience, department store tenants' buildouts typically range between $200 to $400 per square foot.[47] Using figures around the low end, $150/$200/$250 per square foot, would increase PurchaserCo's cost to approximately $577/$769/$844 million.[48]

41. Reflect/Zalev have no idea whether $31 per square foot is a reasonable budget or not.[49]

42. There is also no evidence that costs to renovate the stores in their current condition, which would include at least some demolition, would be less expensive than starting from base building condition, as tenants typically prefer to receive the premises before beginning construction. Demolition costs alone are typically between $30-$50 per square foot, which is more than PurchaserCo is currently planning to invest in the stores.[50]

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[44] E&Y Report at para. 85.
[45] E&Y Report at paras. 81(a) and 84, and Ampas Transcript at p. 90.
[46] E&Y Report at para. 80.
[47] MacLeod Affidavit at para. 135; Sullivan Affidavit at para. 48; Corrado Affidavit at para. 113.
[48] E&Y Report at para. 89.
[49] Zalev Transcript at p.136, q. 556.
[50] MacLeod Affidavit at para.190.

(i) PurchaserCo's Construction Budget Compared to HBC's Projects

43. Two of the HBC renovation projects that it refers to in support of the motion are the Oakridge Project and a limited renovation at a Medicine Hat store.

44. The Oakridge Project was a planned build-out of a newly constructed store that did not ultimately proceed, but would have involved a budget for tenant work of over $142 per square foot, which Mr. Ampas equated to approximately $171 per square foot in 2024 dollars.[51]

45. The Medicine Hat store renovation budget was $43 per square foot in 2019 (excluding FF&E),[52] which would be $54 per square foot with inflation. Mr. Ampas acknowledged that 80% of the budget was allocated to necessary repairs and abatement needed just to stay open.[53] The result was nothing like the "exquisite" design called for in the Business Plan as can be seen below:

Medicine Hat store post-renovation

Image from the Business Plan

[51] Ampas Affidavit at para. 21 and Ampas Transcript at p. 79 and 91.
[52] Ampas Reply Affidavit at para. 6.
[53] Ampas Affidavit at para. 21 and Ampas Transcript at p. 90, 76 and 87.

(ii) Remediation and Repair Alone Will Exhaust PurchaserCo's Entire Budget

46. Landlords engaged qualified professional engineering consultants (Pinchin, Whalen Building Assessment Services and RJC Engineers) to conduct BCAs of the stores and provided internal repair estimates. The BCAs contain detailed summaries of inspections and photographs of the stores and equipment showing significant problems consistent with HBC and landlord evidence of non-repair. The cost estimates in the BCAs and internal estimates include requirements for immediate/short term (up to year 2) anticipated repair and equipment replacement costs (not including PurchaserCo's cost to fixture the stores) of between approximately $125 million and $180 million. Beyond year 2, the BCAs conclude that the stores will require an additional $20 million to $40 million in building condition repairs and equipment replacement. A summary of the BCA costs and landlord estimates is appended as Schedule "C".

47. PurchaserCo's budget should always exceed the BCA costs because the BCAs focuses on building envelope and equipment issues (roof, HVAC, mechanical), whereas PurchaserCo's budget must include all those items plus the aesthetic/fixturing categories. Of the 16 categories in PurchaserCo's budget, only 4 overlap with the BCAs, so they are not comparable.[54]

48. PurchaserCo's renovation will also likely trigger hazardous material abatement obligations (not within the scope of the BCAs) due to likely disturbance of asbestos/designated substances (pipe wrap, vinyl tiles, wall and ceiling material, etc.).[55] Preliminary estimates for hazardous materials remediation on Primaris' five locations alone are an additional $30.1 million.[56]

49. Although PurchaserCo possessed the same information about its buildings as any landlord, it significantly underestimated the disrepair at its Woodgrove and Mayfair stores, resulting in PurchaserCo obtaining an $8 million price reduction for those leases from HBC even

[54] Corrado Transcript at p. 28-29.
[55] Sullivan Affidavit at para. 61.
[56] Sullivan Affidavit at paras. 54,102, 114, 123,133, 144 and Exhibits "L", "P", "T", "X", "AA".

though repairs are now projected to be $10 million or more.[57] That is just a fraction of the cost for those stores, as capital expenditure on those two locations alone is projected to cost $30 million.[58]

50. Mayfair and Woodgrove are average sized Bay stores. Even applying the $5 million cost to address excessive building condition repair and equipment replacement requirements across the 24 stores, would amount to at least $120 million. This is consistent with the BCAs/estimates and would consume PurchaserCo's entire renovation budget.

E. A Realistic Construction Budget or Timeline would Undermine the Business Plan

51. The landlords rely on renovation cost projections from: BCA's; Liu's public statements; PurchaserCo's email to landlords; prior Canadian retailer benchmarks; HBC's own renovations; Central Walk locations' capital budgets; and landlords' own experience in these same shopping centres. On each of these metrics PurchaserCo does not have enough money. PurchaserCo relies on nothing but a single page Renovation Spreadsheet with no assumptions or verifications, except a 1-hour meeting.

52. PurchaserCo's $120 million store renovation budget and schedule for opening all locations are "key components" to its Business Plan's viability. However, the short-term repair costs will exhaust the entire budget, leaving nothing for fixturing/aesthetic improvements.[59]

53. PurchaserCo's financial forecast fails to account for the extra $4.7 million per month rent payments while store openings are inevitably delayed compared to the Business Plan. It also does not anticipate higher renovation, repair and replacement costs consistent with the BCAs.[60]

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[57] Liu Transcript at p. 157-160.
[58] Corrado Affidavit at para. 128(d).
[59] E&Y Report at para. 82(a) and Appendix E.
[60] Zalev Transcript at p. 151, q.621-623.

54. As identified by the Monitor, failing to achieve the assumptions in the Business Plan, in particular store repairs, replacements and renovations will have a compounding effect to derail PurchaserCo, which risks are particularly relevant given the proposed 6-month timeline for opening the majority of stores.[61]

55. While PurchaserCo purports to have a $31 million liquidity buffer in its business plan, Mr. Zalev agreed that even an extra $10 per square foot would destroy that buffer,[62] if it has not already been used for land transfer taxes estimated at approximately $10 million,[63] or corporate head office rent[64] that Mr. Zalev acknowledged were omitted from the financial forecasts.

56. PurchaserCo's failure to adequately budget the time and cost of necessary renovations will also lead to breaches of operating covenants and repair and maintenance covenants.

F. PurchaserCo's "Bait and Switch" – "As Is, Where Is", Until it Gets Control

57. PurchaserCo's Business Plan includes a "Commitment to Landlords" that it will assume every lease "as-is, where-is" without seeking modifications,[65] yet Liu testified that, for at least the Flagship stores, she plans to seek landlord consent and negotiate additional agreements.[66]

58. In her *ex parte* submission, Liu also stated that she intends to seek lease amendments, contradicting the "Commitment to Landlords".[67] Landlords have been resoundingly clear – they will not negotiate any amendments to the existing leases with PurchaserCo.

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[61] Monitor's Eighth Report at para. 5.5.
[62] Zalev Transcript at p. 158, q. 645.
[63] Zalev Transcript at p. 127-128,151-152, q. 514-515, 624, 625 and E&Y Report.
[64] Zalev Transcript at p.130- 134, q.523-541 and E&Y Report.
[65] Business Plan at p.9
[66] Liu Transcript at p. 137.
[67] July 10th, 2025 email to Court

59. PurchaserCo's real intentions do not appear in the Business Plan disclosed on July 29th, 2025 because Liu was coached to conceal her true intentions, and specifically "not raise any reasonable Landlord concerns relating to your obligation to comply with the lease terms".[68]

60. Although the Monitor accepts Liu's claim that she proposed non-compliant plans before finishing due diligence,[69] the evidence shows continued representations after her due diligence.

61. By April 30th, 2025, PurchaserCo completed whatever due diligence it required on the leases' use provisions, as shown by its request for extensive amendments sought to subsection 2.2 of the Asset Purchase Agreement redline, which was its final qualified bid in the process.[70]

62. PurchaserCo's Supplemental Materials filed with its bid, say "Stores will bring independent retailers to the store concept through subrental or joint operations arrangements. At this stage, the Purchaser does not intend to manage merchandise or operate distribution centres, as these activities will be undertaken by the individual retailers."[71] PurchaserCo planned to "handover" units to retailers[72] and have "percentage rent arrangement" with them.[73] Those "mall within a mall" statements are consistent with PurchaserCo's pamphlet it provided on May 26th, 2025, describing a plan to use the stores for only 35% retail[74] and subsequent statements in the media.[75]

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[68] Letter from Stikeman dated May 29th, 2025.
[69] Monitor's Eighth Report at para. 6.40 (g); and Liu Reply Affidavit at para. 30(a).
[70] Subsection 2.2 of APA redline attached to April 30th, 2025 letter of Cory Sherman, Exhibit "A" of Cross-examination of Franco Perugini.
[71] Supplemental materials dated May 1st, 2025 ("**Supplemental Materials**") at p.18, Liu Cross-Examination at Exhibit 17.
[72] Supplemental Materials at p. 25-26, Liu Cross-Examination at Exhibit 17.
[73] Supplemental Materials at p .24, Liu Cross-Examination at Exhibit 17.
[74] Paola Affidavit at para. 61 and Exhibit "G", Ivanhoe Cambridge Motion Record at p. 163. The balance of the stores would be social dining, food court, specialty eateries (20%), boutique life & service, grocery store, "Michelin restaurants", pharmacy, dentist, etc. (25%), Technology & application (10%), pet friendly, including veterinary hospital, grooming and pet daycare (5%) and entertainment, VR gaming zone, children's playland, sports and fitness and senior friendly digital arcade (5%).
[75] Sullivan Affidavit at para. 32, Exhibit "D", June 18th, 2025 Toronto Star Article.

63. PurchaserCo is critical of every aspect of the Bay's operations,[76] and as a result, its Business Plan based on selling the same "stale" merchandise from HBC's legacy brands in the same manner, while providing an inadequate renovation budget, is not a credible business plan.

G. Breach of Use Clause

64. Scott R. Lee, a Managing Director at Revesco Properties Ltd. with over 35 years of specialized commercial leasing experience, including senior leadership roles at prominent firms such as JLL Canada, provided context about the use clauses for shopping centre anchor tenants.

65. A use clause is a contractual provision within a lease agreement that defines the type of business a tenant is permitted to operate and the nature of goods or services it may offer from the leased premises. It governs what the tenant can and cannot do within the space. In enclosed shopping centres, use clauses are a strategic leasing tool and are an essential component of a lease. They are fundamental to preserving a deliberate and balanced tenant mix that aligns with the landlord's merchandising strategy, supports complementary co-tenancies, and delivers a curated shopping experience for consumers. Use clauses also help avoid tenant conflicts and ensure that the centre remains commercially vibrant and relevant.[77]

66. All of the leases contain permitted use restrictions requiring the tenant to operate a department store.[78] Some require the tenant to operate as a "major department store" or "first-class department store". Many also require the tenant to operate under the name "The Bay".

67. Many leases contain "comparable operation" clauses that oblige the tenant to run the premises as it operates its other stores in the jurisdiction or at the standard of a national department store such as Sears, Eaton's or HBC. These clauses presume the tenant already

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[76] Liu Transcript at p. 101-102.
[77] Scott Lee Report at p. 11.
[78] Perugini Affidavit at para. 47.

operates successful department stores, enjoys broad brand recognition, and offers a uniform customer experience.[79] They imply the tenant must have consistent branding, advertising, and store layouts across the jurisdiction,[80] which are requirements that only an established national or international retailer – not an evolving startup concept – can meet.

68. HBC's leases are unique "anchor tenant" leases. Identity and brand recognition are primary factors in evaluating an anchor tenant.[81] Without consumer familiarity, emotional connection, or a proven track record, "Ruby Liu" is only a concept. In a retail environment where trust, loyalty, and reputation take years to establish, PurchaserCo is starting from zero.[82]

69. Mr. Lee's report makes it clear that brand recognition and consistency across a tenant's various stores—especially for retail department store anchor tenants—is a fundamental expectation in the retail and shopping centre industry. It is essential for maintaining brand equity, attracting customers, supporting co-tenancy, and upholding the value and reputation of the shopping centre as a whole.[83]

70. PurchaserCo has no brand recognition, no customer awareness, and no real merchandising strategy. The business concepts at its three Central Walk stores—featuring restaurants, food courts, playlands, arcades, and grocery stores—would differ significantly from the 24 other locations. This inconsistency undermines a unified brand identity and prevents a predictable customer experience across all sites.

71. As the Monitor's Eighth Report correctly identifies, without: (i) a track record of retail operations, and without the firm commitment of a team with that experience; and (ii) a

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[79] Macleod Affidavit at para. 156-157.
[80] Scott Lee Report at p. 20.
[81] Scott Lee Report at p. 2, 8, and 20.
[82] Scott Lee Report at p.41.
[83] Scott Lee Report at p. 3, 18, 20, 30.

demonstrated inventory procurement plan, the Monitor is concerned that PurchaserCo will be unable to execute on the Business Plan and thereby comply with the use clauses.[84]

72. PurchaserCo itself acknowledges that it will require amendments to the permitted use clauses for its Flagship stores (for example, intended grocery use).[85] In other words, PurchaserCo admits it does not intend to comply with existing permitted use clauses for those leases.

H. Breach of Continuous Operating Covenants

73. The majority of the leases include continuous operating clauses that restrict the tenant's ability to stop operating.[86]

74. Continuous operating clauses are critical to landlords because they ensure that anchor or major retail tenants remain open and actively operating, which is critical for maintaining customer traffic, supporting the overall tenant mix, and preserving the financial health and value of the shopping centre. If a tenant ceases operations or "goes dark" it can lead to a significant decline in foot traffic, negatively impact the sales and success of other tenants, trigger co-tenancy rent reductions, and ultimately reduce the landlord's rental income and the value of the property.[87]

75. The continuous operating clauses in the Southgate Centre and Oshawa Centre leases demonstrate the importance of such provisions to shopping centre landlords:

> ***Continuous Operations*** **Tenant acknowledges** that it forms part of an over-all merchandising mix designed to enhance the character, quality, image and reputation of the Shopping Centre, and **that its continuous operation of the Premises is essential to Landlord to maintain that character, quality, image, nature and reputation and to facilitate the leasing of vacant space and renewing leases of existing tenants**. Tenant therefore, provided the Landlord is operating the Shopping Centre in accordance with this Lease in all material respects, covenants and agrees that **throughout the Term it will continuously occupy and operate in the entire Premises**, comply strictly with the provisions of Article 5.02 and not vacate or abandon the Premises at any time during the Term. **Tenant acknowledges that Landlord is executing this Lease in reliance thereupon and that the same is a material element inducing Landlord to execute this Lease. Tenant**

[84] Monitor's Eighth report at para. 6.40(f).
[85] Liu Transcript at p. 137.
[86] Perugini Affidavit at para. 47.
[87] Warnaar Affidavit at para. 21; Scott Lee Report at p. 4.

> **further agrees that** if it vacates or abandons the Premises or **it fails to so conduct its business therein, or uses or permits or suffers the use of the Premises for any purpose not specifically herein authorized and allowed, Tenant will be in breach of Tenant's obligations under this Lease and shall have caused Landlord a grave and serious prejudice**, and then, without constituting a waiver of Tenant's obligations or limiting Landlord's remedies under this Lease and at law, all Rent reserved in this Lease will immediately become due and payable to Landlord unless guaranteed to the satisfaction of Landlord. Landlord will have the right, without prejudice to any other rights which it may have under this Lease or at law, to obtain an injunction requiring Tenant to comply with the provisions of this Article 5.03.[emphasis added][88]

76. HBC acknowledges that absent landlord consent, PurchaserCo will not be able to comply with the continuous use requirement.[89] The Business Plan contemplates closing stores post-assignment for between 6 and 12 months for renovations, although the evidence suggests those timelines will require doubling or more.

77. As a result, if a forced lease assignment is ordered, PurchaserCo would immediately be in default of the continuous operating clauses under the leases.

I. HBC's Misleading Assertion that QuadReal did not Take a Meeting with PurchaserCo.

78. In HBC's factum at paragraph 123, it asserts that QuadReal "did not even take a meeting with the Purchaser despite repeated requests". This is misleading.

79. QuadReal offered to meet with PurchaserCo, but was unavailable during the week of June 2nd. On May 27th, 2025, Chrystal Burns told Mr. Freedman, "We do want to learn more about the details of her bid…", and said they would arrange a call. The next day, May 28th, 2025, Jay Camacho from QuadReal asked Mr. Freedman for meeting dates/times during the week of June 9th. Rather than provide dates, Mr. Freedman replied on June 4th—knowing Mr. Camacho was away—and asked when QuadReal was available.[90] QuadReal received PurchaserCo's request for consent 2 days later and, on June 13th, 2025, QuadReal wrote with a degree of specificity

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[88] Southgate Centre Lease at 5.03;Oshawa Centre Lease at 5.03; Sullivan Affidavit at paras. 119 and 19.
[89] Perugini Affidavit at para. 91.
[90] Exhibit 2 of Cross-Examination of Jay Camacho.

explaining why based on the information in hand it would not consent to the assignment. PurchaserCo never answered QuadReal's letter or requested another meeting.[91]

80. As PurchaserCo was seeking QuadReal's consent, one would expect it to take the initiative if it wanted to have a meeting. Liu refers to the efforts she made to meet with Cadillac Fairview, including attending at their offices on her own initiative.[92] No such efforts were made to meet with QuadReal, and QuadReal received no communication directly from Liu.

J. Unchallenged evidence of prejudice for both Primaris and QuadReal

81. Primaris and QuadReal submitted uncontradicted evidence showing that placing an unproven retailer with no track record in the anchor space would harm their shopping centres materially more than leaving the space vacant. A weak operator with no brand recognition would depress the value of adjacent units, hinder leasing, and damage surrounding retailers. Consequently, assigning the leases to PurchaserCo would inflict long-term losses that far outweigh PurchaserCo's short-term payment of rent and a modest renovation budget.[93]

K. IC Lease Clauses

82. Primaris adopts and relies on the submission of Ivanhoe Cambridge in respect of the declaratory relief sought with respect to the Southgate Centre and Oshawa Centre "IC Leases".

L. Conclusion – The Test Under Section 11.3 of the CCAA is Not Satisfied

83. The Monitor indicated support for requests to terminate the APA 3 times,[94] demonstrating that the APA is neither vital nor critical to the restructuring. HBC itself considered terminating the APA and has not credibly shown that PurchaserCo can now meet the lease obligations or that

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[91] Affidavit of Jay Camacho at paras. 22-27 and Exhibit "B".
[92] Liu Affidavit at para. 23.
[93] Sullivan Affidavit at para. 179, 182, 188; Camacho Affidavit at para. 87, 88, 95, 96.
[94] See Monitor's Eighth Report at paras. 3.12, 10.1; Monitor's Sixth Report in response to FILO Motion.

the proposed assignments are appropriate. HBC has not met its burden under section 11.3 of the *CCAA*.

84. HBC and Pathlight wrongly cast the landlords' objections as self-interested attempts to escape development restrictions, yet the evidence contradicts that characterization. Several objecting leases contain no such restrictions.

85. QuadReal represents public pension funds, and so does roughly half of Primaris' investors, the balance of which are mainly retirees who rely on consistent income. Other landlords have similar stakeholders. Shifting Pathlight's losses to the landlords—and, by extension, to Canadian pensioners—would be inequitable and unreasonable. Pathlight, a sophisticated lender, assessed the credit risk, renegotiated its loans on the eve of HBC's insolvency, and selected the advisors steering this process; it should bear the consequences of those decisions.

PART V – ORDER REQUESTED

86. Primaris and QuadReal seek an order dismissing HBC's forced lease assignment motion with costs payable to the respondent landlords.

ALL OF WHICH IS RESPECTFULLY SUBMITTED THIS 25TH DAY OF AUGUST, 2025 BY,

John C. Wolf Brendan Jones per

John Wolf/Brendan Jones

SCHEDULE A - LIST OF AUTHORITIES

Nil.

SCHEDULE B - STATUTORY PROVISIONS RELIED UPON

Companies' Creditors Arrangement Act, RSC 1985, c C-36

Assignment of agreements

- 11.3 (1) On application by a debtor company and on notice to every party to an agreement and the monitor, the court may make an order assigning the rights and obligations of the company under the agreement to any person who is specified by the court and agrees to the assignment.
- Exceptions

(2) Subsection (1) does not apply in respect of rights and obligations that are not assignable by reason of their nature or that arise under

  - (a) an agreement entered into on or after the day on which proceedings commence under this Act;
  - (b) an eligible financial contract; or
  - (c) a collective agreement.

- Factors to be considered

(3) In deciding whether to make the order, the court is to consider, among other things,

  - (a) whether the monitor approved the proposed assignment;
  - (b) whether the person to whom the rights and obligations are to be assigned would be able to perform the obligations; and
  - (c) whether it would be appropriate to assign the rights and obligations to that person.

- Restriction

(4) The court may not make the order unless it is satisfied that all monetary defaults in relation to the agreement — other than those arising by reason only of the company’s insolvency, the commencement of proceedings under this Act or the company’s failure to perform a non-monetary obligation — will be remedied on or before the day fixed by the court.

SCHEDULE C

CHART OF REPAIR COSTS

Location	Short Term (immediate and year 1-2) Costs	Medium Term (year 3 and up to 10) Costs	Total	General Description
KingSett				
Bayshore Shopping Mall	~$13,500,000[1]	N/A	~$13,500,000	Multiple unrepaired water leaks, including active pipe leaks in the ceiling; Ceiling damage; Drywall damage throughout the store; Non-functional emergency generator; Lack of backflow preventer or sprinkler main; HVAC units, escalators and elevators over 40 years old requiring significant repairs and/or replacement.[2]
Oxford				
Southcentre Mall	$13,066,575[3]	$1,447,000[4]	$14,513,575[5]	Structure moisture damage; Interior finishing age related repairs; Building Fire Code requirements; Replacements of escalators and elevators.[6]
Upper Canada Mall	$2,780,400[7]	$190,000[8]	$2,970,400[9]	Building structure age related repairs; Age related repairs (Cladding); Age related repairs/replacements for roofing, mechanical, and electrical; Fire and Building Code age related repair/replacement; Elevators age related repairs/replacements.[10]
Hillcrest Mall	$278,000[11]	$2,015,000[12]	$2,293,000[13]	Building structure age related repairs; Cladding and Roofing age related repairs; Electrical age related repairs/replacement; Mechanical age related repair/replacement; Building and Fire Code requirements and age related repairs/replacement.[14]
Ivanhoé Cambridge				
Guildford Town Centre	~$11,000,000 - $30,000,000[15]	N/A	~$11,000,000 - $30,000,000	Installation of new mechanical systems, new HVAC, new generator, repairs to boiler and chillers. New Seismic upgrades that would be required by new Building Codes.[16]

Mapleview Centre	~$12,000,000 - $22,000,000[17]	N/A	~$12,000,000 - $22,000,000	Roof, repair building façade parapet, mould remediation, repair of elevator and escalators, new washrooms, new HVAC, new generator, repairs to boilers and chillers.[18]
Westcliff				
Westcliff Fairview Park Mall	$15,208,000 (low end estimate)[19]	N/A	$15,208,000 (low end estimate)	Roof, chiller, escalator, vestibules and entrances, exterior building envelopes, electrical rooms, loading docks.[20]
Morguard				
Centrepoint Mall	$11,939,000[21]	$810,000[22]	$12,749,000[23] At least $15,000,000 if repaired/fixtured to first class standard[24]	Building structure, loading dock deteriorated; Interior finished age related repairs; Age related repairs for exterior cladding system, roof systems, mechanical systems, electrical systems, and vertical transportation systems.[25]
Bramalea City Centre	$8,215,424 (“hard” costs) $10,680,051 (“hard” costs + contingencies)[26]	N/A	$8,215,424 (“hard” costs) $10,680,051 (“hard” costs + contingencies)	Interior ceilings, flooring, drywall, roofing, service to vertical transportation, mechanical, electrical.[27]
Coquitlam Shopping Centre	$8,000,000[28]	N/A	$8,000,000	HVAC failure (new system warranted), heaved floors and cracked tiles, escalator/elevator replacement, roof, chiller, water tour, exterior building envelopes, electrical room, loading docks.[29]
St. Laurent Shopping Centre	$4,277,482 (“hard” costs) $5,560,776 (“hard” costs + contingencies)[30]	N/A	$4,277,482 (“hard” costs) $5,560,776 (“hard” costs + contingencies)	Ceilings, flooring, drywall, service to vertical transportation, sprinkler adjustment, mechanical, electrical.[31]
Primaris				
Conestoga Mall	N/A	$7,080,500[32]	$7,080,500[33]	Deficiencies related to the roof systems, wall systems, interior finishes, site features and mechanical/electrical systems.[34]

				Removing/abating hazardous materials, including asbestos, lead, mercury, and other substances.[35]
Orchard Park Shopping Centre	$4,410,500[36]	$1,450,250[37]	$5,860,750[38]	Deficiencies relating to the roof systems, wall systems, interior finishes, Site features and mechanical/electrical systems.[39] Removing/abating hazardous materials, including asbestos, lead, mercury, and other substances.[40]
Oshawa Centre	$2,905,000[41]	$500,000[42]	$3,405,000[43]	Deficiencies relating to roof systems, wall systems, structural elements, interior finishes, site features, mechanical systems, electrical systems and fire alarm systems.[44] Removing/abating hazardous materials, including asbestos, lead, mercury, and other substances.[45]
Southgate Centre	$10,557,500[46]	$1,877,500[47]	$12,435,000[48]	Deficiencies relating to the roof systems, wall systems, structural elements, elevator systems, interior finishes, Site features and mechanical/electrical systems.[49] Removing/abating hazardous materials, including asbestos, lead, mercury, and other substances.[50]
Lime Ridge Mall	$1,605,000[51]	$450,000[52]	$2,055,000[53]	Building envelope; Vertical transportation; Mechanical; Electrical; Roofing.[54] Removing/abating hazardous materials, including asbestos, lead, mercury, and other substances.[55]
QuadReal				
Willowbrook Shopping Centre	$4,070,000[56]	$815,000[57]	$4,885,000 (3-5 Years)[58]	Loading bay, curtainwall glazing, skylights, brick, metal panel, sealant, hollow metal service doors, etc.[59]

Cadillac Fairview				
Fairview Mall	$2,470,000[60]	$3,470,000[61]	$5,940,000[62]	Building structure, building envelope, vertical transportation, mechanical, electrical, roofing.[63]
Sherway Gardens	$4,350,000[64]	$2,455,000[65]	$6,805,000[66]	Building structure, building envelope, vertical transportation, mechanical, electrical, roofing.[67]
Masonville Place	$452,000[68]	$2,871,000[69]	$3,323,000[70]	Building structure, building envelope, vertical transportation, mechanical, electrical, roofing.[71]
Markville	$3,840,000[72]	$2,280,000[73]	$6,120,000[74]	Building structure, building envelope, vertical transportation, mechanical, electrical, roofing.[75]
Richmond Centre	$2,177,000[76]	$2,665,000[77]	$4,842,000[78]	Building structure, building envelope, vertical transportation, mechanical, electrical, roofing.[79]
Market Mall	$5,487,000[80]	$1,300,000[81]	$6,787,000[82]	Building structure, building envelope, vertical transportation, mechanical, electrical, roofing.[83]
Chinook Centre	$5,196,750[84]	$5,982,000[85]	$11,178,750[86]	Building structure, building envelope, vertical transportation, mechanical, electrical, roofing.[87]
Total:	**~$124,785,631 - $180,533,552**		**~$162,443,881 - $220,442,802**	

[1] Affidavit of Theresa Warnaar, at para 36.
[2] Affidavit of Theresa Warnaar, at paras 34-36.
[3] Page 10 of Building Condition Assessment dated June 27, 2025. $6,051,575 (Immediate Repair Costs) + $3,715,000 (1-2 years) + $3,300,000 (Full Roofing Replacement).
[4] *Ibid*. $627,000 (3-5 Years) + $820,000 (6-10 Years).
[5] *Ibid*. $13,066,575 +1,447,000. Page 10 of the report contains minor errors: the Estimated Total Cost includes an extra $100, and the Full Roofing Replacement amount incorrectly includes an additional $30,000.
[6] *Ibid*, page 6.
[7] Page 8 of Building Condition Assessment dated June 27, 2025. $145,000 (Immediate Repair Costs) + $2,635,000 (1-2 Years).
[8] *Ibid*. $30,000 (3-5 Years) + $160,000 (6-10 Years).
[9] *Ibid*.
[10] *Ibid*, page 5.
[11] Page 8 of Building Condition Assessment dated June 27, 2025. $138,000 (Immediate Repair Costs) + $140,000 (1-2 Years).
[12] *Ibid*. $1,090,000 (3-5 Years) + $925,000 (6-10 Years).
[13] *Ibid*.
[14] *Ibid*, page 5.
[15] Affidavit of Ruby Paola at para 54 and Exhibit “E”. ~ $19,000,000 in additional costs will be triggered if any demolition or renovation occurs (including Seismic upgrades).
[16] *Ibid*.

[17] Affidavit of Ruby Paola at para 55 and Exhibit “F”. ~ $10,000,000 in additional costs will be triggered if any demolition or renovation occurs.

[18] *Ibid*.

[19] Affidavit of Alan Marcovitz at paras 30-32 and Exhibit “C”. Estimates do not include rental improvements inside the premises.

[20] Affidavit of Alan Marcovitz, Exhibit “C”.

[21] Page 11 of Responding Motion Record (Vol III), Building Condition Assessment Report dated May 28, 2025 at Exhibit “J” of Affidavit of David Wyatt. $604,000 (Immediate Repair Costs) + $11,335,000 (Years 0-1).

[22] *Ibid*. $255,000 (Years 2-5) + $555,000 (Years 6-10).

[23] *Ibid*.

[24] Affidavit of David Wyatt at para 62.

[25] Page 9 of Responding Motion Record (Vol III), Building Condition Assessment Report dated May 28, 2025 at Exhibit “J” of Affidavit of David Wyatt.

[26] Affidavit of David Wyatt at para 65 and Exhibit “L”.

[27] Affidavit of David Wyatt, Exhibit “L”.

[28] Affidavit of David Wyatt at para 63 and Exhibit “K”.

[29] *Ibid*.

[30] Affidavit of David Wyatt at para 65 and Exhibit “L”.

[31] Affidavit of David Wyatt, Exhibit “L”.

[32] Page 76 of Responding Motion Record (Vol II), Pinchin Baseline Property Condition Assessment dated August 1, 2025, Exhibit “K” of Affidavit of Patrick Sullivan; Affidavit of Patrick Sullivan at para 101.

[33] *Ibid*.

[34] Page 71 of Responding Motion Record (Vol II), Pinchin Baseline Property Condition Assessment dated August 1, 2025, Exhibit “K” of Affidavit of Patrick Sullivan.

[35] Affidavit of Patrick Sullivan at para 102.

[36] Page 159 of Responding Motion Record (Vol II), Pinchin Baseline Property Condition Assessment dated August 1, 2025, Exhibit “O” of Affidavit of Patrick Sullivan. $1,000 (Immediate Costs) + $3,016,000 (Year 1) + $1,393,500 (Year 2).

[37] *Ibid*. Total for Years 3-10.

[38] *Ibid*.

[39] Page 153 of Responding Motion Record (Vol II), Pinchin Baseline Property Condition Assessment dated August 1, 2025, Exhibit “O” of Affidavit of Patrick Sullivan.

[40] Affidavit of Patrick Sullivan at para 114.

[41] Page 100 of Responding Motion Record (Vol III), Pinchin Baseline Property Condition Assessment dated August 1, 2025, Exhibit “S” of Affidavit of Patrick Sullivan. $1,655,000 (Year 1) + $1,250,000 (Year 2).

[42] *Ibid*. Total for Years 3-10.

[43] *Ibid*.

[44] Pages 94-95 of Responding Motion Record (Vol III), Pinchin Baseline Property Condition Assessment dated August 1, 2025, Exhibit “S” of Affidavit of Patrick Sullivan.

[45] Affidavit of Patrick Sullivan at para 123.

[46] Page 188 of Responding Motion Record (Vol III), Pinchin Baseline Property Condition Assessment dated August 1, 2025, Exhibit “W” of Affidavit of Patrick Sullivan. $9,632,500 (Year 1) + $925,000 (Year 2).

[47] *Ibid*. Total for Years 3-10.

[48] *Ibid*.

[49] Page 182 of Responding Motion Record (Vol III), Pinchin Baseline Property Condition Assessment dated August 1, 2025, Exhibit “W” of Affidavit of Patrick Sullivan.

[50] Affidavit of Patrick Sullivan at para 133.

[51] Page 212 of Responding Motion Record (Vol III), Whalen Baseline Property Condition Assessment dated May 2025, Exhibit “Z” of Affidavit of Patrick Sullivan. $1,345,000 (Year 1) + $260,000 (Year 2).

[52] *Ibid*. Totals for Years 3-10.

[53] *Ibid*.

[54] Pages 205-207 of Responding Motion Record (Vol III), Whalen Baseline Property Condition Assessment dated May 2025, Exhibit “Z” of Affidavit of Patrick Sullivan

[55] Affidavit of Patrick Sullivan at para 144.

[56] Pages 171-172 of Responding Motion Record, RJC Baseline Property Condition Assessment dated August 8, 2025, Exhibit “F” of Affidavit of Jay Camacho. $135,000 (Immediate) + $3,935,000 (1-2 Years).

[57] *Ibid*. Total for 3-5 Years.

[58] *Ibid*.

[59] Pages 188-197 of Responding Motion Record, RJC Baseline Property Condition Assessment dated August 8, 2025, Exhibit “F” of Affidavit of Jay Camacho.

[60] Page 363 of Responding Motion Record, Whalen Recommended Work Cost Summary dated May 2025, Exhibit “X” of Affidavit of Rory MacLeod. $1,335,000 (Year 1) + $1,135,000 (Year 2).

[61] *Ibid*. Total for Years 3-10.

[62] *Ibid*.

[63] Page 363 of Responding Motion Record, Whalen Recommended Work Cost Table dated May 2025, Exhibit “X” of Affidavit of Rory MacLeod

[64] Page 363 of Responding Motion Record, Whalen Recommended Work Cost Summary dated May 2025, Exhibit “X” of Affidavit of Rory MacLeod. $3,675,000 (Year 1) + $675,000 (Year 2).

[65] *Ibid*. Totals for Years 3-10.

[66] *Ibid*.

[67] Pages 369 of Responding Motion Record, Whalen Recommended Work Cost Table dated May 2025, Exhibit “X” of Affidavit of Rory MacLeod.

[68] Page 363 of Responding Motion Record, Whalen Recommended Work Cost Summary dated May 2025, Exhibit “X” of Affidavit of Rory MacLeod. $255,000 (Year 1) + $197,000 (Year 2).

[69] *Ibid*. Totals for Years 3-10.

[70] *Ibid*.

[71] Page 366 of Responding Motion Record, Whalen Recommended Work Cost Table dated May 2025, Exhibit “X” of Affidavit of Rory MacLeod.

[72] Page 363 of Responding Motion Record, Whalen Recommended Work Cost Summary dated May 2025, Exhibit “X” of Affidavit of Rory MacLeod. $3,455,000 (Year 1) + $385,000 (Year 2).

[73] *Ibid*. Totals for Years 3-10.

[74] *Ibid*.

[75] Page 367 of Responding Motion Record, Whalen Recommended Work Cost Table dated May 2025, Exhibit “X” of Affidavit of Rory MacLeod.

[76] Page 363 of Responding Motion Record, Whalen Recommended Work Cost Summary dated May 2025, Exhibit “X” of Affidavit of Rory MacLeod. $680,000 (Year 1) + $1,497,000 (Year 2).

[77] *Ibid*. Totals for Years 3-10.

[78] *Ibid*.

[79] Page 364 of Responding Motion Record, Whalen Recommended Work Cost Table dated May 2025, Exhibit “X” of Affidavit of Rory MacLeod.

[80] Page 363 of Responding Motion Record, Whalen Recommended Work Cost Summary dated May 2025, Exhibit “X” of Affidavit of Rory MacLeod. $172,000 (Immediate) + $5,110,000 (Year 1) + $205,000 (Year 2).

[81] *Ibid*. Totals for Years 3-10.

[82] *Ibid*.

[83] Page 368 of Responding Motion Record, Whalen Recommended Work Cost Table dated May 2025, Exhibit “X” of Affidavit of Rory MacLeod.

[84] Page 363 of Responding Motion Record, Whalen Recommended Work Cost Summary dated May 2025, Exhibit “X” of Affidavit of Rory MacLeod. $170,000 (Immediate) + $2,916,500 (Year 1) + $2,110,250 (Year 2).

[85] *Ibid*. Totals for Years 3-10.

[86] *Ibid*.

[87] Page 371 of Responding Motion Record, Whalen Recommended Work Cost Table dated May 2025, Exhibit “X” of Affidavit of Rory MacLeod.

SCHEDULE D

LAWYER'S ACKNOWLEDGMENT OF AUTHENTICITY

I hereby acknowledge and certify that I am satisfied as to the authenticity of the cited authorities contained within the Factum of Primaris Management Inc. and QuadReal Property Group pursuant to the *Rules of Civil Procedure,* R.R.O. 1990, Reg 194.

Dated: August 25th, 2025

____

Brendan Jones

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Lawyers for Primaris Management Inc. and QuadReal Property Group

Court File No. CV-25-00738613-00CL

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 et al.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

RESPONDING FACTUM OF PRIMARIS MANAGEMENT INC. AND QUADREAL PROPERTY GROUP

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