

AMENDED AND RESTATED LOAN AGREEMENT

Québec

(585 Sainte-Catherine Street West, Montréal, Québec)

THIS AMENDED AND RESTATED LOAN AGREEMENT is made as of October 3, 2022

B E T W E E N:

ROYAL BANK OF CANADA
(hereinafter referred to as the “**Lender**”)

OF THE FIRST PART,

- and -

**RIOCAN-HBC LIMITED PARTNERSHIP, by its general partner,
RIOCAN-HBC GENERAL PARTNER INC.**
(hereinafter referred to as the “**Borrower**”)

OF THE SECOND PART,

- and -

HUDSON'S BAY COMPANY ULC / COMPAGNIE DE LA BAIE D'HUDSON SRI
(formerly HUDSON'S BAY COMPANY)
(hereinafter referred to as the “**Nominee**”)

OF THE THIRD PART,

WHEREAS pursuant to a loan agreement made as of March 25, 2019 among the Borrower, as borrower, Computershare Trust Company of Canada, as lender, (the “**Original Loan Agreement**”), a certain loan was made available to the Borrower for the purposes described therein;

AND WHEREAS the parties have agreed to amend and restate, without novation, the Original Loan Agreement on the terms set forth herein;

AND WHEREAS the loan made available and the obligations incurred under the Original Loan Agreement which are outstanding on the date hereof shall continue as replaced by loans and obligations under (and shall be governed by the terms and conditions of) this Agreement;

AND WHEREAS Royal Bank of Canada and Computershare Trust Company of Canada have entered into an assignment of hypothecary loan agreement dated as of October 3, 2022 and a notice of replacement of hypothecary representative (*avis de remplacement de fondé de pouvoir*) dated as of October 3, 2022;

AND WHEREAS Royal Bank of Canada will be the Lender and Hypothecary Representative as contemplated herein;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the sum of Ten Dollars (\$10), the covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE ONE– INTERPRETATION

1.01 Definitions

In this Agreement, unless something in the subject matter or context is inconsistent therewith:

“Affiliate” means any individual, corporation, partnership, joint venture, limited liability company, estate, trust, unincorporated association, and any fiduciary acting in such capacity on behalf of any of the foregoing that, directly or indirectly, is in control of, is controlled by or is under common control with, any Borrower Entity.

“Agreement” means this loan agreement, including all schedules hereto.

“Applicable Laws” means all applicable federal, provincial, state or municipal laws, statutes, regulations, rules, by-laws, policies and guidelines, orders, permits, licenses, authorizations, approvals and all applicable common laws or equitable principles whether now or hereafter in force and effect, whether in Canada, the United States of America or elsewhere.

“Bankers’ Acceptance” or **“BA”** means a bill of exchange, including a depository bill issued in accordance with the *Depository Bills and Notes Act* (Canada), drawn on the Lender by, and payable to the order of, the Borrower which have been accepted by the Lender, for a price equal to the face amount thereof less the discount to such face amount thereof required to yield an interest rate per annum equal to the aggregate of: (i) the BA Discount Rate, plus (ii) the applicable BA Stamping Fee, and otherwise subject to the terms and conditions set forth herein under Section 3.02 of this Agreement.

“BA Discount Rate” means the average of the annual rates for bankers’ acceptances having such specified term (or a term as closely as possible comparable to such specified term) that appears on the Reuters Screen CDOR page as at 10:00 a.m. (Toronto time) on such day, provided that if such rate does not appear on the Reuters Screen CDOR page at such time on such date, CDOR for such date will be the annual rate of interest (rounded upward, if necessary, to the nearest basis point) as at 10:00 a.m. (Toronto time) on such date on the basis of the discount amount at which Royal Bank of Canada or its successors is then offering to purchase bankers’ acceptances accepted by it having a comparable aggregate face amount and comparable maturity date to the aggregate face amount and maturity date of such Bankers’ Acceptances; provided however that in no event shall the BA Discount Rate be less than zero.

“BA Stamping Fees” means, in relation to each Bankers’ Acceptance issued, the amount determined by applying 1.70% per annum (based on a 365 day year) to the face amount of each Bankers’ Acceptance for the interest period applicable thereto.

“Borrower” means the Person(s) identified as the Borrower on page 1 of this Agreement.

“Borrower GP” means RioCan-HBC General Partner Inc.

“Borrower Entity” means the Borrower, each guarantor of all or part of the Loan Indebtedness, each Indemnitor and the Nominee.

“Business Day” means any day other than a Saturday, Sunday or any statutory or civic holiday in the Provinces of Ontario or Québec.

“CCQ” means the *Civil Code of Québec*.

“Costs” means (i) all fees, costs, charges and expenses of any Lender Entity for or incidental to (a) preparing, executing and registering the Loan Documents and making each advance of the Loan; (b) collecting, enforcing and realizing on or under the Loan or the Loan Documents, including any workout or modification of the Loan or the Loan Documents agreed to by the Lender in its sole discretion; (c) inspecting, protecting, securing, completing, insuring, repairing, equipping, taking and keeping possession of, administering, managing, selling or leasing the Property, including curing any defaults under or renewing any ground lease or emphyteutic lease; (d) exercising any rights of manager, administrator or other Persons with similar powers appointed pursuant to the CCQ and such Person’s fees and expenses (including all legal fees and disbursements and all agents’ costs and expenses) which may be added to the principal or otherwise secured by the Hypothec; (e) obtaining any environmental audits or other inspections, tests or reports with respect to the Property; (f) complying with any notices, orders, judgments, directives, permits, licenses, authorizations or approvals with respect to the Property; and (g) performing the obligations of any Borrower Entity; (ii) all legal fees and disbursements in connection with any of the foregoing matters on a full indemnity or equivalent basis; (iii) allowances for the time, service, work or effort of any Lender Entity in connection with any of the foregoing matters; (v) without limiting the foregoing, any other amounts, fees, costs, charges or expenses payable or reimbursable to any Lender Entity under any of the Loan Documents or Applicable Laws; and (vi) all applicable taxes on all amounts, fees, costs, charges and expenses otherwise included in “Costs”. “Costs” also includes interest at the Interest Rate on all such fees, costs, charges and expenses (and applicable taxes) from the date incurred until paid to the Lender.

“Environmental Laws” means all present and future Applicable Laws, permits, certificates, licenses, agreements, standards and requirements relating to environmental or occupational health and safety matters, including the presence, release, reporting, permitting, investigation, disposal, storage, use, remediation and clean-up of Hazardous Substances.

“Environmental Proceeding” has the meaning set out in Section 4.02(m) of this Agreement.

“Environmental Site Assessment” means the Phase I environmental site assessment, dated as of January 24, 2019 and prepared by Wood Environment & Infrastructure Solutions and delivered to and approved by the Lender.

“Equipment” means all machinery, equipment, appliances, furniture, furnishings, tools, fixtures (including all heating, air conditioning, ventilating, waste disposal, sprinkler and fire and theft protection equipment, plumbing, lighting, communications and elevator fixtures) and other similar property of every kind and nature whatsoever now or hereafter located upon or used in connection with the Property or appurtenant thereto, excluding any such personal or moveable property which is owned by a Tenant.

“Event of Default” or **“default”** means any of the following events: (a) any default by the Borrower in payment of all or any portion of the Loan Indebtedness or in payment of any Loan reserves under the Loan Documents, which in any case is not cured within three (3) Business Days following such written notice of such default (other than a default relating to payment upon the Maturity Date of the Loan, for which there will be no such cure period); (b) if any Transfer occurs in breach or violation of the provisions of any of the Loan Documents; (c) if any Lien is made, created, issued, incurred or permitted to exist, for a period of more than five (5) Business Days following receipt of Notice from the Lender and same is not being contested diligently and in good faith, in respect of, or registered against, all or any part of the Property in breach or violation of the provisions of any of the Loan Documents (whether or not having priority over the security thereof); (d) any failure by any Borrower Entity to comply with its obligations under any of the Loan Documents with respect to insurance, including the provisions of Article Five, which is not cured within five (5) Business Days' notice from the Lender; (e) any utility charges and Realty Taxes in respect of the Property are not paid when due, except to the extent the validity of such utility charges or Realty Taxes, as applicable, are being contested diligently and in good faith by appropriate proceedings by the applicable Borrower Entity; (f) any Borrower Entity defaults in observing or performing any other covenant, condition or obligation under any Loan Document on its part to be observed or performed which default is not cured within the applicable notice, grace or cure period, or if no such period is provided and is not expressly excluded, within thirty (30) days following written notice of such default to such Borrower Entity (but for greater certainty, there is no such notice, grace or cure period in respect of any other Event of Default separately enumerated in this definition or which is expressly stated in any Loan Document to be immediate or to have no applicable notice, grace or cure period); (g) any representation or warranty of any Borrower Entity in any Loan Document, or in any financial statement or other document at any time delivered by or on behalf of any such Borrower Entity to any Lender Entity in connection with the Loan that is incorrect or misleading in any material respect as of the date of delivery to such Lender Entity or as of such other date specified therein and such Borrower Entity fails to remedy such default within ten (10) Business Days of the occurrence of such event (or such longer period as the Lender may agree to having regard to the nature of such default and provided such Borrower Entity is diligently proceeding to cure such default); (h) any Borrower Entity becomes insolvent, makes any assignment in bankruptcy, makes any assignment for the benefit of creditors or makes any proposal to or seeks relief from its creditors under any bankruptcy, insolvency, reorganization, liquidation, moratorium, receivership or other similar laws affecting or relating to creditor's rights, any order, declaration or judgement of any court is made adjudging or declaring any Borrower Entity bankrupt or insolvent or ordering the liquidation, winding-up, reorganization or arrangement of any Borrower Entity or granting any Borrower Entity protection from its creditors or appointing any trustee, receiver, receiver and manager, administrator, sequestrator or other Person with similar powers in respect of any Borrower Entity or all or any part of its assets, or any proceedings are commenced by or against any Borrower Entity seeking any such order, declaration or judgement (any such event, a **“Bankruptcy Action”**), provided that notwithstanding the foregoing, an Event of Default shall not be deemed to occur where any such Bankruptcy Action occurs solely in respect of the Nominee (and, for greater certainty, not in respect of any other Borrower Entity), and (A) the Borrower delivers written notice to the Lender of its intent to substitute the Nominee with a replacement prête-nom (the **“Replacement Nominee”**) to hold registered title to the Property on behalf of the Borrower, which Replacement Nominee shall at all times be a special purpose entity, as determined by the Lender, and (B) within thirty (30) days after the delivery of the written notice described in the foregoing clause (A), (i) the Borrower causes such Replacement Nominee to acquire all of the registered right, title and interest of the Nominee in the Property, in compliance with the applicable terms and conditions set out in Section 4.02(d) in respect of Transfers, which shall apply to such transfer, *mutatis*

mutandis, and (ii) there is no other Event of Default then continuing; (i) any default by any Borrower Entity under any mortgage, charge, hypothec, security interest or other financial encumbrance of all or any part of the Property, whether ranking in priority or subsequent to the security of the Loan Documents which is not cured within any cure periods applicable thereto; (j) any withdrawal of consent to collect rents, taking in possession for the purposes of administration, taking in payment, sale by the creditor, sale by judicial authority or other enforcement or realization (whether or not permitted hereunder) proceedings are commenced against or in respect of any of the Borrower, the Borrower GP or the Nominee, the Property or any part thereof under or in respect of such mortgage, charge, hypothec, security interest or other financial encumbrance or any holder thereof takes possession or control of any part of the Property; (k) any writ of execution, distress, attachment or other similar process is issued or levied against any of the Borrower, the Borrower GP or the Nominee or all or any part of its assets and, in the case of the Borrower or the Borrower GP, such process is in an amount in excess of \$20,000,000 and, in the case of the Nominee, such process is in an amount in excess of \$35,000,000, or any judgement or order is made against any Borrower Entity by a court of competent jurisdiction, and such writ, distress, attachment, process, judgment or order either (i) relates to or includes the Property or any part thereof, or (ii) in the opinion of the Lender in its sole discretion, has or could be expected to have a Material Adverse Effect; (l) any part of the Property is expropriated and, in the reasonable opinion of the Lender in its sole discretion, such expropriation has or could be expected to have a Material Adverse Effect; (m) if an event of default occurs under any Material Property Agreement resulting in, or is likely to result in, a Material Adverse Effect and which default is not cured or remedied within five (5) Business Days from the date the Borrower becomes aware or ought to become aware of such default; or (n) the occurrence of any other Event of Default as expressly provided or defined under any Loan Document.

“GAAP” means those accounting principles that are from time to time approved by the Canadian Institute of Chartered Accountants, or any successor institute (which, for greater clarity, includes the International Financial Reporting Standards (IFRS) approved by same from time to time).

“Governmental Authority” means any federal, provincial, state, municipal or other form of government or any political subdivision or agency thereof, any body or authority exercising any functions of government, and any court, whether in Canada, the United States of America or elsewhere.

“Hazardous Substance” means any substance or material that is prohibited, controlled or regulated by any Governmental Authority including any contaminants, pollutants, asbestos, lead, polychlorinated by-phenyls or hydrocarbon products, any materials containing same or derivatives thereof, underground storage tanks, dangerous or toxic substances or materials, controlled products and hazardous wastes.

“HBC” means Hudson’s Bay Company ULC, and its successors and assigns.

“HBC Lease” means the lease dated as of July 9, 2015 between the Borrower, as landlord, and HBC, as tenant, in respect of the Property, as amended, restated, modified, supplemented and assigned from time to time in accordance with the terms hereof.

“Hypothec” means the hypothec granted on March 20, 2019 before Mtre. Stéphanie Grondin, notary, by the Nominee and the Borrower in favour of Computershare Trust Company of Canada, in its capacity as hypothecary representative, of all of the Property, registered at the

land registry of Québec under number 24476 634, as assigned by Computershare Trust Company of Canada to the Lender. The Hypothec shall be a first Lien against the Property in priority to all other Liens, except Permitted Encumbrances.

"Indemnitor" means the Borrower or each Person who delivers an indemnity that forms part of the Loan Documents.

"Interest Rate" means Lender's prime rate plus 5%.

"Leases" means all present and future leases, offers to lease, subleases, concessions, licenses and other contracts and agreements by which the use, enjoyment or occupancy of the Property or any portion thereof is granted (including, if a hotel, all guest rooms, meeting rooms, restaurants and other food and beverage facilities), together with all related credits, rights, options, claims, causes of action, guarantees, indemnities, security deposits and other security, and includes, without limitation, the HBC Lease.

"Lender" means the Person identified as the Lender on page 1 of this Agreement and any Person who acquires any right, title and interest of the Lender under the Loan Documents.

"Lender Entity" means each of the Lender, any servicer, each Person having an ownership interest in the Loan from time to time, any receiver, receiver and manager, administrator or other Person with similar powers appointed by the Lender or under the CCQ, the issuer of any securities backed by or representing any direct or indirect interest in the Loan or any pool of loans that includes the Loan, and their respective employees, officers, directors, agents and consultants.

"Lien" means any mortgage, charge, pledge, hypothec, assignment, lien, lease, sublease, **"prior claim"** within the meaning of the CCQ, Leases, servitude (easement), preference, priority, trust or other security interest or encumbrance of any kind or nature whatsoever with respect to any property or asset, including any title reservations, limitations, provisos or conditions.

"Loan" means the non-revolving term loan made by the Lender to the Borrower in the Principal Amount by way of Bankers' Acceptance based loans in accordance with this Agreement plus the BA Stamping Fees available on 60 and 90 day terms and not redeemable prior to the maturity of the relevant BA.

"Loan Documents" means, collectively, all documents, instruments, agreements and opinions now or hereafter creating, evidencing, securing, guaranteeing and/or relating to the Loan and the Loan Indebtedness or any part thereof from time to time, including this Agreement and the Hypothec.

"Loan Indebtedness" means the aggregate of (i) the Principal Amount, (ii) all interest and BA Stamping Fees payable hereunder, (iii) Costs, (iv) any amount, cost, charge, expense or interest added to the Loan Indebtedness under the Loan Documents or Applicable Laws or which is otherwise due and payable thereunder or secured thereby from time to time, and (v) all other monetary obligations of any Borrower Entity under or in respect of the Loan and the Loan Documents.

"Material Adverse Effect" means a material adverse effect on any of (i) the ability of any Borrower Entity to observe and perform any of its respective covenants and obligations to the

Lender under or in respect of the Loan and the Loan Documents when due, or (ii) the validity, enforceability or priority of any of the Loan Documents, any of the respective covenants, obligations and liabilities of any Borrower Entity thereunder, or any of the rights and remedies of any Lender Entity thereunder, or (iii) the business, assets, property or financial condition of any Borrower Entity, taken as a whole.

“Material Lease” means any Lease which, either individually, or when taken together with any other Lease with the same Tenant or its Affiliates, demises more than 50,000 square feet at the Property.

“Material Property Agreements” means, collectively, (i) any shared facilities and/or reciprocal easement agreements, (ii) 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 Borrower Entity with rights in the Property affecting or relating to the Property and which are material to the operation, use or ownership thereof, and (iii) all planning approvals, permits, licences, development agreements and other material contracts with respect to the Property designated as Material Property Agreements by the Lender from time to time, provided that the Lender has notified the Borrower of such designation.

“Maturity Date” means October 3, 2025.

“Minimum Partnership Equity” means, on any date, in respect of the Borrower, the aggregate of the amount of partners’ equity and the amount of accumulated amortization of income properties, including accumulated amortization of deferred costs and the accumulated amortization of the fair value of tangible and intangible assets and liabilities recorded on the acquisition of income properties, as shown on the Borrower’s most recent consolidated financial statements at such time, calculated in accordance with GAAP.

“Nominee” means the Person(s), if any, identified as the Nominee on page 1 of this Agreement, and, subject to the provisions of this Agreement, any holder of a registered ownership interest in all or any part of the Property from time to time.

“Organizational Documents” means, collectively, in respect of any Person other than a natural Person, all of the constating or organizational documents and instruments governing or giving rise to the creation, formation, existence, organization and operation of such Person from time to time, including (i) in respect of a corporation, its articles of incorporation, memorandum of association, articles of association, any amendments thereto and other similar or related documents and instruments, or (ii) in respect of any partnership, its partnership agreement, any amendments thereto, registrations and other similar or related documents and instruments; and (iii) in respect of a trust, its deed of trust or declaration of trust, any amendments thereto and other similar or related documents and instruments.

“Permitted Encumbrances” means, as of any particular time and in respect of the Property, any of the following encumbrances: (i) the HBC Lease, (ii) Leases which are either disclosed to and accepted by the Lender, in its sole discretion, prior to the initial Loan advance or entered into subsequent to the initial Loan advance in compliance with the Loan Documents; (iii) Liens specifically set out as exceptions to title in Schedule B to the Lender’s title insurance policy issued to the Lender and accepted by the Lender in its sole discretion prior to the initial Loan advance, (iv) Liens otherwise expressly permitted under the terms of the Loan Documents; (v) 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 Lender 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, (vi) 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, (vii) 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, (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 Lien created by a judgment of a court of competent jurisdiction, or a claim 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 requested by the Lender, 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 Lender, deposited with the Lender collateral satisfactory to the Lender, 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 Lien, (x) any Liens which secure the Loan (including the Loan Documents), (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) 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, and (xiv) such other title exceptions disclosed to and accepted by the Lender in its sole discretion and in writing from time to time, provided that in the opinion of the Lender in its sole discretion, all such Permitted Encumbrances, in the aggregate, do not have and could not be expected to have a Material Adverse Effect.

“Person” means any individual, general or limited partnership, joint venture, sole proprietorship, corporation, unincorporated association, trust, trustee, executor, administrator or legal representative or Governmental Authority.

“Principal Amount” means the aggregate face amount of all BAs accepted by the Lender pursuant to this Agreement and which are outstanding from time to time, being initially the sum of One Hundred Sixty Million Seven Hundred Seventy-Nine Thousand Four Hundred and Twenty-Three Dollars and Twenty Cents (\$160,779,423.20) (in lawful money of Canada).

“Property” means all present and future legal and beneficial right, title and interest of a Borrower Entity in and to the lands and premises described in Schedule “A” hereto, together with all buildings, structures, fixtures, and improvements of any nature and kind (movable or

immovable, corporeal or incorporeal) now or hereafter located on such lands, and all Equipment, Leases, Rents and all other appurtenances thereto. Without limiting the foregoing, "Property" shall also include (i) all Permitted Encumbrances and Material Property Agreements, permits, licenses or approvals relating to such Property or its management or operation; (ii) all permits, licenses, authorizations and approvals relating to such Property granted by any Governmental Authority; (iii) all reserves remitted or paid by the Borrower to the Lender under the Loan Documents; (iv) all proceeds, awards or payments of any nature or kind, together with any interest thereon, relating to any part of such Property; (v) all expropriation awards relating to such Property; (vi) all insurance proceeds and any unearned insurance premiums and all refunds or rebates of Realty Taxes relating to such Property; (vii) all claims and rights relating to the Property, including any claims for loss or damage to the Property or diminution of value of any part of such Property and the right to commence, appear in and defend any action or proceeding relating to the Property; (viii) all deposits, security or advance payments of any nature or kind relating to such Property; (ix) all surveys, drawings, designs, reports, studies, tests, plans and specifications relating to such Property; (x) without limiting the foregoing, any other property hypothecated or required to be hypothecated in favour of the Lender as security for the Loan pursuant to this Agreement or the other Loan Documents, including any cash deposit paid to the Lender pursuant to Section 6.01(vi) of this Agreement; (xi) all renewals, substitutions, improvements, accessions, attachments, additions, replacements and proceeds to, of or from each of the foregoing components of the Property or any part thereof, and all conversions of such Property or the security constituted thereby so that, immediately upon the acquisition, construction, assemblage, placement or conversion of same, and in each such case, each of the foregoing shall be deemed a part of the Property and shall automatically become subject to the security of the Loan Documents as fully and completely and with the same priority and effect as if now owned by the Borrower and specifically described herein, without any further mortgage, charge or hypothecation by the Borrower.

"Realty Taxes" means all taxes, duties, rates, imposts, levies, assessments and other similar charges, whether general or special, ordinary or extraordinary, 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 be a Lien on all or any part of the Property.

"Rents" means all revenues, receipts, income, credits, deposits, profits, royalties, rents, additional rents, recoveries, accounts receivable and other receivables of any kind and nature whatsoever arising from or relating to the Property or any part thereof, including, all amounts payable under any Lease (and, if the Property is a hotel, all amounts arising from or relating to any guest rooms, parking or other facilities and services, meeting rooms, common areas, restaurants or other food and beverage facilities and services, vending machines, telephone, television, cable and internet services, laundry and housekeeping facilities and services), and the provision or sale of any other goods and services, and any payment, consideration or compensation of any kind to which any Borrower Entity is or becomes entitled relating to or arising from, directly or indirectly, the full or partial termination, cancellation, amendment, modification or release of any Lease or any Tenant in respect thereof.

"Tenant" means any lessee, sublessee, licensee or grantee of a right of occupation under a Lease and each guarantor, indemnitor or other obligor thereunder or in respect thereof, and includes, without limitation, HBC, as tenant under the HBC Lease.

"Transfer" means (a) any conveyance, assignment, transfer, sale, granting or creation of an option or trust with respect to, or other disposition of (directly or indirectly, voluntarily or

involuntarily, by operation of law or otherwise, and whether or not for consideration or of record) any legal or beneficial interest in the Property (whether registered or unregistered) or any part thereof (but excluding any expropriation) or (b) any change in the effective voting control of any Person comprising the Borrower, the Nominee or any beneficial or unregistered owner of any part of the Property from the effective voting control of such Person existing as of the date hereof (excluding any change of ownership of less than 50% of the voting securities in the capital structure of any such Person and excluding any transfers of interest or units in the Borrower amongst the limited partners of the Borrower) and including any agreement to do or complete any of the matters referred to in (a) or (b) above.

1.02 Interpretation and Construction of Loan Documents

In each of the Loan Documents: (a) words denoting the singular include the plural and vice versa and words denoting any gender include all genders; (b) the word “including” means “including, without limitation,”; (c) any reference to the CCQ (or other statute) shall mean the CCQ (or other statute) in force as at the date hereof, together with all regulations promulgated thereunder, as the same may be amended, re-enacted, consolidated and/or replaced from time to time, and any successor or replacement statute thereto; (d) any reference to any Loan Document, any Lease or other agreement or instrument includes all amendments, addenda, modifications, extensions, renewals, restatements, supplements or replacements thereto from time to time; (e) any reference to the Lender, Borrower, Nominee, Indemnitor, Lender Entity, Borrower Entity or any other Person includes their respective heirs, executors, administrators, legal representatives, successors and permitted assigns, and reference to “Lender” and “Lender Entity” shall include the Lender in its capacity as Lender and/or custodian and agent and/or hypothecary representative, and any reference to “corporation” includes a company or other form of body corporate; (f) all dollar amounts are expressed in Canadian dollars; (g) the division of any Loan Document into separate Articles, Sections, Subsections and Schedule(s), and the insertion of headings is for convenience of reference only and does not affect the construction or interpretation of such Loan Document; (h) the Lender’s right to give or withhold any consent or approval, make any determination or exercise any discretion will be exercised by the Lender acting reasonably (unless otherwise expressly provided in the Loan Documents), except that following an Event of Default and notwithstanding the foregoing and any other provision of any Loan Document or Applicable Laws to the contrary, the Lender will be entitled to give, withhold, exercise or make all such rights, determinations or discretions in its sole discretion at all times (even if such Loan Document otherwise expressly requires the Lender to act reasonably); (i) notwithstanding any other provision of the Loan Documents or any Applicable Laws to the contrary, the words “sole discretion” mean the giving, withholding, exercising or making of the applicable right, determination or discretion in a manner that is completely and absolutely subjective and non-reviewable in all respects and that the Person giving, withholding, exercising or making such right, determination or discretion has no duty or obligation at any time to act objectively or to apply any objective criteria or to conform to any other standard, it being the intention that the exercise of “sole discretion” by any Person will not be subject at any time to any restriction, limitation, challenge or review of any kind whatsoever at any time by any Borrower Entity, any court or any other Person; (j) the Loan Documents are the result of negotiations between the parties thereto and will not be construed in favour of or against any party by reason of the extent to which any party or its legal counsel participated in its preparation; (k) notwithstanding the actual date of execution or registration thereof, each of the Loan Documents may be referred to as having been executed as of or bearing a formal date of October 3, 2022; (l) if more than one Person is named as, or otherwise becomes liable for or assumes the obligations and liabilities of, the Borrower or any other Borrower Entity under any of the Loan Documents, then all such obligations and liabilities of all such Persons so

named or who subsequently become liable for such obligations and liabilities are solidary (joint and several); (m) time shall be of the essence; and (n) all obligations of any Borrower Entity in the Loan Documents are deemed to be covenants of such Borrower Entity in favour of the Lender; (o) any reference to the knowledge, belief or awareness of the Borrower includes (and is deemed to include) the knowledge, belief and/or awareness of each Person comprising the Borrower and each Person having any registered, unregistered or beneficial ownership interest in the Property or any part thereof from time to time and their respective directors, officers, partners and employees; (p) where any reference is made in the Loan Documents to an act to be performed by, an appointment to be made by, an obligation or liability of, an asset or right of, a discharge or release to be provided by, a suit or proceeding to be taken by or against or a covenant, representation or warranty (other than relating to the constitution or existence of the trust) by or with respect to a trust, such reference shall be construed and applied for all purposes as if it referred to an act to be performed by, an appointment to be made by, an obligation or liability of, an asset or right of, a discharge or release to be provided by, a suit or proceeding to be taken by or against or a covenant, representation or warranty (other than relating to the constitution or existence of the trust) by or with respect to the trustee(s) of the trust; and (q) if there is any conflict or inconsistency between any provision of this Agreement and the provision of any other Loan Document, the provision of this Agreement shall prevail to the extent of any such conflict or inconsistency, provided that the existence of additional terms, conditions and/or other provisions (including any rights, remedies, representations and warranties) in any other Loan Documents will not be construed or deemed to be in conflict with this Agreement. This Agreement is intended to supplement and not derogate from the other Loan Documents and the existence of additional terms, conditions or provisions (including any rights, remedies, representations and warranties) contained in this Agreement will not be construed as being or deemed to be in conflict with such other Loan Documents. The provisions of Schedule A attached to this Agreement are included in and form part of this Agreement for all purposes. The parties hereto have expressly required that this Agreement and all deeds, documents and notices comprising or related thereto be drafted in the English language. *Les parties aux présentes ont expressément exigé que la présente convention et tous les autres contrats, documents ou avis qui y sont afférents soient rédigés en langue anglaise.*

1.03 Survival of Representations, Warranties and Covenants

The representations, warranties, covenants and obligations of each Borrower Entity in the Loan Documents shall (i) except where stated otherwise, survive the execution and delivery of this Agreement and the making of any advance of the Loan; (ii) enure to the benefit of the Lender for itself and on behalf of each Lender Entity (including each Person having a beneficial or unregistered ownership interest in the Loan); and (iii) be fully effective and enforceable by the Lender notwithstanding any due diligence performed by or on behalf of any Lender Entity or any breach by any Borrower Entity of any of its obligations and liabilities in respect of the Loan or any other information (to the contrary or otherwise) known to any Lender Entity at any time and not be released, discharged or otherwise affected by the bankruptcy, winding-up, liquidation, dissolution or insolvency of, or any change in, any Borrower Entity, Lender Entity or any other Person that is a party to any agreement with any Lender Entity, including any change in the constitution of any partnership constituting any Borrower Entity. Without limiting the foregoing, the representations, warranties, covenants and obligations of the Borrower under the Loan Documents shall be fully binding upon and enforceable against the Borrower when it is the sole owner of the Property and when it is a trustee, agent or nominee of the Property for any other Person. The representations and warranties of each Borrower Entity in the Loan Documents are deemed to be made to the Lender, for itself and for the benefit of each Lender Entity, on the date of execution of each Loan Document by such Borrower Entity and are

deemed repeated on the date of each Loan advance (whether or not expressly stated). The Borrower acknowledges and agrees that the Lender may hold the Loan and Loan Documents either for its own account and/or as custodian and agent and/or hypothecary representative for and on behalf of all Persons having an ownership interest in the Loan from time to time and in either case, the Lender will have the right to hold, receive, exercise, enforce and/or otherwise deal with, at all times in its sole discretion and without restriction, either directly or through any servicer appointed by it (or its sub-servicer), all of the rights, remedies, benefits and privileges of the Lender under the Loan, Loan Documents and Applicable Laws. The Lender may appoint one or more servicers (each a “**servicer**”) from time to time in its sole discretion, without notice to or the consent of any Borrower Entity, to collect and receive all Loan payments and proceeds, and to exercise and enforce any or all rights, remedies or benefits, or perform any or all obligations, of the Lender under or in respect of the Loan, the Loan Documents and/or Applicable Laws, and each servicer may appoint a sub-servicer (each a “**sub-servicer**”) from time to time in respect of any such matters. Without limiting the foregoing, all enforcement actions or proceedings may be brought by the Lender and/or any servicer, as applicable, under or in respect of the Loan and the Loan Documents on behalf of each Lender Entity and the Borrower (for itself and on behalf of each Borrower Entity) irrevocably waives any requirement that any such Person(s) having an ownership interest in the Loan from time to time be a party thereto. Notwithstanding any provision of the Loan Documents or Applicable Laws to the contrary, all claims, losses, costs or other amounts for which the Lender is entitled to indemnity under any of the Loan Documents include claims, losses, costs or other amounts made against or incurred by the Lender, any servicer (and sub-servicer) of the Loan and any other Lender Entity from time to time (whether or not specifically stated) and each such indemnity shall enure to the benefit of each of them, and each of their respective successors and assigns. To the extent that any Lender Entity is entitled to indemnity for or in respect of any matter under any of the Loan Documents but is not a party thereto, such indemnity will be a valid and effective indemnity in favour of such Lender Entity for all purposes and the Lender will hold and be entitled to enforce the full benefit of such indemnity on behalf of all such Lender Entities.

1.04 Custodian and Agent/Hypothecary Representative

(1) Royal Bank of Canada is hereby appointed and hereby accepts its appointment as hypothecary representative of the Lender as contemplated by Article 2692 of the CCQ to enter into, to take and to hold, on behalf of, and for the benefit of the Lender, the Hypothec and any other Loan Document granted to secure payment of the Loan Indebtedness and to exercise such powers and duties which are conferred upon it under the Hypothec or any other deed of hypothec or herein or under such other Loan Document. Any Person who acquires any beneficial or unregistered ownership interest in the Loan shall be deemed to have consented to and confirmed Royal Bank of Canada as hypothecary representative and to have ratified all actions taken by the hypothecary representative. As hypothecary representative, Royal Bank of Canada shall be entitled to delegate from time to time any of its powers or duties to the Lender’s servicer or such other Persons and on such terms and conditions as it may determine from time to time.

(2) Where the terms of this Agreement or any other Loan Document refer to any right, remedy, benefit or other action or proceeding permitted or required to be exercised, enjoyed, or taken by the Lender or otherwise available to the Lender under Applicable Law or to any such action or event that requires the consent, approval, satisfaction, agreement, opinion or other determination by the Lender, then notwithstanding any other provision of this Agreement or any other Loan Document, such right, remedy, benefit or other action or proceeding may be exercised, enjoyed or taken by, and the consent, approval, satisfaction,

agreement or other determination may be given or made on behalf of the Lender by Royal Bank of Canada as hypothecary representative or the servicer of the Loan.

(3) The Lender shall have the right to appoint a successor agent (and hypothecary representative) to Royal Bank of Canada from time to time without notice to or the consent of the Borrower or the Nominee. Upon such appointment, the successor agent shall succeed to and become the agent (and hypothecary representative) with all the rights, powers and privileges of the retiring agent (and hypothecary representative) and the retiring agent (and hypothecary representative) shall thereupon be immediately discharged from all further duties and obligations under this Agreement.

ARTICLE TWO- RECOURSE

2.01 Recourse to Borrower

Nothing in any of the Loan Documents shall mean, nor be construed to mean, that the recourse of the Lender against the Borrower 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 Loan Documents. The recourse of the Lender against the Nominee is limited to the Property with regard to its obligations hereunder, the manner and order of realization or the exercise of remedies hereunder or under the Loan Documents. The obligations of the Nominee and the Borrower under the Loan Documents are solidary (joint and several) subject to the aforesaid recourse limitations.

ARTICLE THREE- PAYMENT PROVISIONS

3.01 Covenant to Pay

The Borrower acknowledges itself indebted and promises to pay the Loan Indebtedness to the Lender as and when provided in this Agreement, without legal or equitable set-off, deduction, abatement, defence or claim of any kind.

3.02 Bankers' Acceptances

(1) General Mechanics of Issuance.

BAs will be subject to the following terms and conditions:

- (a) BAs shall be issued and mature on a Business Day and shall be issued in the entire Principal Amount then outstanding on the date of issuance, for terms of 60 or 90 days;
- (b) at no time will there be more than one (1) maturity date for Bankers' Acceptances;
- (c) the term of a Bankers' Acceptance shall not exceed the lesser of (a) 60 or 90 days, and (b) the number of days until the Maturity Date;
- (d) the Borrower shall notify the Lender by 12:00 p.m. Eastern Standard Time, one (1) Business Day prior to the day of borrowing whether it has chosen a term of 60 days or 90 days for the next BA;

- (e) Bankers' Acceptances may not be prepaid prior to their respective maturity dates;
 - (f) notwithstanding any other provision of this Agreement, the Borrower shall indemnify the Lender against any loss, cost or expense incurred by the Lender if any BA is repaid, prepaid, converted or cancelled other than on the maturity date of such BA;
 - (g) any BA issued under a term facility must have a maturity on or before the maturity date of the term facility, unless otherwise agreed by the Lender; and
 - (h) prior to the issue of any BA the Borrower shall execute the Lender's standard form of undertaking and agreement (subject to reasonable comment) in respect of BAs. If there is any inconsistency at any time between the terms of this Agreement and the terms of the Lender's standard form of undertaking and agreement, the terms of this Agreement shall govern.
- (2) Purchase of Bankers' Acceptances.

The Loan will be made by way of acceptance by the Lender of a BA issued by the Borrower with a face amount equal to the Loan Amount, which, unless an Event of Default has occurred and is continuing, will be rolled over on the end of its term until the Maturity Date by acceptance by the Lender of a BA of a term chosen by the Borrower (as hereinbefore set out) and with a face amount equal to the face amount of the maturing BA less the amount of the principal repayment required to be made by the Borrower hereunder, in accordance with the 30 year amortization schedule of the Loan. On the date that the Loan is initially advanced, the Lender will pay to the Borrower the full face amount of the initial BA accepted by it, and in the case of each rollover of a maturing BA, in order to satisfy the liability of the Borrower to the Lender for the face amount of the maturing BA, the Lender shall retain the proceeds of the new BA. On the issue date of each BA, the Borrower shall pay to the Lender (i) the amount of the principal repayment required to be made by the Borrower hereunder and (ii) the applicable BA Stamping Fee.

(3) Rollovers and Maturity.

Not less than one (1) Business Day (by 12:00 p.m. Eastern Standard Time) prior to the maturity date of a Bankers' Acceptance, the Borrower shall deliver to the Lender one of the following:

- (a) a rollover notice stating that the Borrower intends to draw and present for acceptance on the maturity date a new Bankers' Acceptance in the face amount as the Principal Amount then outstanding; or
- (b) a repayment notice in respect of such Bankers' Acceptance and on the maturity date of the maturing Bankers' Acceptance, pay to the Lender, an amount equal to the face amount of the maturing Bankers' Acceptance.

Each rollover notice and repayment notice shall be in a form acceptable to the Lender.

(4) Bankers' Acceptances Stamping Fees.

Upon the acceptance by the Lender of any draft of the Borrower pursuant to this Agreement, the Borrower shall be obliged to pay (which payment shall be satisfied if payment is deducted by the Lender or pursuant to the provisions above) to the Lender, a fee in Canadian Dollars equal to the BA Stamping Fee on the face amount at maturity of the Bankers' Acceptance for its interest period.

(5) General.

- (a) In order to facilitate the issuance of Bankers' Acceptances, the Borrower authorizes the Lender and appoints the Lender its attorney to complete, sign and endorse drafts on its behalf in handwritten form or by facsimile or mechanical signature or otherwise and, once so completed, signed and endorsed to accept them as a Bankers' Acceptance under this Agreement and then purchase, discount or negotiate such a Bankers' Acceptance in accordance with the provisions of this Agreement. Drafts so completed, signed, endorsed and negotiated on behalf of the Borrower by the Lender shall bind the Borrower as fully and effectively as if so performed by an authorized officer of the Borrower. Each draft of a Bankers' Acceptance completed, signed or endorsed by the Lender shall mature on the last day of the interest period with respect thereto.
- (b) Any executed drafts to be used for Bankers' Acceptances which are held by the Lender need only be held in safekeeping with the same degree of care as if they were the Lender's own property and the Lender was keeping them at the place at which they are to be held. The Borrower shall, by written notice to the Lender, designate the persons authorized to give the Lender instructions regarding the manner in which the drafts are to be completed and the times at which they are to be issued. Neither the Lender nor any of its directors, officers, employees or representatives shall be liable for any action taken or omitted to be taken by any of them under this Agreement except for its own gross negligence or wilful misconduct.
- (c) The Lender shall maintain a record with respect to Bankers' Acceptances (i) accepted by it hereunder; (ii) cancelled at their respective maturities; or (iii) voided by it for any reason. The Lender further agrees to retain such records in the manner and for the statutory periods provided in the various provincial or federal statutes and regulations which apply to the Lender.
- (d) The Borrower shall not claim any days of grace for the payment at maturity of any Bankers' Acceptance. The obligations of the Borrower with respect to Bankers' Acceptances under this Agreement shall be unconditional and irrevocable and shall, to the maximum extent permitted by law, be paid strictly in accordance with the terms of this Agreement under all circumstances, including, without limitation, the following circumstances:
 - (i) any lack of validity or enforceability of any bill of exchange accepted by the Lender as a Bankers' Acceptance; or
 - (ii) the existence of any claim, set off, compensation, defence or other right which the Borrower may have at any time against the holder of a Bankers' Acceptance, or any other person, whether in connection with this Agreement or otherwise.

(6) Market Disruption.

If the Lender determines that a market for Bankers' Acceptances does not exist at any time or the Lender cannot for other reasons, after reasonable efforts, readily sell Bankers' Acceptances or perform its other obligations under this Agreement with respect to Bankers' Acceptances, the Lender will promptly so notify the Borrower ("**BA Market Disruption Notice**"). From and after the receipt of a BA Market Disruption Notice by the Borrower, the Lender shall not be obliged to accept and the Borrower shall not be entitled to issue Bankers' Acceptances to the Lender until the Lender determines in good faith that such market does exist and gives notice thereof to the Borrower.

In such event the Borrower shall be required, instead and in place of the next roll over notice, to execute and deliver a conversion notice having the effect of converting the Loan into a prime based loan, in an amount equal to the then Principal Amount, at an annual interest rate ~~equal to the~~ be determined by ~~Lender's prime rate plus 2%~~, payable monthly not in advance on the 5th day of each and every month, together with principal payments in accordance with the amortization period.

3.03 Payment Provisions

The Borrower will pay the Loan Indebtedness to the Lender as follows: (a) any part of the Loan Indebtedness that is not principal or interest on principal will be payable on demand with interest thereon at the Interest Rate; and (b) the balance of the Loan Indebtedness then remaining together with any interest thereon will become due and payable on the Maturity Date.

3.04 Compound Interest

Interest shall accrue on overdue interest at the Interest Rate from time to time, both before and after default, demand, maturity and judgment until paid and shall be due and payable by the Borrower to the Lender forthwith. If such overdue interest and compound interest are not paid within the then current interest calculation provided in this Agreement from the time of default, a rest will be made and compound interest at the Interest Rate will be payable on the aggregate amount then due, both before and after maturity, default and judgment, and so on from time to time until paid. All compound interest shall be added to the Loan Indebtedness and secured by the Loan Documents.

3.05 Receipt of Payment

Payment will not be deemed to have been made until the Lender has actually received such money. The Borrower assumes all risk if payments are lost or delayed. Any payment received after 12:00 noon Toronto time on any day other than the Maturity Date, and after 3:00 p.m. on the Maturity Date, will be deemed, for the purpose of calculation of interest, to have been made and received on the next Business Day. Payments shall be made to the Lender at such place as the Lender may designate from time to time.

3.06 Wire Transfer/Pre-authorized Chequing

The Borrower, on written request from the Lender, and at the Lender's option, will make all payments pursuant to the Loan by pre-authorized chequing or electronic debit entry on an account maintained by the Borrower and will execute and provide such written authorizations and, if available, sample cheques as the Lender may require.

3.07 Dishonoured Cheques or Payments

If any of the Borrower's cheques are not honoured when presented for payment or if a pre-authorized payment is not honoured, the Borrower will immediately pay the Lender a reasonable servicing fee as determined by the Lender or its servicer to cover the administration costs and expenses arising therefrom. Until paid, such servicing fee, together with interest thereon at the Interest Rate, shall be added to the Loan Indebtedness and be secured by the Loan Documents.

3.08 Application of Payments

Prior to an Event of Default, all amounts received by the Lender on account of the Loan Indebtedness shall be applied as follows, regardless of any other designation of such payments as principal, interest or other charges: first, to the repayment of sums advanced by the Lender pursuant to the Loan or any Loan Document for any reason (other than the Principal Amount), including sums advanced to pay Realty Taxes, Costs, insurance premiums or other charges against the Property (together with interest thereon at the Interest Rate from the date of advance until paid), then to the payment of accrued but unpaid interest which is then due and payable, and finally, to reduction of the Principal Amount. Following an Event of Default, all payments received by the Lender (regardless of any designation or allocation of such payments by any Borrower Entity as principal, interest or otherwise) will be applied by the Lender to principal, interest and/or such other charges due under this Agreement or the other Loan Documents in such order as the Lender shall determine in its sole discretion.

3.09 Costs

The Borrower covenants to pay all Costs to the Lender forthwith upon demand whether or not all or any part of the Principal Amount is advanced, provided the Lender shall deliver upon the written request of the Borrower invoices or other evidence of such Costs. Until paid, all Costs together with interest thereon at the Interest Rate shall be added to the Loan Indebtedness and secured by the Loan Documents.

3.10 Deemed Re-investment

There shall be no allowance or deduction for deemed re-investment with respect to any amounts paid to the Lender on account of interest under the Loan.

3.11 Advance Directed to Pay Reserves and Costs

Any amounts directed from any Loan advance by the Borrower to be paid as a reserve under the Loan Documents or to be paid on account of any Costs shall be considered to be fully and immediately advanced to the Borrower for all purposes, shall bear interest at the Interest Rate from and after the date of such Loan advance, and shall be fully and immediately secured by the Loan Documents in priority to all other Liens.

3.12 Reserves

(1) Realty Tax Reserve

Provided that there is no Event of Default continuing, the Borrower shall be entitled to pay Realty Taxes directly to the municipality when due and agrees to provide the Lender or its servicer with proof of such payment within 60 days of each calendar year end. The Borrower

shall at all times ensure that such Realty Tax payments due to the municipality are paid when due. If the Borrower (i) fails to adequately collect, budget for and/or pay the Realty Taxes, or (ii) fails to provide the Lender evidence that the Realty Taxes were timely paid, the Borrower will be instructed by the Lender, and shall commence, to pay to the Lender monthly thereafter on the 5th day of each month one-twelfth ($\frac{1}{12}$) of the Realty Taxes that the Lender, acting reasonably, estimates will be payable during the next ensuing twelve (12) months in order to accumulate sufficient funds to pay all such Realty Taxes when due (such amounts hereinafter called the **"Tax Reserve Fund"**). The Tax Reserve Fund will be held in an account referred to as the **"Tax Reserve Account"**. To the extent the Borrower has not collected, budgeted for and paid the Taxes, the Tax Reserve Fund is to be applied to payments of Realty Taxes required to be paid. In making any payment relating to the Tax Reserve Fund, the Lender will cause such payment to be made according to any bill, statement or estimate procured from the appropriate public office, without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax, assessment, sale, forfeiture, tax Lien or title or claim thereof. If the amount of the Tax Reserve Fund exceeds the amounts due for Realty Taxes for the next twelve (12) months, such excess will be credited against future payments or deposits to be made to the Tax Reserve Fund. To the extent the Borrower has not collected, budgeted for and paid the Realty Taxes, if at any time the Lender reasonably determines that the Tax Reserve Fund is not or will not be sufficient to pay Realty Taxes by the date such Realty Taxes will become due, the Lender will notify the Borrower of such determination and the Borrower will be required to make a further deposit of funds and/or increase the monthly payments to the Tax Reserve Account by the amount that the Lender, acting reasonably, estimates is sufficient to make up the deficiency at least thirty (30) days prior to the due date of the Realty Taxes.

(2) Additional Reserves

- (a) Upon the occurrence of an Event of Default and within 10 days' notice from the Lender, the Borrower shall establish additional reserves with the Lender to pay the reasonable costs of insurance premiums, utility charges, and/or the performance of specific maintenance, repairs or capital improvements to the Property or any work for the prevention, clean-up or remediation of environmental, health or safety conditions at the Property, as determined by the Lender acting reasonably.
- (b) Upon completion or payment of any reserve item set out in this Section 3.13(3), the Borrower may submit to the Lender a request for payment or release of any reserved funds in a form specified by the Lender which shall include and certify (a) the item and costs incurred (including evidence of completion or payment), (b) that all related work has been completed in a good and workmanlike manner in compliance with the Loan Documents and all Applicable Laws, and (c) evidence of compliance with all the applicable lien laws, including compliance with all holdback requirements and evidence that no lien is registered against the Property. Provided no Event of Default exists and upon the Lender's verification of the payment request, the Lender shall pay to the Borrower an amount approved by the Lender from the applicable reserve, less any Lender's costs and expenses with respect thereto. The Lender shall not be required to make disbursements of less than \$5,000.00 or more frequently than once monthly. The Lender reserves the right to make any such disbursement directly to the person(s) entitled to receive such payment and the Borrower shall execute and deliver all necessary directions. Upon the occurrence of an Event of Default, the Lender may retain all reserves held and, at its sole option, apply same to the

Loan Indebtedness, or to any costs and expenses for which the reserve is held, or to cure any Event of Default. The Lender has the sole right to direct the investment of the reserves. The servicer may hold and administer all reserves for the Lender. All interest accruing on the reserves shall be for the Lender's sole benefit, subject to the following.

3.13 Increased Cost

The Borrower shall reimburse the Lender for any additional cost or reduction in income arising as a result of (i) the imposition of, or increase in, taxes on payments due to the Lender hereunder (other than taxes on the overall net income of the Lender), (ii) the imposition of, or increase in, any reserve or other similar requirement, and (iii) the imposition of, or change in, any other condition affecting the Loan imposed by any Applicable Law or the interpretation thereof.

ARTICLE FOUR- REPRESENTATIONS, WARRANTIES AND COVENANTS

4.01 Performance of Covenants and Default

The Borrower and the Nominee shall observe and perform and cause to be observed and performed all of its respective covenants, provisos and conditions contained in this Agreement and the other Loan Documents. The Borrower and the Nominee represent and warrant to the Lender, as of the date of each Loan advance, that no Event of Default has occurred and no event has occurred which with the giving of notice, lapse of time or both would constitute an Event of Default. Upon becoming aware of any such Event of Default or default, the Borrower and the Nominee shall promptly deliver to the Lender a notice specifying full particulars of same.

4.02 Borrower Representations, Warranties and Covenants

The Borrower, for itself and on behalf of each Borrower Entity, represents and warrants to and covenants with the Lender, for itself and for the benefit of each Lender Entity, as follows:

- (a) Authorization. Each Borrower Entity (i) which is a corporation is a duly organized and validly existing corporation under the laws of its governing jurisdiction; (ii) which is a partnership or trust is a valid and subsisting partnership or trust, as the case may be, under the laws of its governing jurisdiction; (iii) to the extent it owns any registered, unregistered or beneficial interest in the Property has full power, authority and legal right to own its interest in the Property and to carry on its business with respect to the Property in compliance with all Applicable Laws and is duly licensed, registered or qualified in all jurisdictions where the character of its undertaking, property and assets or the nature of its activities makes such licensing, registration or qualification necessary or desirable; (iv) has full power, authority and legal right to enter into each of the Loan Documents to which it is a party and to do all acts and execute and deliver all other documents as are required to be done, observed or performed by it in accordance with their respective terms; (v) has taken all necessary action and proceedings to authorize the execution, delivery and performance of the Loan Documents to which it is a party and to observe and perform the provisions of each in accordance with its terms; (vi) shall maintain in good standing its existence, capacity, power and authority as a corporation, partnership or trust, as the case

may be, and shall not liquidate, dissolve, wind-up, terminate, merge, amalgamate, consolidate, reorganize or restructure or enter into any transaction or take any steps in connection therewith; (vii) will not make or permit any amendment to its Organizational Documents which would otherwise result in a default hereunder without the prior written consent of the Lender in its sole discretion; and (viii) the Borrower or the Nominee, is not now nor will be at any time prior to the Maturity Date a “non-resident” or a partnership other than a “Canadian partnership”, for the purposes of the *Income Tax Act* (Canada).

- (b) Enforceability. The Loan Documents constitute valid and legally binding obligations of each Borrower Entity which is a party thereto enforceable against each of them in accordance with their respective terms and are not subject to any right of rescission, set-off (legal or equitable), counterclaim or defence. Neither execution and delivery of the Loan Documents, nor compliance with the terms and conditions of any of them, (i) has resulted or will result in a breach or violation of the Organizational Documents governing any Borrower Entity, (ii) has resulted or will result in a breach of or constitute a default under Applicable Laws or any agreement or instrument to which any Borrower Entity is a party or by which it or the Property or any part thereof is bound or (iii) requires any approval or consent of any Person except such as has already been obtained.
- (c) Title and Security. The Nominee is the sole holder of registered title to the Property as nominee, *prête-nom*, agent and mandatary for and on behalf of the Borrower, and the Borrower is the sole beneficial owner of the Property and no other Person has any unregistered or beneficial ownership interest therein. The Borrower and the Nominee have good and marketable title to the Property free and clear of all Liens other than Permitted Encumbrances, and neither the Borrower nor the Nominee has received notice of any Liens (including, without limitation, of any claims for construction liens (legal hypothecs) with respect to work or services performed or materials supplied) related to the Property, other than Permitted Encumbrances. The Hypothec and the other Loan Documents shall be at all times a good and valid first-ranking hypothec, charge, assignment and security interest in the Property to all other Liens other than Permitted Encumbrances. The Borrower shall defend title to the Property for the benefit of each Lender Entity from and against all actions, proceedings and claims of all Persons. The Borrower shall not permit the Property or any part thereof to be subject to or included in a condominium (co-ownership) regime or any other form of multiple ownership or governance.
- (d) Transfers and Liens. No Transfer shall be made or permitted to be made without the prior written consent of the Lender in its sole discretion, except for a Transfer of the registered title to a Replacement Nominee as set out in clause (h) of the definition of “Event of Default”. Other than Permitted Encumbrances, no Liens shall be created, issued, incurred or permitted to exist (by operation of law or otherwise and whether prior to, *pari passu* with or subordinate to the Hypothec, the Loan Documents or the security thereof) in respect of, or registered against any part of the Property or any interest therein except in favour of the Lender as security for the Loan without the prior written consent of the Lender at its sole option exercisable in its sole discretion. Any Lien not permitted hereby must be fully vacated and discharged from the Property forthwith. If, without the prior written consent of the Lender or except as

otherwise permitted hereby, any Transfer or Lien of any part of the Property or any interest therein (other than a Transfer or Lien otherwise expressly permitted under the terms hereof) is made, created, incurred, taken or permitted to exist, then the Lender, at its sole option exercisable in its sole discretion and without limiting its other rights and remedies hereunder, may declare an Event of Default to have occurred and the Loan Indebtedness to be immediately due and payable by the Borrower to the Lender, in which event all of the Lender's rights and remedies under this Agreement, the Hypothec, the other Loan Documents and Applicable Laws will become immediately enforceable. Notwithstanding the foregoing, if the Lender elects to provide its consent to any Transfer or Lien, then notwithstanding such consent such Transfer or Lien will be subject at all times to the satisfaction by the Borrower of each of the following terms and conditions prior to the completion of such Transfer, in each case at the Borrower's sole cost and expense and to the satisfaction of the Lender, in its sole discretion, and in each case as applicable: (i) no Event of Default shall have occurred and is uncured and no event shall have occurred and is uncured which, with the passing of time or the giving of notice or both, would be an Event of Default, (ii) the Lender shall have approved, in its sole discretion, the financial condition, managerial capacity and ownership structure of the transferee, (iii) the transferee and each other Borrower Entity shall execute and deliver, in the Lender's form, an assumption agreement and such other indemnities, confirmations, insurance policies (including title insurance) and opinions as the Lender may require in its sole discretion, (iv) the Borrower shall pay all fees, costs and expenses (plus applicable taxes) of the Lender and its legal counsel relating to such Transfer, its review of Borrower's compliance with the requirements hereof and the preparation and review and/or recording of any and all documents and legal opinions relating thereto, including any governmental or third-party fees, costs, taxes or assessments thereon, (v) the Borrower shall pay to the Lender an assumption fee with respect to such Transfer equal to fifteen hundredths percent (0.15%) of the then outstanding Principal Amount (such fee not to exceed \$10,000), plus applicable taxes; (vi) registered title to the Property must be held at all times by a Person resident in Canada for the purposes of the *Income Tax Act* (Canada); (vii) the Borrower must satisfy all other conditions imposed by the Lender in respect of such Transfer; and (viii) the transferor shall not be released from its obligations hereunder except as expressly agreed to by the Lender in its sole discretion. Notwithstanding any other provision of any Loan Documents to the contrary, no Transfer otherwise permitted by this Agreement will be permitted, and the Lender may withhold its consent to such Transfer, if, in the opinion of the Lender or its legal counsel in its sole discretion, it would result in a novation of the Loan under Applicable Laws or if it has or could be expected to have a Material Adverse Effect.

- (e) Realty Taxes and Utility Charges. The Borrower shall pay or cause to be paid all Realty Taxes and utility charges relating to the Property when due. The Borrower will deliver to the Lender receipted invoices or other evidence of payment of (i) Realty Taxes, including each tax installment, within sixty (60) days of each calendar year end, and (ii) utility charges upon request by the Lender.
- (f) Litigation. There are no existing or threatened actions, proceedings or claims against or relating to the Property or any Borrower Entity or, to the Borrower's knowledge, any prior owner of the Property that could give rise to a Material

Adverse Effect, except in each case as disclosed to and accepted by the Lender in writing prior to the initial Loan advance. Upon becoming aware of any threatened or actual action, proceeding or claim against or relating to the Property or any Borrower Entity or any prior owner of the Property that could give rise to a Material Adverse Effect, the Borrower shall promptly notify and provide the Lender with such information concerning same as the Lender may require from time to time.

- (g) Property; Compliance with Applicable Laws. Except as disclosed in the building condition assessment, dated as of February 8, 2019, prepared by WSP Canada and delivered to and approved by the Lender, the Property is in good condition and repair, complies with all Applicable Laws, Permitted Encumbrances, Material Property Agreements, permits, licences and approvals, and the current location, occupancy, operation and use of the buildings, structures and other improvements on the Property (including all existing and permitted uses of the Property by Tenants) either comply with all Applicable Laws (including, without limitation, parking, building and zoning and land use laws, ordinances, regulations and codes in respect of the Property), or to the extent of any non-compliance, such non-compliance is legally permitted under Applicable Laws. The Borrower is not aware of any action, proceedings, notices, judgments, orders or claims by any Person alleging or relating to any non-compliance by the Property with any Applicable Laws, Permitted Encumbrances, Material Property Agreements or any permits, licenses or approvals and the Borrower shall promptly notify and provide the Lender with particulars of any default thereunder and any other information as the Lender may require from time to time. All services and utilities necessary for the use and operation of the Property are located on the Property, in the public highway(s) abutting the Property or within servitudes affecting the Property and are connected and available for use. The Property has unrestricted and unconditional rights of public access to and from public highways (completed and available for public use) abutting the Property at all existing access points. There is no existing or threatened expropriation or other similar proceeding in respect of the Property or any part thereof. Each of the Borrower Entities shall 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 Applicable Laws (including, without limitation, parking, building and zoning and land use laws, ordinances, regulations and codes in respect of the Property), Permitted Encumbrances, Material Property Agreements and any permits, licenses or approvals.
- (h) Use and Maintenance. Neither the Borrower nor any other Borrower Entity shall change the use of or abandon the Property, commit or permit any waste of the Property or remove or permit the removal of any building, structure or other improvement from the Property (other than Tenant's improvements which are removable by a Tenant in accordance with its Lease) without the prior written consent of the Lender. The Borrower shall diligently maintain, use, manage, operate and repair the Property in a safe and insurable condition, in accordance with Applicable Laws, Permitted Encumbrances, Material Property Agreements, permits, licenses and approvals, in a prudent and business-like manner, and in keeping with the standards for similar properties in the locality in which the Property is situated. The Borrower shall at its expense promptly make or cause

to be made all repairs and replacements to the Property necessary to comply with this Subsection in a good and workmanlike manner and equal or better in quality to the original work and in compliance with all Applicable Laws, Permitted Encumbrances, Material Property Agreements, permits, licenses and approvals.

- (i) Changes to Property. Neither the Borrower nor any other Borrower Entity will demolish, remove, construct, alter, add to, repair or restore the Property or any portion thereof (collectively, "**Alterations**") nor consent to or permit any other Person to make such Alterations, to the extent any such Alterations, individually or in the aggregate, would be reasonably likely to decrease the value of the Property, without obtaining in each instance the Lender's prior written consent in its sole discretion. Nothing herein will prevent or restrict any Borrower Entity from complying with its obligations to maintain and repair the Property in accordance with the Loan Documents.
- (j) Management. The manager of the Property and each management agreement shall each be subject to the prior written approval of the Lender in its sole discretion from time to time. The Lender acknowledges and agrees that each of Hudson's Bay Company and RioCan Management Inc. shall be deemed to be approved property managers. The manager shall not be removed or replaced and the management agreement shall not be terminated or amended without the prior written consent of the Lender in its sole discretion. Upon an Event of Default that is continuing, the Lender may terminate, or require the Borrower to terminate, any such management agreement and/or manager of the Property and may retain, or require the Borrower to retain, a new manager of the Property approved by the Lender (in each case at the Borrower's sole expense). Each management agreement shall contain termination provisions consistent with this Subsection.
- (k) Right of Inspection. The Lender, each servicer (and its sub-servicer) and their respective agents and employees will have the right, subject to the rights of Tenants under existing Leases, to enter and inspect the Property at all reasonable times and, except in an emergency or following an Event of Default, upon reasonable notice (which notice shall not be required to be writing) to the Borrower. The Lender will not be considered to have taken possession of the Property or to otherwise become a mortgagee or chargee in possession of the Property by reason of its exercise of any such right.
- (l) Permits. To the best of the Borrower's knowledge, after due inquiry, the Borrower (i) has obtained all permits, agreements, rights, licences, authorizations, approvals, franchises, trademarks, trade names and similar property and rights (collectively "**Permits**") necessary to permit the lawful construction, and the current occupancy, operation and use of the Property; (ii) is not in default under such Permits and shall maintain all such Permits in good standing and in full force and effect; (iii) shall not terminate, amend or waive any of its rights and privileges under any Permits without the Lender's prior written consent in its sole discretion; and (iv) is not aware of any proposed changes or any notices or proceedings relating to any Permits (including pending cancellation, termination or expiry thereof). The Borrower shall promptly notify and deliver to the Lender particulars of any such changes, notices or proceedings that may arise from time to time.

- (m) Representations Regarding Environmental Matters. Except as disclosed in the Environmental Site Assessment, the Property and all activities conducted thereon comply with all Environmental Laws. The Property is not and will not be used at any time for the purpose of manufacturing or storing Hazardous Substances. Except as disclosed in the Environmental Site Assessment, the Property contains no Hazardous Substances (except those used incidentally in the ordinary course of business of the Borrower, the Nominee or any Tenant and in compliance with all Applicable Laws), has not been previously, and is not currently, subject to any remediation or clean-up of Hazardous Substances and there has not been and is no prior, existing or, to the best of the Borrower's knowledge, after due inquiry, threatened investigation, action, proceeding, notice, order, conviction, fine, judgment, claim, directive or Lien of any nature or kind against or affecting the Property or any Borrower Entity arising under or relating to Environmental Laws (each, an "**Environmental Proceeding**"). All existing environmental assessments, audits, tests and reports relating to the Property have been delivered to the Lender. To the best of the Borrower's knowledge and belief, there are no pending or proposed changes to Environmental Laws or any Environmental Proceedings which would render illegal or affect the present use and operation of the Property. Neither the Borrower, the Nominee nor, to the best of the Borrower's knowledge and belief, any other Person has used or permitted the use of the Property to generate, manufacture, refine, treat, transport, store, handle, dispose, transfer, produce or process Hazardous Substances or as a waste disposal site.
- (n) Covenants Regarding Environmental Matters. The Borrower will: (i) ensure that the Property and each Borrower Entity comply with all Environmental Laws at all times; (ii) not permit any Hazardous Substance to be located, manufactured, stored, spilled, discharged or disposed of at, on or under the Property (except those used incidentally in the ordinary course of business of the Borrower, the Nominee or any Tenant and in compliance with all Environmental Laws); (iii) ensure that any Hazardous Substance brought onto the Property or used by any person on the Property shall be transported, used and stored only in accordance with Environmental Laws; (iv) notify the Lender promptly of any actual, threatened or potential escape, seepage, leakage, spillage, release or discharge of any Hazardous Substance on, from, or under the Property; (v) notify the Lender promptly of any threatened or actual Environmental Proceedings that may arise from time to time and provide particulars thereof; (vi) remediate and cure in a timely manner any non-compliance by the Property or any Borrower Entity with Environmental Laws, including removal of any Hazardous Substances to the extent required by applicable Environmental Laws; and (vii) provide the Lender promptly upon request with such information and documents and take such other steps (all at the Borrower's expense) as may be required by the Lender to confirm and/or ensure compliance by the Property, each Borrower Entity and each Tenant of the Property with Environmental Laws.
- (o) Environmental Indemnity. Without limiting any other provision of any Loan Document, the Borrower shall indemnify and pay, protect, defend and save each Lender Entity harmless from and against all actions, proceedings, losses, damages, liabilities, claims, demands, judgments, costs and expenses (including legal fees and disbursements on a full indemnity or equivalent basis) (collectively "**Environmental Claims**") occurring, imposed on, made against or incurred by

such Lender Entity arising from or relating to, directly or indirectly, whether or not disclosed by any environmental assessment obtained by any Lender Entity prior to the initial Loan advance and whether or not caused by the Borrower or within its control: (i) any actual or alleged breach of Environmental Laws relating to or affecting the Property; (ii) the actual or alleged presence, release, discharge or disposition of any Hazardous Substance in, on, over, under, from or affecting all or part of the Property, including any personal injury or property damage arising therefrom; (iii) any actual or threatened Environmental Proceeding affecting the Property including any settlement thereof; (iv) any assessment, investigation, containment, monitoring, remediation and/or removal of all Hazardous Substances from all or part of the Property or, if migrating from the Property, surrounding areas, or otherwise complying with Environmental Laws; or (v) any breach by any Borrower Entity of any Loan Document or Applicable Laws relating to environmental matters (including Sections 4.02(m) and 4.02(n) above). Notwithstanding any other provision of this Agreement or any other Loan Document, the Borrower agrees that each Lender Entity will have full and unrestricted recourse to the Borrower and all of its property and assets for all such Environmental Claims.

- (p) Survival of Environmental Representations, Warranties and Covenants. Representations, warranties and covenants relating to environmental matters shall survive any repayment of the Loan, any full or partial release or any termination or discharge of any Loan Document, provided that a Lender Entity has taken steps to enforce its rights hereunder.
- (q) Estoppel Certificates. Within fifteen (15) Business Days following a request by the Lender from time to time, the Borrower shall provide the Lender with a written statement confirming the status of the Loan in form and content required by the Lender or any servicer, including the amount of the Loan Indebtedness, interest rate and payment terms and particulars of all existing or alleged defaults, claims offsets or defences.
- (r) Financial and Other Information. All financial statements and other information delivered to any Lender Entity by or on behalf of each Borrower Entity in connection with the Loan are complete and correct in all material respects as of the date of delivery to such Lender Entity or as of such other date specified therein and include all material facts and circumstances concerning the financial or other condition or status of the Property, each Borrower Entity or its business and operations necessary to ensure all such statements and information so provided are not misleading as of the date of delivery to such Lender Entity or as of such other date specified therein. Except as previously disclosed to, and approved by, the Lender, there has been no material adverse change in the financial or other condition of the Property, any Borrower Entity or its business and operations since the date such statements and information were delivered to such Lender Entity or since the date specified therein, as applicable. No Borrower Entity has any material liability (contingent or otherwise) or other unusual or forward commitment not reflected in such financial statements. Each Borrower Entity has filed all tax returns required by Applicable Laws and has paid, when due, all taxes, surtaxes, duties, rates, withholdings, all source deductions (for income tax, employment insurance and other matters) and other similar charges (including related interest, penalties and fines) imposed on it or required to be made by Applicable Laws or any Governmental Authority.

- (s) Financial Statements and Books and Records. The Borrower shall provide the following financial statements and information to the Lender, certified by the Borrower or the related Borrower Entity and prepared in accordance with generally accepted accounting principles consistently applied and in form and substance acceptable to the Lender: (i) an annual operating statement and rent roll for the Property by January 30 of each calendar year; (ii) annual audited financial statements for the Borrower within ninety (90) days after the end of each fiscal year of the Borrower; (iii) quarterly unaudited financial statements for the Borrower within sixty (60) days after the end of each fiscal quarter (other than the fourth fiscal quarter in each fiscal year) of the Borrower; and (iv) such other information with respect to the Property and/or any Borrower Entity reasonably requested from time to time by the Lender. The Lender and/or its agents shall have the right to make inspections and audits of the Property and all books and records relating to the Property and each Borrower Entity at such time(s) as the Lender may determine in its sole discretion and at the Borrower's expense and the Borrower will cooperate and will cause each other Borrower Entity to cooperate fully therewith.
- (t) Not a Construction Loan. Except as otherwise expressly disclosed by the Borrower in writing and accepted by the Lender prior to the initial Loan advance, the Borrower covenants, represents and warrants that the Loan and the proceeds thereof are not to be used for the purpose of securing the financing of any improvement, construction or renovation to the Property or for repaying any hypothec, mortgage or charge which was taken to secure the financing of an improvement, construction or renovation to the Property.
- (u) Rents and Leases. The Borrower represents and warrants to the Lender as follows: (i) the Borrower or, if applicable, the Nominee, has the good right, full power and absolute authority to hypothecate the Rents and Leases to the Lender as a first priority hypothec thereof (subject only to Permitted Encumbrances), and has granted no prior assignment, transfer or Lien in, on or of any of the Rents or Leases that remains outstanding from and after the date hereof; (ii) the Leases are in full force and effect and are valid and binding obligations of each of the Tenants thereunder; (iii) complete copies of all Leases have been delivered to the Lender; (iv) except as expressly disclosed to the Lender in writing prior to the initial Loan advance, no Rents have been prepaid under any Lease (except for security deposits and first and last months' rent paid in accordance with the provisions of the applicable Lease), discounted, released, waived, compromised or otherwise discharged; (v) to the best of the Borrower's knowledge, after due inquiry, there is no default by any Person now existing under any of the Leases, nor circumstances existing which, with the giving of notice or lapse of time or both, would constitute any such default; (vi) no notice, order or claim has been given or received by or on behalf of the Borrower or any other Borrower Entity alleging or relating to any default, circumstance or other dispute under any Lease or claiming any rebate, reduction, refund, set-off or other impairment of any of the Rents, or relating to any dispute under a Lease; and (vii) all Rents previously and hereafter charged and collected in respect of each Lease have complied with and will comply with the Lease and with all Applicable Laws. The Borrower will deliver to the Lender, within ten (10) days after the Lender's request from time to time, a true and complete copy of each Lease and a complete list of the Leases, as certified by the Borrower, setting out,

in respect of each Lease, the leased premises, the name of the Tenant, the Rents payable and the date to which such Rents have been paid, the key terms of such Lease, the date of occupancy, the date of expiration, any rent concessions and other inducements granted to the Tenants, and any renewal options. The Borrower shall promptly deliver to the Lender any request notice, order or claim of any kind given or received by any Borrower Entity from time to time in respect of any Material Lease and, with respect to any other Lease, any request, notice, order or claim given or received by any Borrower Entity from time to time relating to any matter or thing which has or could reasonably be expected to have or result in a Material Adverse Effect.

- (v) Restrictions on Leases and Renewals. Each new Lease or any renewal or extension of an existing Lease (other than any extension or renewal of an existing Lease which is exercised pursuant to, and the terms of which are governed by such existing Lease), (i) must be a commercially reasonable arm's-length transaction made in the ordinary course of business and in accordance with prudent property management and leasing standards and practices, (ii) must provide for rental rates and other terms and conditions consistent with prevailing market rates, terms and conditions, and (iv) must not contain termination rights in favour of the Tenant or any other Person (other than the landlord) except for landlord default other than those agreed to in the ordinary course of business and which are commercially reasonable and consistent with prudent property management and leasing standards and practices.
- (w) Lender Right to Consent to Leases. Subject to the succeeding paragraph, the Borrower must obtain the Lender's prior written consent to enter into, renew, or extend (or permit the Nominee to enter into, renew or extend) any Lease, which consent will not be unreasonably withheld or delayed by the Lender, provided that such Lease, and any extension or renewal thereof, complies with all requirements of this Agreement and the other Loan Documents governing new Leases and renewals and extensions of existing Leases and provided further that the Lender will be entitled to a minimum of ten (10) Business Days following receipt of the Borrower's written request and all reasonably required supporting documentation to decide whether or not to give or withhold such consent. This provision does not apply to any renewal or extension of an existing Lease which is exercised pursuant to, and the terms of which are governed by, such existing Lease. Notwithstanding the foregoing, following the occurrence of an Event of Default, the Borrower must obtain the Lender's prior written consent to enter into, renew or extend any Lease (including each Material Lease) which consent may be given or withheld by the Lender in its sole discretion.

Notwithstanding anything to the contrary contained herein, the following do not require Lender approval: (i) any amendments, renewals or extensions arising from a Tenant's exercise of any existing rights, (ii) any new Leases, renewals or extensions with unrelated tenants which are made on market terms, and demise less than 50,000 square feet for a term of 10 years or less (including all extension and renewal options) unless the Tenant is an Affiliate or subsidiary of or is any way related to the Borrower or any other Borrower Entity or the rental rate is less than the prevailing market rental rate, and (iii) any amendments, renewals or extensions of existing leases where the rental rate is greater or equal to the existing rental rate or the prevailing market rate.

- (x) Covenants with Respect to Leases. Save and except as set out in Section 4.02(v), and except in accordance with prudent property management and leasing standards and practices, neither the Borrower nor any other Borrower Entity will, without the prior written consent of the Lender in its sole discretion: (i) accept or permit payment of the Rents or any part thereof under any Lease in advance (except for security deposits and first and last months' rent paid in accordance with the provisions of the applicable Lease); (ii) amend, modify, cancel or terminate any Lease in whole or in part, or accept the surrender of any Lease, or take or omit to take any action or exercise any right or option which would permit the Tenant under any Lease to cancel, terminate or surrender any Lease, except that the Borrower shall be permitted to modify an existing Lease (including entering into extensions or renewals of such Lease) or enter into a new Lease from time to time, provided that (A) such modification or Lease does not materially negatively impact the cash flow from the Property, (B) such modification or Lease would not require physical changes to the Property that would materially impact the reasonable use and enjoyment of the balance of the Property by other Tenants and invitees, and (C) prior written notice of such modification or Lease shall have been delivered to the Lender; (iii) discount, release, waive, compromise or otherwise discharge any Rents payable under any Lease or other obligations of any Tenant or other Person under any Lease, or (iv) assign, transfer or grant a Lien in, on or of all or any part of the Rents or Leases.
- (y) Material Property Agreements.
- (i) True copies of each of the Material Property Agreements existing as at the date hereof have been delivered to the Lender.
- (ii) With respect to each of Material Property Agreements: (A) to the best of the Borrower's knowledge, it is in full force and effect and has not, except as has been disclosed to (and consented to, where required hereunder) the Lender, been amended, (B) to the extent a Borrower Entity is a party thereto, it has been duly executed and delivered and constitutes a valid and binding obligation of such Borrower Entity, (C) no Borrower Entity 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 Effect, has occurred, (D) 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 Effect, required to be met or complied with on the part of any Borrower Entity have been complied with and with respect to any other party thereto have been met or complied with to the best of its knowledge, (E) 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 Borrower Entity exists which is reasonably likely to constitute, or could reasonably be expected to constitute, or cause, a Material Adverse Effect, and (F) each Material Property Agreement to which any Borrower Entity is a party is binding upon it and, to the best of the Borrower Entities' knowledge, is a binding agreement of each other Person who is a party thereto.
- (iii) Each Borrower Entity shall:

- 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. No Borrower Entity shall 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 Lender (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; and
 - B. advise the Lender 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 Lender. The Borrower shall provide written notice to the Lender of any assignment made by a contracting party to a Material Property Agreement.
- (z) Insolvency. None of the Borrower Entities (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 each of the Borrower, the Borrower GP and the Nominee, any or, in the case of any other Borrower Entity, any material portion, of its assets and property.
- (aa) Illegal Activity. No portion of the Property has been or will be purchased with the proceeds of any illegal activity.

4.03 Minimum Partnership Equity

The Borrower shall (i) maintain at all times a Minimum Borrower Partnership Equity of not less than \$750,000,000, and (ii) deliver to the Lender on an annual basis within ninety (90) days of each fiscal year end of the Borrower and as otherwise required by the Lender from time to time, acting reasonably, a certificate of a senior officer of the Borrower (or its general partner) confirming that the requirement set out in the foregoing clause (i) has been met.

ARTICLE FIVE– INSURANCE

5.01 Insurance Coverage

The Borrower shall maintain or cause to be maintained at its sole expense the following insurance coverages with respect to the Property for the benefit of the Lender (for itself and on behalf of each Person having an ownership interest in the Loan from time to time) until the Loan Indebtedness has been fully paid and satisfied to the Lender:

- (a) insurance against loss or damage by fire, casualty and other hazards as are now or subsequently covered by an “all risk” policy with such endorsements as the Lender may reasonably require from time to time, covering one hundred percent (100%) of the full replacement cost of the buildings, structures and improvements comprising the Property (including footings and foundations);
- (b) rental insurance covering one hundred percent (100%) of the total Rents from the Property for not less than a thirty-six (36) month period (to be determined once each calendar year);
- (c) comprehensive broad form boiler and machinery coverage;
- (d) “Comprehensive General Liability Form” of commercial general liability insurance coverage with the “Broad Form CGL” endorsement providing coverage on a per occurrence basis, in an amount not less than Twenty-Five Million Dollars (\$25,000,000) per occurrence, which may be satisfied through any combination of primary or excess/umbrella policies;
- (e) during such time or times as there is construction of any buildings or other improvements on the Property (it being acknowledged that such construction is subject to the prior written approval of the Lender in its sole discretion), builders’ all risk insurance; and
- (f) such other insurance as required by the Lender from time to time in its sole discretion.

The Borrower represents and warrants to the Lender that all such insurance is in full force and effect from and after the initial Loan advance, and shall provide Lender with satisfactory evidence thereof within thirty (30) days hereof.

5.02 Policy Terms

All insurance required by this Article shall have a term of not less than one (1) year and shall be in the form and amount and with such deductibles, endorsements and with such insurers as are acceptable to the Lender from time to time, in its sole discretion. Original or certified copies of evidence of all insurance policies will be delivered by the Borrower to the Lender immediately and evidence of its renewal or replacement must be delivered not less than thirty (30) days before any policy expires or is terminated. If insurance certificates or binders evidencing such insurance and acceptable to the Lender are delivered prior to the initial Loan advance or renewal, as the case may be, the original or certified copies of such insurance policies shall be delivered to the Lender within five (5) Business Days after written request by the Lender. All property, income and boiler and machinery policies shall, in a manner

satisfactory to the Lender, (i) contain either a stated amount endorsement or a waiver of any co-insurance provision; (ii) contain Canadian standard mortgage clauses in favour of the Lender; (iii) shall name the Lender, on behalf of itself and any other Person having an ownership interest in the Loan from time to time, as first loss payee, and (iv) provide that such policies shall not be canceled without at least thirty (30) days' written notice to the Lender, except ten (10) days' notice for non-payment of insurance premiums and, if obtainable by the Borrower using commercially reasonable efforts, shall not be materially changed (other than to increase the coverage provided thereby) without such a thirty (30) day notice. The Borrower will not carry separate insurance, concurrent in kind or form or contributing in the event of loss, with any insurance required hereunder. If any insurance required by this Agreement is not maintained by the Borrower at any time, the Lender may (but is not obligated to) effect such insurance in any manner it shall determine in its sole discretion and all costs and expenses incurred by or on behalf of the Lender in maintaining such insurance shall be payable by the Borrower to the Lender forthwith on demand. Until paid, such costs and expenses together with interest thereon at the Interest Rate will be added to the Loan Indebtedness and secured by the Loan Documents. As additional and separate security for payment and performance of the Loan Indebtedness and all of its other covenants and obligations under the Loan and the Loan Documents, each of the Borrower and the Nominee shall hypothecate to the Lender pursuant to the Hypothec, as a first priority hypothec thereon, all legal and beneficial right, title and interest in and to all present and future insurance proceeds and expropriation awards in respect of the Property. The Borrower hereby authorizes and directs the issuer of any such insurance proceeds or expropriation awards, subject to Section 6.02, to make payment directly to the Lender. Upon the occurrence of an Event of Default, all insurance proceeds and expropriation awards arising in respect of the Property shall, at the option of the Lender in its sole discretion, be applied in reduction of the Loan Indebtedness.

5.03 Compliance with Insurance Policies

The Borrower shall pay all premiums relating to all insurance required by this Article when due and shall promptly deliver to the Lender receipted invoices or other evidence of payment. The Borrower shall comply with all the terms of each insurance policy required by this Agreement and all requirements of the insurer of each such policy. The Borrower shall not by any action or omission invalidate any insurance policy required to be carried hereunder or materially increase the premiums on any such policy above the normal premium charged by the carrier of such policy.

ARTICLE SIX – DAMAGE AND DESTRUCTION

6.01 Damage and Destruction/Restoration

If any damage or destruction occurs to the Property, the Borrower shall:

- (i) give prompt written notice to the Lender of any damage or destruction to the Property and cause the Property to be secured in a safe manner;
- (ii) promptly notify the Lender of the Borrower's good faith estimate of the cost of the work and materials required to repair or restore such damage or destruction (the "**Restoration Work**");
- (iii) promptly commence or cause to be commenced and diligently prosecute the Restoration Work to completion in accordance with all Applicable

Laws and the provisions of this Article, to a standard at least equal to the replacement value and general utility of the Property immediately prior to such damage or destruction;

- (iv) complete or cause to be completed the Restoration Work in accordance with this Section 6.01 within the earlier to occur of (a) the date which is six (6) months prior to the Maturity Date, and (b) the expiration of the insurance coverage referred to in Section 5.01(b) (without giving effect to any extended period of indemnity endorsement in respect of such coverage), which coverage may be extended by the Borrower on terms satisfactory to the Lender, acting reasonably;
- (v) cause Leases requiring payment of annual rent equal to not less than 100% of the aggregate rents received by the Borrower during the twelve (12) month period immediately preceding the damage or destruction to the Property to remain in full force and effect during and after the completion of the Restoration Work without abatement of rent beyond the time required for the Restoration Work;
- (vi) ensure that the proceeds of the rental insurance required by this Agreement shall offset fully any loss of Rents throughout the completion of the Restoration Work and a reasonable period thereafter for leasing the Property or if not, prior to the commencement of such Restoration Work, deposit with the Lender in cash an amount equal to any deficiency (as estimated by the Lender and calculated to the end of the period during which the Restoration Work and lease-up will be completed) to ensure that funds are available to pay when due all scheduled payments on account of the Loan Indebtedness throughout such period and each of the Borrower and the Nominee shall hypothecate pursuant to the Hypothec all proceeds of any such letter of credit to the Lender as security for the payment and performance of the Loan and the Loan Indebtedness and all of its other covenants and obligations under the Loan and the Loan Documents;
- (vii) ensure that following completion of such Restoration Work, the location, density, occupation, operation and use of the Property (i) will be substantially the same as that existed at the time of the initial Loan advance, and (ii) will be legally permitted under all Applicable Laws (or a legal non-conforming use), in the case of each of the foregoing clauses (i) and (ii), unless otherwise approved by the Lender in its sole discretion;
- (viii) pay all costs and expenses incurred by any Lender Entity in connection with the recovery and administration of all insurance proceeds and the Restoration Work, including approving plans and specifications, inspecting the Restoration Work, and all reasonable architects', adjusters', lawyers', engineers' and other consultants' fees and disbursements; and
- (ix) promptly furnish at its own expense all necessary proofs of loss and do all necessary acts to ensure that the Lender receives payment of all insurance proceeds.

6.02 Application of Insurance Proceeds

(1) Provided no Event of Default exists, if insurance proceeds arising or relating to any damage or destruction to the Property (other than the rental insurance set out in Section 5.01(b)) exceed \$10,000,000 net of all reasonable architects', adjusters', lawyers', and other consultants' fees and disbursements ("**Net Proceeds**"), same will be held by the Lender and paid out from time to time (but not more frequently than every thirty (30) days) to pay the cost of the Restoration Work performed in accordance with this Article on and subject to satisfaction of the following terms and conditions (each of which shall be an obligation of the Borrower to promptly satisfy): (a) Within ten (10) days of such damage or destruction, Borrower shall (i) deliver to the Lender a certificate from an architect approved by the Lender acting reasonably (the "**Architect**") estimating the cost of the Restoration Work; (ii) if the estimated cost exceeds the amount of Net Proceeds then held by the Lender, the Borrower shall deliver to the Lender an unconditional, irrevocable, demand letter of credit, in form, substance and issued by a bank acceptable to the Lender in its sole discretion, in the amount of such excess, or a completion bond in form, substance and issued by a surety company acceptable to the Lender in its sole discretion; and (iii) provide to the Lender evidence satisfactory to it in its sole discretion, and agree in writing with the Lender, that the Restoration Work will be completed in accordance with this Article; (b) If the Architect's estimate of the cost of the Restoration Work is equal to or exceeds \$10,000,000, such Restoration Work shall be performed under the supervision of an Architect and in accordance with plans and specifications approved by the Lender in its sole discretion; (c) requests for payment of Net Proceeds held by the Lender shall be made by the Borrower on not less than ten (10) Business Days prior notice to the Lender and shall be accompanied by a certificate of an Architect, or if the Restoration Work is not required to be supervised by an Architect, by a certificate of the Borrower addressed to the Lender, stating or containing (i) a detailed description of the completed Restoration Work for which the request for payment is made; (ii) that such Restoration Work has been completed in compliance with this Article, and has been approved by the Borrower and if applicable, the Architect; (iii) that the requested amount is due, or is required to reimburse the Borrower, for payments made to the contractor, subcontractors, materialmen, suppliers, labourers, engineers, architects or other Persons performing the Restoration Work and that when added to all payments previously made from Net Proceeds does not exceed the value of the Restoration Work done to the date (if required by the Lender, the payment of the requested amount shall be made directly to such Persons pursuant to a written direction of the Borrower); (iv) the remaining cost to complete the Restoration Work, (v) the amount of all lien holdbacks required or permitted to be maintained under Applicable Laws in respect of such Restoration Work, (vi) the amount of such holdbacks actually maintained by the Borrower, (vii) that except for such actual holdbacks and the amount of the requested payment required to be paid to such Persons, all contractors, subcontractors, materialmen, suppliers, labourer, engineers, architects and other Persons performing such Restoration Work have been paid in full, and (viii) that no written notice of a legal hypothec in favor of persons having taken part in the Restoration Work or other similar Lien under Applicable Laws has been received by the Borrower or the Architect or registered against the Property; and, (d) prior to disbursing any Net Proceeds, (i) the Lender must be satisfied in its sole discretion that all holdbacks required or permitted by Applicable Laws have been maintained and that no legal hypothecs in favor of persons having taken part in the Restoration Work or other similar Liens under Applicable Laws have been registered against the Property, and (ii) the Lender has the right to inspect the Property to determine that the Restoration Work complies with this Article. The Borrower irrevocably waives any requirement of Applicable Laws which may require the Net Proceeds to be used to restore or rebuild the Property. Notwithstanding the foregoing and provided no Event of Default has occurred and is continuing, if the Net Proceeds do not exceed \$10,000,000 in the aggregate, such proceeds may be paid to

and held by the Borrower provided that all such proceeds must be applied by the Borrower solely to the repair or restoration of such damage or destruction.

(2) In the event the Borrower later fails to satisfy the terms and conditions of Sections 6.01(iv) or 6.01(v), as determined by the Lender, acting reasonably, the Lender shall have the right exercisable in its sole discretion to receive all proceeds of the rental insurance set out in Section 5.01(b) ("**BI Proceeds**") and to apply all BI Proceeds so received to the Loan Indebtedness.

(3) In the event the Borrower satisfies the terms and conditions of Sections 6.01(iv) and 6.01(v), as determined by the Lender, acting reasonably, the Lender shall disburse the BI Proceeds to the Borrower.

6.03 Holdbacks

Notwithstanding any other provision of this Agreement, the Lender is entitled to retain, and not disburse, from any payment of Net Proceeds pursuant to Section 6.02 in connection with any Restoration Work, a holdback or holdbacks from time to time in such amount(s) and for such period(s) of time as determined by the Lender in its sole discretion, in order to maintain and ensure the priority of the Hypothec as a first priority Lien of the Property at all times, to comply with all Applicable Laws and to ensure that all holdback and other related financial obligations and liabilities of the Lender under Applicable Laws relating to or directly or indirectly arising from with the Restoration Work are and will continue to be fully satisfied solely by or from such holdbacks. Such holdback(s) will be retained by the Lender until such time as (i) the Restoration Work has been fully completed in accordance with this Article with no material deficiency or defect, (ii) the Lender shall have received copies of any and all final certificates of occupancy or other certificates, licenses, permits and approvals required for the ownership, occupancy and operation of the Property in accordance with all Applicable Laws, (iii) the Lender is satisfied in its sole discretion that the priority of the Hypothec as a first priority Lien of the Property will not be impaired or otherwise affected by the release of such holdback(s) and that all construction liens, mechanics liens or other similar Liens and all holdback and other related financial obligations and liabilities of the Lender under Applicable Laws relating to or arising from such Restoration Work, including all Lien registration periods under the CCQ relating to such Restoration Work, have either fully expired or have otherwise been fully satisfied, (iv) all costs and expenses of the Restoration Work, including all Lien registration periods under the CCQ relating to such Restoration Work, (including all costs and expenses of any Lender Entity referred to in Section 6.01(viii)) have been fully paid, (v) there are no outstanding claims or disputes with respect to the Restoration Work, and (vi) no Event of Default exists. Provided no Event of Default exists, if any excess Net Proceeds held by the Lender remain after satisfaction of all of the foregoing matters, such excess proceeds shall be paid to the Borrower.

6.04 Event of Default

If the Borrower fails to comply with any of its obligations under this Article, an Event of Default shall have occurred, and notwithstanding any other provision hereof, the Lender shall have the right exercisable in its sole discretion to receive all Net Proceeds and to apply all Net Proceeds so received to the Loan Indebtedness. Following an Event of Default, the Lender, or any Lender Entity, may (but shall have no obligation to) perform or cause to be performed any incomplete Restoration Work, and may take such other steps as it deems advisable in connection therewith (and any costs incurred by the Lender Entities in respect of same shall form Costs hereunder). The Borrower hereby waives all actions, proceedings, claims, demands

and other rights against each Lender Entity arising out of any act or omission of the Lender or such manager, administrator or other Person with similar powers completing the Restoration Work and all matters relating thereto after the occurrence of an Event of Default. Following an Event of Default, the Lender may apply all or any portion of the Net Proceeds (without complying with any requirements of this Article) to pay or reimburse each Lender Entity or any contractor or other Person retained by any Lender Entity for all costs of completing the Restoration Work without prior notice to or consent of the Borrower or any other Person. Any costs and expenses incurred by or on behalf of the Lender in completing any Restoration Work will be Costs and shall be payable by the Borrower forthwith upon demand. Until paid, such costs and expenses, together with interest thereon at the Interest Rate, will be added to the Loan Indebtedness and will be secured by the Loan Documents.

6.05 Expropriation

Prior to an Event of Default, all proceeds of expropriation up to \$2,000,000 shall be paid to the Borrower. All proceeds of expropriation which exceed \$2,000,000 (or following an Event of Default, all expropriation proceeds) shall be paid to and held by the Lender and may be applied by the Lender in its sole option exercisable in its sole discretion, to reduction of the Loan Indebtedness then due or may be held by the Lender as security for the Loan Indebtedness.

ARTICLE SEVEN- EVENTS OF DEFAULT AND REMEDIES

7.01 Acceleration

Upon the occurrence and during the continuance of an Event of Default, the entire Loan Indebtedness shall, at the option of the Lender exercisable in its sole discretion, immediately become due and payable with interest thereon at the Interest Rate to the date of actual payment thereof, all without notice, presentment, protest, demand, notice of dishonour or any other demand or notice whatsoever, each of which are hereby expressly waived, and all the Lender's rights and remedies under this Agreement, the Hypothec and the other Loan Documents, and otherwise under Applicable Laws shall immediately become enforceable. Upon an Event of Default, the Lender may, in its sole discretion, exercise any right or recourse and proceed by any action, suit, remedy or proceeding against any Person or the Property pursuant to the Loan Documents or under Applicable Laws to enforce the payment and performance of the entire Loan Indebtedness.

7.02 General Rights of Lender

After the occurrence of an Event of Default, the Lender may, but will not be obligated to, perform or cause to be performed any obligations of the Borrower pursuant to the Loan Documents, and for such purpose may do such things as may be required, including entering upon the Property and doing such things upon or in respect of the Property as the Lender considers necessary, including any environmental testing, site assessment or study. No such performance by the Lender shall relieve the Borrower from any default hereunder. The costs of all such actions taken by the Lender shall be payable by the Borrower to the Lender forthwith upon demand. Until paid, such costs shall be Costs and together with interest thereon at the Interest Rate shall be added to the Loan Indebtedness and shall be secured by the Loan Documents.

7.03 Possession

Upon the occurrence of an Event of Default, the Lender may enter into and take possession of the Property as and when it may determine in its sole discretion, and each of the Lender and each purchaser or lessee from the Lender of the Property, or any part thereof, shall be entitled to have, hold, use, occupy, possess and enjoy the Property without let, suit, hindrance, interruption or denial of the Borrower or any other Borrower Entity or other Person. The Lender may maintain, repair and complete the construction of the Property, inspect, manage, take care of, collect Rents and lease the Property or any part thereof (provided the Lender has no obligation to perform, undertake or continue (if commenced) any of the foregoing actions) for such term (which may extend beyond the Maturity Date) and such rents and on such other terms and conditions (including providing any leasehold improvements and tenant inducements) as the Lender may determine in its sole discretion, which Lease(s) shall have the same effect as if made by the Borrower, and the Lender will have the power to amend, accept surrenders of or terminate any Lease, in each case on such terms and conditions as it may determine in its sole discretion, and all costs, charges and expenses incurred by the Lender in the exercise of such rights (including allowances for the time, service work or effort of the Lender or any other Lender Entity in connection therewith, and all legal fees and disbursements incurred on a full indemnity or equivalent basis) will be payable by the Borrower to the Lender on demand. Until paid, all such costs, charges and expenses will be Costs and, together with interest thereon at the Interest Rate, shall be added to the Loan Indebtedness and shall be secured by the Loan Documents. Each Lease or renewal of Lease made by the Lender while in possession of the Property shall continue for its full term notwithstanding the termination of the Lender's possession and will be subject to the security of the Loan Documents at all times. The Borrower covenants and agrees that no Lender Entity shall be liable for any loss or damage sustained by the Borrower or any other Person resulting from any lease entered into by the Lender, any failure to lease the Property, or any part thereof, or from any other act or omission of the Lender or any receiver, receiver and manager, administrator or other Person with similar powers in managing the Property, and that no Lender Entity shall be obligated to perform or discharge any obligation or liability of the Borrower or the Nominee under any Lease, Loan Document or otherwise under Applicable Laws.

7.04 Carry on Business

Upon the occurrence of an Event of Default, the Lender may in its sole discretion, carry on, or concur in the carrying on of all or any part of the business or undertaking of the Borrower relating to the Property and enter on, occupy and use the Property (without charge by any Borrower Entity), in each case as and when the Lender may determine in its sole discretion, subject to the rights of the Tenant.

7.05 Borrow on the Security of the Property

Upon the occurrence of an Event of Default, the Lender may in its sole discretion raise money on the security of the Property or any part thereof in priority to the security of the Loan Documents or otherwise, as required for the purpose of the maintenance, preservation, protection or completion of the Property or any part thereof or to carry on all or any part of the business of each Borrower Entity relating to the Property.

7.06 Power of Attorney

Each of the Borrower and the Nominee hereby grants to the Lender, with full power of substitution, an irrevocable power of attorney, and, where same is applicable, coupled with an interest, for the following purposes and which may be exercised at any time or times following the occurrence of an Event of Default: (i) to make any of the Leases referred to in Section 7.03 and to assign any existing Lease or sell the unexpired term; (ii) to obtain, collect and receive any insurance proceeds or expropriation awards however arising with respect to the Property, to compromise or settle any claims relating to such proceeds or awards, to endorse any cheques, drafts or other instruments representing such proceeds or awards, and to execute and deliver all instruments, proofs of loss, receipts, and releases reasonably required in connection therewith; (iii) to correct any mistakes in and otherwise completing and perfecting any Loan Documents; (iv) to protect, perfect, preserve the security of the Loan Documents and to collect, enforce and realize on or under the Loan, the Loan Documents and the security thereof including the exercise of any of the rights, powers, authority and discretion of the Borrower and/or Nominee in respect of the Property, including collection of Rents and other money that may become or are now due and owing to the Borrower and/or Nominee; and (v) without limiting the foregoing, to make all necessary conveyances, deeds, transfers, assurances, receipts and other documents and instruments as may be necessary to transfer good and marketable title to all or any of the Property and to complete all other matters pertaining thereto. Each of the Borrower and the Nominee hereby ratifies all actions of the Lender pursuant to such power of attorney and confirms that no Lender Entity shall be liable for any loss sustained by the Borrower, the Nominee or any other Person resulting from any such action or any failure to act.

7.07 Judgments

Neither the entering into of this Agreement or any other Loan Document, nor any proceeding or judgment taken or obtained against the Borrower or any other Person for breach of its obligations contained in this Agreement or any other Loan Document or secured thereby will merge or extinguish any such obligations, affect the Lender's rights to receive interest on the Loan Indebtedness at the Interest Rate or suspend, impair or otherwise affect in any way any of the rights, remedies or powers of the Lender under any of the Loan Documents or otherwise under Applicable Laws. Any such judgment may provide that interest thereon will be computed at the Interest Rate until such judgment is fully paid and satisfied.

7.08 Remedies Cumulative

The rights and remedies of the Lender under any of the Loan Documents are cumulative and are in addition to and not in substitution for any rights or remedies otherwise provided under any of the other Loan Documents or Applicable Laws. No right or remedy of the Lender shall be exclusive of or dependent on any other right or remedy and any one or more of such rights and remedies may be exercised independently or in combination from time to time in such order and at such times as the Lender may see fit, and the Lender will not be obligated to exhaust any right or remedy before exercising any of its other rights and remedies pursuant to the Loan Documents or under Applicable Laws. Any single or partial exercise by the Lender of any right or remedy for a default or breach of any term, covenant, condition or agreement contained in any Loan Document or under Applicable Laws shall not waive, alter, affect or prejudice any other right or remedy to which the Lender may be lawfully entitled for such default or breach.

7.09 Extension of Time and Waiver

Neither any extension of time given by the Lender to the Borrower or any Person claiming through the Borrower, nor any amendment to any Loan Document or other dealing by the Lender with a subsequent owner of the Property or any other Person will in any way affect or prejudice the rights of the Lender against the Borrower or any other Person or Persons liable for payment of the Loan Indebtedness. The Lender may waive any Event of Default in its sole discretion. No waiver will extend to a subsequent Event of Default, whether or not the same as or similar to the Event of Default waived, and no act or omission by the Lender will extend to, or affect, any subsequent Event of Default or the rights of the Lender arising from such Event of Default. Any such waiver must be in writing and signed by the Lender. No failure on the part of the Lender or the Borrower to exercise, and no delay by the Lender or the Borrower in exercising, any right pursuant to any Loan Document or Applicable Laws will operate as a waiver of such right. No single or partial exercise of any such right will preclude any other or further exercise of such right or the exercise of any other right.

ARTICLE EIGHT- INDEMNITY

8.01 General Indemnity

Without limiting any other provision of any Loan Document, the Borrower hereby agrees to indemnify and pay, protect, defend and save harmless each Lender Entity from and against all actions, proceedings, claims, demands, judgments, losses, damages, liabilities, costs or expenses (including legal fees and disbursements on a full indemnity or equivalent basis) imposed upon, made against or incurred by such Lender Entity directly or indirectly arising from or relating to any of the following (collectively, "**Claims**"): (i) any default under or breach of any Loan Document by any Borrower Entity or any remedial or other proceedings taken by any Lender Entity thereunder or pursuant thereto; (ii) any accident, injury to or death of any person or loss of or damage to property occurring in, on or about the Property or any part thereof or on the adjoining sidewalks, curbs, parking areas, streets or ways; (iii) any use, non-use or condition in, on or about, or possession, alteration, repair, operation, maintenance or management of, the Property or any part thereof or on the adjoining sidewalks, curbs, parking areas, streets or ways, (iv) performance of any labour or services or the furnishing of any materials or other property in respect of the Property or any part thereof; (v) any claim by brokers, finders or similar Persons claiming to be entitled to a commission in connection with the Loan, any Lease or other transaction involving the Property or any part thereof; (vi) any taxes, fees, costs, or expenses attributable to the execution, delivery, filing, or recording of any Loan Document; (vii) any Lien or other claim arising on or against the Property or any part thereof or asserted against any Lender Entity with respect thereto; and/or (viii) the claims of any Tenant or other Person arising under or relating to any Lease, all of the foregoing, unless are caused by the gross negligence of the Lender. Until paid, all such amounts payable to any Lender Entity hereunder will be Costs, and together with interest thereon at the Interest Rate, will be added to the Loan Indebtedness and be secured by the Loan Documents.

ARTICLE NINE- GENERAL

9.01 Notice

(1) Any notice, demand or other communication required or permitted to be given or made pursuant to this Agreement may be given or made in any manner permitted or provided by Applicable Laws, notwithstanding any provision of any other Loan Document to the contrary. Subject to the foregoing, any such notice, demand or communication may be given or made, at the option of the party delivering such notice, by personal delivery, by prepaid ordinary or

registered mail (to the address for service of the other party set out in this Agreement or, with respect to notices to the Borrower, to the last known address of the Borrower as shown in the Lender's records). Such notice will be sufficient although not addressed to any Person by name or designation and notwithstanding that any Person to be affected thereby may be unknown, unascertained or under a disability. Subject to Applicable Laws, the giving of such notice in the manner aforesaid will be as effective as if the notice had been personally served on all Persons required to be served therewith.

(2) Subject to Section 10.01(1), any demand, notice or communication to be made or given in connection with this Agreement or any of the other Loan Documents shall be in writing and may be made or given by personal delivery or by registered mail addressed to the recipient as follows:

(a) to the Borrower Entities:

401 Bay Street, Suite 2802
Toronto, Ontario M5H 2Y4

Attention: General Counsel

~~Attention: Treasury~~

with a copy to:

Hudson's Bay Company ULC
225 Liberty Street, 31st floor
New York, New York, 10281

Attention: Treasury

(b) to the Lender:

Royal Bank of Canada
200 Bay Street, South Tower 19th Floor
Toronto, Ontario M5J 2J5

Attention: Stephen McLeese

or to such other address or individual as any party may designate by written notice given to the other(s) in accordance with this Section. Any demand, notice or communication made or given by personal delivery shall be conclusively deemed to have been made or given on the day of actual delivery thereof, and if made or given by registered mail, on the third Business Day following the deposit thereof in the mail. If the party giving any demand, notice or other communication knows or reasonably ought to know of any difficulties with the postal system that might affect the delivery of mail, such demand, notice or other communication shall not be mailed, but shall be given by personal delivery.

9.02 Severability

If any term, covenant, obligation or agreement contained in this Agreement, or the application thereof to any Person or circumstance, shall be invalid or unenforceable to any extent, the remaining provisions of this Agreement or the application of such term, covenant,

obligation or agreement to such other Persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant, obligation or agreement contained herein shall be separately valid and enforceable to the fullest extent permitted by Applicable Laws.

9.03 Governing Law

This Agreement is governed by and will be construed in accordance with the laws of the Province of Québec and the laws of Canada applicable therein without application of any principle of conflict of laws which may result in laws other than the laws in force in Québec applying to this Agreement. Each of the Borrower and the Nominee consents to the jurisdiction of the courts of the Province of Québec and irrevocably agrees that, subject to the Lender's election in its sole discretion to the contrary, all actions and proceedings arising out of or relating to the Loan and the Loan Documents will be litigated in such courts and the each of the Borrower and the Nominee unconditionally accepts the non-exclusive jurisdiction of the said courts and irrevocably waives any defense of forum non-conveniens, and irrevocably agrees to be bound by any judgment rendered thereby in connection with the Loan and the Loan Documents, provided nothing herein shall affect the right to serve process in any other manner permitted by Applicable Laws or shall limit the right of the Lender to bring any action or proceeding in connection with the Loan or any Loan Documents against the Borrower, the Nominee or any other Borrower Entity in the courts of any other jurisdiction.

9.04 Successors and Assigns

This Agreement shall enure to the benefit of and be binding upon the Borrower and the Lender and their respective heirs, executors, administrators, legal representatives, successors and assigns.

9.05 Assignment

The Lender and any Person having or acquiring any ownership interest in the Loan from time to time may sell, transfer and/or assign the Loan, the Loan Indebtedness, and the Loan Documents or any interest therein from time to time at any time and to any Person as it may determine in its sole discretion with notice to but without the consent of any Borrower Entity or any other Person. Thereafter, the Lender shall have no further obligations under or in respect of the Loan or the Loan Documents. Save and except as set forth in this Agreement or the other Loan Documents, the rights or obligations of each Borrower Entity under or in respect of the Loan, the Loan Indebtedness, and the Loan Documents may not be assigned to, performed or be enforced by any other Person.

9.06 No Obligation to Advance

Neither the preparation, execution nor registration of any Loan Document will bind the Lender to advance all or any part of the Principal Amount. The advance of a part of the Principal Amount will not bind the Lender to advance any unadvanced portion of the Principal Amount.

9.07 Credit Investigations.

The Borrower authorizes the Lender or its representatives to make reasonable inquiries of, and exchange relevant information with, third parties regarding the character, general

reputation, personal characteristics, financial and credit data of the Borrower, including its directors, officers, shareholders, and principals.

9.08 Consent to Release and Disclosure

Each of the Borrower and the Nominee acknowledges and agrees that the Loan (or securities or certificates backed by or representing any interest in the Loan or a pool of loans which includes the Loan) may be sold, syndicated or securitized into the secondary market without restriction and without notice to or the consent of the Borrower, the Nominee or any other Borrower Entity. Each Lender Entity may release, disclose, exchange, share, transfer and assign from time to time as it may determine in its sole discretion, all information and materials (including financial statements and information concerning the status of the Loan, such as existing or potential Loan defaults, Lease defaults by Tenants or other facts or circumstances which might affect the performance of the Loan) provided to or obtained by any Lender Entity relating to any Borrower Entity, the Property or the Loan (both before and after any Loan advance and/or default) without restriction and without notice to or the consent of the Borrower, the Nominee or any other Borrower Entity as follows (i) to any existing or proposed Lender Entity; (ii) to any subsequent or proposed purchaser or investor of the Loan or any interest therein; (iii) to the public or any private group in any offering memorandum, prospectus or other disclosure document (including all initial and continuing disclosure requirements), regardless of format or scope of distribution; (iv) to the public or other interested Persons, directly or indirectly through information service providers or other market participants, for the purpose of providing market information from time to time relating to the status of the Loan or loan pools or any interest therein regardless of format or scope of distribution; (v) to any Governmental Authority having jurisdiction over such sale, syndication or securitization of the Loan or loan pool or any trade of any interest in the Loan or loan pool; (vi) to any other Person in connection with the sale, syndication or securitization of the Loan or in connection with any collection or enforcement proceedings taken under or in respect of the Loan and/or the Loan Documents; and (vii) third party advisors and agents of any of the foregoing Persons, such as lawyers, accountants, consultants, appraisers, credit verification sources and servicers. Each of the Borrower and the Nominee irrevocably consents to the collection, obtaining, release, disclosure, exchange, sharing, transfer and assignment of all such information and materials.

The Borrower acknowledges that certain Lender Entities may collect or come into possession of personal information relating to certain individuals either comprising or otherwise related to any Borrower Entity, including their respective directors, officers, shareholders, partners and principals. The Borrower acknowledges and agrees that such personal information may be used by Lender Entities only in connection with the processing, approving, funding, servicing and administering the Loan and any sale, syndication or securitization of the Loan, and in so doing each Lender Entity may disclose and otherwise deal with personal information in the same manner and to the same Persons as provided in the preceding paragraph of this Section without restriction and without notice to or the consent of the Borrower or any related individual. The Borrower, for itself and on behalf of its directors, officers, shareholders, partners and principals, hereby consents to and authorizes such use and disclosure of all such personal information by each Lender Entity, and represents and warrants that it has full power and authority to give such consent and authorization.

9.09 Maximum Rate of Return

Notwithstanding any provision of any Loan Document to the contrary, in no event will the aggregate "interest" (as defined in Section 347 of the *Criminal Code* (Canada)) payable under

the Loan exceed the effective annual rate of interest lawfully permitted under Section 347 and, if any payment, collection or demand pursuant to the Loan in respect of “interest”, as defined in Section 347, is determined to be contrary to the provisions of said Section, such payment, collection or demand will be deemed to have been made by mutual mistake of the Borrower and Lender and the amount of such payment or collection shall either be applied to the Loan Indebtedness (whether or not due and payable), and not to the payment of interest, as defined in Section 347 of the said *Criminal Code*, or be refunded to the Borrower at the option of the Lender. For purposes each Loan Document, the effective annual rate of interest will be determined in accordance with generally accepted actuarial practices and principles over the term of the Loan on the basis of annual compounding of the lawfully permitted rate of interest. In the event of dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by the Lender will be conclusive for the purposes of such determination.

9.10 Amendment and Waiver

This Agreement may be amended only in writing by all of the parties. Any waiver by the Lender of performance or compliance with any provision of this Agreement must be in writing, may be given subject to conditions, and shall be effective only in the specific instance and for the purpose for which it is given. No such amendment or waiver shall in any way affect the respective obligations of the Borrower and the Nominee in respect of the Loan.

9.11 Extension, Renewal or Amendment

This Agreement, the Loan, or any terms hereof or thereof, may from time to time be extended, renewed or amended by one or more written agreements between the Lender and the Borrower, or with any successor or successors in title to the Borrower, with or without any changes in the applicable interest rate, amortization period, principal amount, payment amount, maturity date or other financial terms. Whether or not there are any other Liens registered on title to the Property after the Hypothec at the time any such written agreement is entered into (each such Lien, a “**Subsequent Encumbrance**”), it will not be necessary for the Lender to register the written agreement on title to the Property in order for such agreement to be legally binding upon the Borrower (and any other Borrower Entity which is a party thereto) or to retain priority for the Hypothec, as extended, renewed or amended, as a first priority Lien of the Property over such Subsequent Encumbrance(s). The Borrower, forthwith upon request therefor by the Lender and at the Borrower’s sole cost and expense, will obtain all such postponements and/or discharges of each Subsequent Encumbrance and such other assurances from the holder thereof as may be required by the Lender in its sole discretion to ensure the priority of the Hypothec as a first priority Lien of the Property and full compliance by the Borrower with the provisions of this Agreement and the other Loan Documents. The Borrower acknowledges that the provisions of this Section do not confer upon the Borrower or any other Person any right of extension, renewal or amendment, or any right to grant a Subsequent Encumbrance contrary to the other provisions of the Hypothec and the other Loan Documents. The execution and delivery of any such agreement by the Lender granting any such extension, renewal or amendment will be in its sole discretion.

9.12 Further Assurances

Each of the parties shall promptly cure any defect in the preparation, execution and delivery of the Loan Documents to which it is a party. The Borrower and the Nominee shall promptly execute and deliver, upon request by the Lender from time to time all such other and further documents, agreements, hypothecs, opinions, certificates and instruments (which shall

form part of the Loan Documents) as may be required by the Lender to more fully state and secure the Loan Indebtedness and its other obligations and liabilities as set out in any Loan Document or to make any recording, file any notice or obtain any consent, and shall take all other steps necessary to maintain the validity, intended priority and enforceability of the Loan Documents and the security thereof.

9.13 Counterparts

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, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart.

9.14 Amended and Restated Loan Agreement

Notwithstanding anything to the contrary contained in this Agreement or the Original Loan Agreement, the Original Loan Agreement is hereby amended and restated in its entirety, without novation and without derogation of the rights and obligations of the parties thereunder (save as amended hereunder). However, from the date hereof, this Agreement will evidence the agreement of the parties with respect to the matters which are the subject of the Original Loan Agreement, and this Agreement will supersede any previous agreement in connection with the Loan.

The parties hereto acknowledge, agree and confirm that the security granted under the Original Loan Agreement, including without limitation the Hypothec, shall remain in full force and effect and shall continue to secure the obligations as contemplated herein, and all such security is hereby ratified and confirmed and shall continue in full force and effect.

The Lender reserves any and all rights and remedies which it has had, has or may have had under the Original Loan Agreement, the Hypothec and any other Loan Documents, and this Agreement shall not operate any novation of any obligations under the Original Loan Agreement.

[The Remainder of this Page Left Intentionally Blank]

IN WITNESS WHEREOF the parties hereto have executed this Agreement on the date and year first mentioned above.

ROYAL BANK OF CANADA

Per: _____
 Name: _____
 Title: _____

Per: _____
 Name: _____
 Title: _____

I/We have authority to bind the Bank

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

Per: _____
 Name: _____
 Title: _____

Per: _____
 Name: _____
 Title: _____

I/We have authority to bind the above

**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 above

SCHEDULE "A"

LANDS

An emplacement known and designated as being lot number ONE MILLION THREE HUNDRED FORTY THOUSAND FIVE HUNDRED AND FIFTY-FIVE (1 340 555) of the Cadastre of Québec, Registration Division of Montreal.

With all buildings thereon erected, members and appurtenances, bearing municipal address 585 Sainte-Catherine Street West, in the City of Montreal (Borough of Ville-Marie), Province of Québec, H3B 3Y5.

TABLE OF CONTENTS

	Page
ARTICLE ONE – INTERPRETATION	2
1.01 Definitions	2
1.02 Interpretation and Construction of Loan Documents	10
1.03 Survival of Representations, Warranties and Covenants	11
1.04 Custodian and Agent/Hypothecary Representative	12
ARTICLE TWO – RECOURSE	13
2.01 Recourse to Borrower	13
ARTICLE THREE – PAYMENT PROVISIONS	13
3.01 Covenant to Pay	13
3.02 Bankers' Acceptances	13
3.03 Interest	16
3.04 Payment Provisions	16
3.05 Compound Interest	16
3.06 Receipt of Payment	17
3.07 Wire Transfer/Pre-authorized Chequing	17
3.08 Dishonoured Cheques or Payments	17
3.09 Application of Payments	17
3.10 Costs	17
3.11 Deemed Re-investment	18
3.12 Advance Directed to Pay Reserves and Costs	18
3.13 Reserves	18
3.14 Increased Cost	20
ARTICLE FOUR – REPRESENTATIONS, WARRANTIES AND COVENANTS	20
4.01 Performance of Covenants and Default	20
4.02 Borrower Representations, Warranties and Covenants	20
4.03 Minimum Partnership Equity	31
ARTICLE FIVE – INSURANCE	31
5.01 Insurance Coverage	31
5.02 Policy Terms	31
5.03 Compliance with Insurance Policies	32
ARTICLE SIX – DAMAGE AND DESTRUCTION	32
6.01 Damage and Destruction/Restoration	32
6.02 Application of Insurance Proceeds	34
6.03 Holdbacks	35
6.04 Event of Default	36
6.05 Expropriation	36
ARTICLE SEVEN – EVENTS OF DEFAULT AND REMEDIES	36
7.01 Acceleration	36
7.02 General Rights of Lender	36
7.03 Possession	37
7.04 Carry on Business	37

7.05	Borrow on the Security of the Property.....	38
7.06	Power of Attorney.....	38
7.07	Judgments.....	38
7.08	Remedies Cumulative.....	38
7.09	Extension of Time and Waiver.....	39
ARTICLE EIGHT – INDEMNITY.....		39
8.01	General Indemnity.....	39
ARTICLE NINE – GENERAL.....		40
9.01	Notice.....	40
9.02	Severability.....	41
9.03	Governing Law.....	41
9.04	Successors and Assigns.....	41
9.05	Assignment.....	41
9.06	No Obligation to Advance.....	42
9.07	Credit Investigations.....	42
9.08	Consent to Release and Disclosure.....	42
9.09	Maximum Rate of Return.....	43
9.10	Amendment and Waiver.....	43
9.11	Extension, Renewal or Amendment.....	43
9.12	Further Assurances.....	44
9.13	Counterparts.....	44
9.14	Amended and Restated Loan Agreement.....	44

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