



**Bank Financial Group**

**Commercial Mortgage Group**  
TD Tower, 66 Wellington Street West, 14<sup>th</sup> Floor  
Toronto, Ontario M5K 1A2

June 14, 2021

**RioCan Holdings (Oakville Place) Inc.**  
c/o RioCan Real Estate Investment Trust  
2300 Yonge Street, Suite 500  
Toronto, Ontario  
M4P 1E4

**Attention: Mr. Naftali Sturm, Vice President, Real Estate Finance**

**Re: Proposed First Mortgage Loan in respect of Oakville Place municipally known as 240 Leighland Avenue, Oakville, Ontario (the "Property")**

We are pleased to confirm that, subject to your acceptance (as herein provided), The Toronto-Dominion Bank ("TD") and The Canada Life Assurance Company ("Canada Life" and collectively with TD, the "Lenders" and each a "Lender") offers to make the following mortgage loan (the "Loan") available to you in a single advance (the "Advance") on and subject to the terms and conditions as outlined below (the "Commitment"):

- Borrower:** RioCan Holdings (Oakville Place) Inc. (the "Borrower")
- Beneficial Owners:** RioCan Real Estate Investment Trust ("RioCan") and RioCan-HBC Limited Partnership ("HBC LP" and collectively with RioCan, the "Beneficial Owners" and each a "Beneficial Owner"). The liability of the Beneficial Owners will be several and the liability of each Beneficial Owner (excluding the Environmental Indemnity and the Recourse Indemnity (each as defined below) pursuant to which the Lenders shall have full recourse to the Beneficial Owners on a joint and several basis) will be limited to: (i) the Lenders enforcing their rights and remedies against the Property and other collateral subject to the Security Documents, plus (ii) 50% of the outstanding principal, interest and other obligations outstanding under the Loan as of the date of the first demand for payment by the Lenders plus 50% of any additional principal, interest or other obligations incurred after such date (which amount, for greater certainty, shall not be reduced by any proceeds realized by the Lenders from the enforcement under the Security Documents or paid to the Lenders by the Borrower or any other person liable for repayment of the Loan or any part thereof) plus, without duplication, 100% of

Confidential

all costs and expenses of the Lenders in collecting and enforcing on the Loan.

The Lenders acknowledge and agree that, notwithstanding any provision of this Commitment or any agreement, instrument or document executed by RioCan and delivered as part of the Security Documents, the liabilities and obligations of RioCan hereunder shall not be personally binding upon, nor shall resort be had to nor shall recourse or satisfaction be sought from, the private property of:

- (a) any holder of units of RioCan
- (b) annuitants under a plan of which a holder of units of RioCan acts a trustee or carrier; or
- (c) any trustee, officer, employee or agent of RioCan,

but same may be satisfied out of the property of RioCan.

3. **Loan Amount:** The maximum principal amount to be advanced under the Loan (the "**Loan Amount**") will be the lesser of:

- (i) \$95,000,000; and
- (ii) 65% of the appraised value of the Property,

subject, however to a minimum ratio of net operating income to overall debt service ("**Debt Service Coverage Ratio**") of 1.25:1 as evidenced by the "**Certified Rent Roll**" and acceptable to the Lenders in their sole discretion, acting reasonably. For the purposes of calculating the Debt Service Coverage Ratio, the Lenders agree to incorporate contractual base rents, percentage rents and other income as determined by the Lenders, acting reasonably.

Subject to satisfaction of the conditions precedent set out herein, each Lender will advance 1/2 of the Loan Amount on the Date of Advance (as defined hereafter). The obligations of each Lender under this Commitment are several such that neither Lender shall be responsible for the obligations of any other Lender hereunder. The failure of any Lender to carry out its obligations hereunder shall not relieve the other Lender or the Borrower of any of their respective obligations hereunder. Notwithstanding the foregoing, in the event that a Lender is unable to fund its portion of the Loan, and the other Lender does not agree to fund the shortfall, the Commitment may be cancelled at the Borrower's option and in such event the Origination Fee (as defined hereafter) will be returned.

4. **Loan Type:** First Mortgage (the "**Mortgage**").

5. **Loan Purpose:** To payout existing mortgage bonds issued by the Borrower to the Lenders and Desjardins Financial Security Life Assurance Company secured by the Property and maturing July 1, 2021 (payable July 2, 2021) and to provide long term mortgage financing in respect of the Property. .

6. **Term:** Four (4) years from the Interest Adjustment Date (the last day of which is referred to as the "**Balance Due Date**").
7. **Amortization:** Thirty (30) years.
8. **Interest Rate:** The interest rate (the "**Interest Rate**") applicable to the Loan will be established at a spread of 155 basis points over the applicable bid side yield of the Government of Canada benchmark bond that most closely approximates the Loan Term or by the appropriate interpolation of two such bonds, as determined by the Lenders. Unless otherwise provided for the Interest rate will be established 3 days prior to the Date of Advance.

Notwithstanding the above, if any applicable base rate, including without limitation, a Government of Canada bond rate is less than zero, such base rate shall be deemed to be zero for purposes of this Commitment. The Interest Rate shall be calculated semi-annually not in advance, and payable monthly in equal payments of principal and interest calculated in accordance with the amortization period.

Upon approval by the Lenders, including fulfillment of the Conditions Precedent outlined in Section 13 (a), (b) and (j) below, the Borrower will have the ability to establish the Interest Rate at any time prior to the Date of Advance. In order to establish the Interest Rate, we will enter into certain hedging arrangements as we deem appropriate, and the Borrower shall pay to the Lenders a deposit (the "**Early Rate Lock Deposit**") in an amount to be determined by the Lenders at that time. The Borrower acknowledges and agrees that the Early Rate Lock Deposit is provided to the Lenders as security in order to satisfy the Lenders' "Contingent Credit Exposure" in respect of the Interest Rate. The Borrower further acknowledges that the amount of the Early Rate Lock Deposit will be based on an estimate by the Lenders and in the event that the estimated amount of the Early Rate Lock Deposit is not sufficient to satisfy the Lenders' Contingent Credit Exposure, the Borrower agrees that, within 24 hours of notice to the Borrower by the Lenders, it will make a further payment in order to increase the Early Rate Lock Deposit such that it fully satisfies the Lenders' Contingent Credit Exposure, failure of which shall constitute an Event of Default under this Commitment with the Borrower as the defaulting party and the Lenders shall have the option of terminating the Interest Rate and of retaining the Early Rate Lock Deposit and utilizing it to satisfy any losses, costs or damages suffered by the Lenders as a result of termination. The cost of the hedge associated with the early rate lock will be added to the Interest Rate.

For the purposes of this Commitment "**Contingent Credit Exposure**" means the Lenders' good faith calculation of its maximum "unwind" costs relating to the hedging arrangements made by the Lenders relating to the Interest Rate over the Term.

If the Loan does not close on the Date of Advance for any reason other than a default by the Lenders, then the Early Rate Lock Deposit shall be retained by the Lenders (without any further direction required from the Borrower) and, in addition to any other remedy available to the Lenders (with a concise

breakdown of such losses, costs and damages to be provided to the Borrower), may be utilized by the Lenders to cover any losses, costs, or damages suffered by the Lenders by reason of it permitting the Borrower to early rate lock without prejudice, and the balance of the Early Rate Lock Deposit, if any, shall be returned to the Borrower. Upon closing of the Loan on the agreed upon Date of Advance, the Lenders shall cause the Early Rate Lock Deposit to be returned in its entirety to the Borrower with interest earned, if applicable.

9. **Requisition for Funds:** The Borrower shall give to the Lenders not less than three (3) Business Days (a "**Business Day**" being a day, excluding Saturday or Sunday, on which banks are open for commercial business in Toronto, Ontario) irrevocable written notice of its requirement for funds after advice from the Lenders or its counsel that all terms and conditions set out herein have been complied with and the Loan shall be funded on the date so requested (the "**Date of Advance**").

The Date of Advance is scheduled for July 2, 2021.

10. **Repayment:** Commencing on the date that is one month following the Interest Adjustment Date (as defined below), the Loan will be repaid in equal monthly payments of principal and interest (which interest is calculated semi-annually, not in advance) based on the Interest Rate and the Amortization Period. Any unpaid balance of the principal and interest thereon shall become due and payable on the Balance Due Date. On the first day of the month following the Date of Advance (the "**Interest Adjustment Date**") the Borrower shall pay interest at the Interest Rate applicable to the Loan computed from the Date of Advance to and including the day before the Interest Adjustment Date.

11. **Prepayment:** The Borrower shall have no right to repay all or any part of the principal amount of the Mortgage outstanding from time to time (the "**Principal Amount**") prior to the Balance Due Date except in accordance with Schedule A.

12. **Realty Taxes:** The Borrower shall pay to the Lenders on each date on which a repayment of principal is payable hereunder an additional amount, as estimated by the Lenders, to pay in full the instalments of Taxes as they fall due. The Borrower shall also pay to the Lenders on demand, from time to time, the amount, if any, by which the actual Taxes exceeds such estimated amounts. Herein, "**Taxes**" shall mean all taxes, duties, rates, imposts, assessments and other similar charges whether general or special, ordinary or extraordinary, foreseen or unforeseen and all related interest penalties and fines which at any time may be levied, assessed, imposed or be a lien on the Property or any part thereof.

The Lenders hereby waive the collection of monthly Tax instalments provided that:

- i) Taxes are paid when due and evidence is provided to the Lenders upon request;

- ii) there is no continuing default under the Loan;
- iii) beneficial ownership of the Property remains with the Beneficial Owners; and
- iv) the Lenders are provided with proof of payment of all Tax instalments for the Property for the previous calendar year within 120 days of the Borrower's fiscal year end.

In the event that any of these terms are not complied with, the Lenders, at their sole option, may institute the collection of Taxes in accordance with the Mortgage.

13. **Conditions  
Precedent**

Prior to the Date of Advance, the Borrower shall comply with and/or satisfy the following conditions precedent and all other conditions precedent set out elsewhere herein, all to the satisfaction of the Lenders:

- (a) Appraisal: Delivery of a current appraisal by an AACI qualified appraiser, at the Borrower's expense, addressing current market value of the Property based on income/discounted cash flow and direct sale comparison approaches. The appraisal must be acceptable to the Lenders in their sole discretion and addressed to the Lenders or accompanied by a satisfactory reliance letter from the author thereof. *(Satisfied subject to receipt of satisfactory reliance letter)*
- (b) Environmental Assessment: Delivery of a Phase I environmental assessment from a firm commissioned by the Lenders, at the Borrower's expense, and, if recommended by the consultant, a Phase II environmental assessment, in each case satisfactory to the Lenders, in their sole discretion and addressed to the Lenders or accompanied by a satisfactory reliance letter from the author thereof. In the case where a Phase II is or was completed, consultant must confirm that the Property Soil and Groundwater Levels satisfy the New Ontario Environmental Regulations (passed into law December 2009 and effective July 2011) and that the methodology used in preparing the reports conforms to the new standards.

The Lenders require the consultant to have a minimum of \$1,000,000 in Errors & Omissions insurance without any limitations, restrictions or qualifications.

- (c) Title Insurance: The Lenders shall have obtained a policy of Title Insurance from either First Canadian Title, Chicago Title or Stewart Title that insures the interest of the Lenders for the Loan Amount in a form satisfactory to the Lenders. The cost of the Title Insurance (which will not cover the Borrower's ownership interest in the Property) will be paid by the Borrower from the Advance.

Alternatively, an unqualified opinion from the Borrower's counsel as to all title and off title matters that relate to the Property may be provided in a form and substance satisfactory to the Lenders and the

Lenders' solicitor.

- (d) Leases: Delivery of copies of all signed leases, offers to lease, licences, offers to license and any amendments thereto or renewals thereof all in form and content satisfactory to the Lenders in their sole discretion. All tenants to be in occupancy and paying rent in accordance with the executed leases, offers to lease and any amendments thereto or renewals thereof, unless noted otherwise on the tenancy schedule.

All lease documentation for tenants occupying more than 19,000 square feet of space in the Property (the "**Major Tenants**"), including all lease documentation for The Bay, Goodlife, Buy Buy Baby and H&M, will be reviewed and approved by the Lenders' solicitor. All other lease documentation to tenants leasing in excess of 5,000 square feet at the Property will be reviewed and approved by the Lenders.

- (e) Security Documents: Delivery of the Security Documents and solicitors' letters of opinion, all in form and content satisfactory to the Lenders and their counsel in their sole discretion but subject to the Borrower's solicitor's approval, acting reasonably.
- (f) Certified Rent Roll: Delivery of a certified copy of the rent roll dated no earlier than three (3) days prior to the Date of Advance confirming that all leases are in full force and effect. Certified Rent Roll to be satisfactory to the Lenders at the time of funding.
- (g) Insurance: The Borrower shall maintain full replacement cost "all risk" property insurance, boiler and machinery insurance comprehensive general liability insurance, twelve (12) month rental income and business interruption insurance and any other insurance reasonably requested by the Lenders in respect of the Property all in form, amount and such deductibles and endorsements acceptable to the Lenders and their insurance consultant (Intech Risk Management Inc.) acting reasonably. Terrorism insurance will not be required. Proceeds of less than \$500,000 will be permitted to be paid directly to the Borrower. Proceeds of more than \$500,000 will be released by the Lenders to the Borrower on a "progress-draw" basis as work is completed.
- (h) Survey: If required for Title Insurance purposes or where the Borrower elects to provide a title opinion in lieu of Title Insurance, delivery of a survey prepared by a land surveyor qualified in the province in which the Property is located showing the buildings and improvements on the Property.
- (i) Property Inspection: A satisfactory inspection of the Property must be completed by the Lenders prior to the Advance being made.

- (j) Borrower, Beneficial Owner & Signing Officer Identification: Satisfactory completion of all of the Lenders' "know your client" requirements and due diligence investigations regarding the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada)*.
- (k) Realty Taxes: Confirmation satisfactory to the Lenders that all realty Tax instalments are paid in full as at the Date of Advance.

14. **Advance:** The Lenders shall not be obliged to make the Advance unless and until all of the terms and conditions of this Commitment have been fully complied with by the Borrower. The Lenders shall be entitled and are hereby authorized to deduct from the Advance all Costs and Expenses, provided that invoices have been provided.

15. **Material Changes:** If at any time before the Date of Advance there is or has been any material adverse change, discrepancy or inaccuracy in any information, statements, representations or warranties made or furnished to the Lenders by or on behalf of the Borrower or the Beneficial Owners or upon the occurrence of an Event of Default under this Commitment which cannot be or is not rectified or nullified by the Borrower or the Beneficial Owners to the Lenders' satisfaction within ten (10) days after written notification thereof by the Lenders to the Borrower or the Lenders' due diligence investigations regarding the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada)* or the Lenders' other internal "know your client" requirements produces a materially adverse result, the Lenders shall be entitled forthwith to withdraw and cancel their obligations hereunder and to declare any funds which have been advanced, together with interest and other amounts, to be forthwith due and repayable in full.

16. **Security Documents:** As security for the Loan, the following documents, instruments, agreements and other assurances (collectively, the "**Security Documents**") shall be delivered to the Lenders' counsel on behalf of the Lenders, which shall be in form and substance satisfactory to the Lenders and Borrower, each acting reasonably, and where applicable registered, prior to the Advance:

- (a) Registered first Charge/Mortgage of Land over the Property duly executed by the Borrower;
- (b) General Assignment (having first priority) of all leases, rents, income and profits arising from or in connection with the Property;
- (c) Specific Assignment (having first priority) with respect to the following Major Tenant leases:
  - The Bay;
  - Goodlife;
  - Buy Buy Baby; and

- H&M.

- (d) General Security Agreement, having first priority over any and all personal property used in connection with or arising from or out of the Property;
- (e) Assignment of Insurance (which shall provide that proceeds of less than \$500,000 will be permitted to be paid directly to the Borrower in accordance with Section 13(g) above);
- (f) Environmental Indemnity Agreement from the Borrower and Beneficial Owners on a joint and several basis, which, notwithstanding paragraph 2 of this Commitment, will be full recourse to the Beneficial Owners (the "**Environmental Indemnity**"). The Environmental Indemnity will survive repayment of the Loan only if the Lenders have taken possession of the Property or have become a mortgagee in possession at any time prior to repayment of the Loan;
- (g) Indemnity Agreement from the Beneficial Owners on a joint and several basis pursuant to which the Lenders shall have full recourse to the Beneficial Owners with respect to the exceptions listed in Schedule B attached hereto (the "**Recourse Indemnity**");
- (h) estoppels for the Major Tenant leases outlined in 16(c) above and commercially reasonable efforts on the part of the Borrower to obtain estoppels from the balance of the tenants totaling 70% of the NRA. The Lenders acknowledge that tenants of the Property may currently be closed for business to the public due to the COVID-19 Pandemic ("**Emergency Closures**"). The Lenders hereby confirm that provided it is satisfied, in its sole discretion, with all other aspects of any returned estoppels, they will continue to accept such estoppels notwithstanding any references therein to the tenant being closed for business due to such Emergency Closures or any rent deferral or abatement agreements in place with such tenants;
- (i) Officer's Certificate for the Borrower and the Beneficial Owners regarding Directors/Trustee Resolutions, Certificate of Incumbency, Certificate of Non-Restriction, Trust Declaration, Limited Partnership Agreements or Articles and By-laws;
- (j) Certificate Re: Representations and Warranties confirming that the representations and warranties contained in this Commitment are true and correct on the Date of Advance as though made on and as of such date;
- (k) Statutory Declaration as required by the title insurer in connection with the issuance of the title insurance commitment;
- (l) Opinion letter from the Borrower's, Beneficial Owners' solicitor as to the authorization, execution, validity and enforceability subject to

bankruptcy and creditors' rights of the Commitment and the Security Documents;

- (m) Beneficial Owner Agreement; and
- (n) Execution of a postponement, subordination and standstill agreement made between the Lenders and RioCan (Festival Hall) Holdings Inc. ("**RioCan Festival Hall**") as required pursuant to Section 19 below; and
- (o) Any other documents, instruments, certificates, agreements or security related to the Property required by the Lenders or their counsel, acting reasonably.

17. **Expiry and Cancellation:**

The Lenders shall have the right in their sole discretion to terminate this Commitment if the conditions of this Commitment are not satisfied and the Advance is not made by the date which is 60 days from the date of acceptance by the Borrower of this Commitment or on such other date as may be agreed to by the Lenders in their sole discretion (the "**Expiry Date**").

18. **Reporting:**

During the term of the Loan the Borrower covenants to provide or arrange for delivery to the Lenders of the following reports, statements and/or notices:

- (a) Annually no later than one hundred and twenty (120) days after RioCan's fiscal year end, (i) audited financial statements of RioCan and HBC LP, and (ii) management prepared revenue and expense statements and current rent rolls for the Property;
- (b) Within thirty (30) days after written request of the Lenders, which request shall not be made more than twice during the first twelve (12) month period of the Loan and once annually thereafter, the following:
  - (i) a certified rent roll for the Property dated as of the last day of the preceding calendar quarter identifying all of the leases of the Property by the term, renewal options, space occupied, rental and charges required to be paid;
  - (ii) monthly and year to date operating statements prepared for each calendar month during each calendar quarter, each of which shall include an itemization of actual capital expenditures during applicable periods;

in each case (where applicable) prepared in accordance with generally accepted accounting principles, consistently applied;

- (c) Immediate notification of the occurrence of any Event of Default or any event which, with the giving of notice, or passage of time, would become an Event of Default;
- (d) Notification of any material damage or destruction to the building(s) on the Property as soon as possible upon the occurrence of such

damage or destruction;

- (e) Notification if a Tenant or Tenants leasing in the aggregate more than 19,000 sq. ft. of the net leaseable area of the Property or generating, in aggregate, greater than \$600,000 in gross rental income of the Property (any such Tenant's lease being a "Major Lease"), materially defaults under its or their lease(s);
- (f) Such information concerning the Property, the Borrower and the Beneficial Owners as the Lenders may reasonably request from time to time;
- (g) Property shall at all times be subject to professional property management satisfactory to the Lenders. Any changes in property management shall require the prior written consent of the Lenders. In the event of default under the Security Documents, the Lenders reserve the right to appoint a property management firm suitable to the Lenders. It is acknowledged that management by RioCan (or an affiliate thereof) shall satisfy this condition; and
- (h) In respect of any leases, offers to lease, licences and offers to license executed after funding, all such leasing and licensing shall be undertaken in accordance with prudent business practices and certified copies thereof shall be provided to the Lenders upon request. The Borrower shall use reasonable commercial efforts to cause any Tenant under a Major Lease (or other lease in respect of which the Lenders make a request, acting reasonably) entered into after the date of registration of the Mortgage to enter into a non-disturbance and attornment agreement with, and satisfactory to, the Lenders, acting reasonably, and the Lenders agree to enter into non-disturbance and attornment agreements (the form of which shall be satisfactory to the Lenders, acting reasonably) with Tenants which request same. If the Lenders and any Tenant cannot agree upon a form of non-disturbance and attornment agreement, the Lenders agree that it shall, and the Borrower shall request that the Tenant, enter into a priority agreement granting priority over the Lenders' security to such Tenant's lease.

19. **No  
Encumbrances:**

The Borrower covenants and agrees that it shall not, without the prior written consent of the Lenders, execute, deliver, suffer to exist or permit to be registered any mortgage, charge, lien or other encumbrance on the Property or on any other property which is the subject of any of the Security Documents, including, without limitation, the leases and the income derived therefrom other than customary "Permitted Encumbrances" (to be defined in the Mortgage) and the Lenders agree to postpone the Security Documents to certain customary encumbrances (e.g. easements and site plan agreements) to be set forth in the Mortgage, provided such encumbrances are satisfactory to the Lenders, acting reasonably.

Notwithstanding the foregoing paragraph, the Lenders consent to: (i) the granting by RioCan and HBC LP to the other of co-owners cross charges

pursuant to the co-owners agreement for the Property; and (ii) a charge in an amount up to \$41,000,400 in favour of RioCan Festival Hall registered January 5, 2021 (or such later date, as amended), provided that such charges are subordinate to the Lenders' Mortgage and subject to a postponement, subordination and standstill agreement in form acceptable to the Lenders (which postponement, subordination and standstill agreement in the case of the co-owners cross charges may be included in the terms of the Beneficial Owners Agreement).

20. **Restriction on Transfer:**

The Borrower will comply with the restrictions on transfer as set out in the Mortgage (including the prohibition with respect to changes of control without the Lenders' consent). Any consent required from the Lenders pursuant to the terms of the Mortgage shall be conditional upon the payment by the Borrower of all legal fees and other reasonable costs and expenses of the Lenders relating to the transfer, and the payment to the Lenders of an assumption fee in the sum of \$25,000.

Notwithstanding the foregoing provisions of this section, provided no Event of Default then exists, HBC LP's interests in the Property may be sold to RioCan without the consent of the Lenders, provided: (i) the Lenders are provided with at least thirty (30) days' prior written notice of the anticipated or pending transaction; (ii) RioCan assumes all of the obligations of HBC LP under the Security so that the Lenders have full recourse to RioCan without limitation for all principal, interest and other obligations outstanding under the Loan; (iii) RioCan Management Inc. remains as manager of the Property (or such other manager as may be approved in writing by the Lenders in their sole and absolute discretion at the time of the sale or transfer); (iv) the Lenders are provided with all necessary documentation to complete and satisfy their "know your client and anti-money laundering requirements and such other documents and assurances as the Lenders may reasonably require; and (v) payment to the Lenders of all legal fees and other reasonable costs and expenses of the Lenders as well as a \$2,500.00 administration fee prior to the transfer being completed.

21. **Lenders' Documentation:**

All terms and conditions of the Security Documents shall be deemed to be incorporated in and form part of this Commitment, provided that this Commitment shall not merge upon the execution of the Security Documents or any of them. In the event of any discrepancy between the terms of this Commitment and any of the Security Documents, or any discrepancy as between the Security Documents, the Commitment shall prevail. Prior to the Advance, the Lenders must be satisfied in their sole discretion with the form and content of all documents in connection with the Loan, all disbursement procedures and all matters relating to title and security.

22. **Representations, Warranties and Covenants:**

The Borrower and Beneficial Owners hereby represent, warrant and covenant that:

- (a) The Borrower is the legal owner, and the Beneficial Owners are the beneficial owners, of the Property with each Beneficial Owner

holding an undivided 50% beneficial interest in the Property;

- (b) RioCan covenants and agrees to maintain a minimum Unitholder's Equity of at least \$5 Billion and a minimum Interest Coverage Ratio (both as defined under the RioCan's's corporate credit facility dated June 1, 2016, as may be amended from time to time) of at least 1.50:1 during the term of the Loan. RioCan will be required to deliver to the Lenders statutory declarations on a quarterly basis executed by an officer of RioCan confirming adherence to these requirements if this information is not noted in its quarterly financial statements;
- (c) the Borrower has good and marketable legal title, and the Beneficial Owners have good and marketable beneficial title, in fee simple to the Property free from all easements, rights-of-way, agreements, restrictions, mortgages, charges, liens, executions and other encumbrances, save and except those which are registered on title to the Property as at the date of registration of the Mortgage to which the Lenders have in their sole discretion agreed;
- (d) the Borrower and the Beneficial Owners have the power and authority to execute and deliver this Commitment and the Security Documents to the extent they are a party thereto and the Commitment and the Security Documents shall constitute when executed legally binding obligations of the Borrower and Beneficial Owners, as applicable, enforceable in accordance with their respective terms;
- (e) the Borrower and Beneficial Owners are duly organized and validly existing in good standing under the laws of Ontario or Canada and have adequate power and authority and are duly licensed to carry on their businesses as presently conducted, own their properties (including the Property) and to observe and perform their obligations under this Commitment and the Security Documents to which they are a party;
- (f) except as has been disclosed to the Lenders in writing prior to the date of issuance of this Commitment and to which the Lenders in their sole discretion have agreed in writing, there are no lawsuits outstanding or litigation or any legal or administrative proceedings pending or threatened in respect of any of the Borrower, the Beneficial Owners or the Property which would materially adversely affect the ability of the Borrower or the Beneficial Owners to perform their obligations hereunder or under the Security Documents to which they are a party or which would have an adverse effect on the financial condition of the Borrower, the Beneficial Owners or the Property;
- (g) there are no outstanding judgments, writs of execution or orders against the Borrower, the Beneficial Owners or the Property which would materially adversely affect the ability of the Borrower or the Beneficial Owners to perform their obligations hereunder or under the Security Documents to which they are a party or which would

have an adverse effect on the financial condition of the Borrower, the Beneficial Owners or the Property;

- (h) all Taxes, as contemplated herein, have been paid up to date;
- (i) all financial statements delivered to the Lenders are true and correct and present fairly the financial position of the Borrower and/or the Beneficial Owners, as applicable, as at the date thereof and there has been no material adverse change in the financial condition or results of operations of the Borrower or the Beneficial Owners, as applicable, since such date and the date hereof;
- (j) the Borrower and Beneficial Owners are not now and will not be at the Date of Advance or at any time prior to the Loan being repaid in full, non-residents of Canada within the meaning of the *Income Tax Act* (Canada);
- (k) except in accordance with prudent business practices, neither the Borrower, RioCan nor HBC LP has nor will it without the prior written consent of the Lenders do or omit to do any act having the effect of terminating, cancelling or accepting surrender of any Major Lease or of waiving, releasing, reducing or abating any of their material rights or remedies or the obligations of any other party thereunder or in connection therewith;
- (l) the Major Leases and the rights of the Borrower thereunder, including the right to receive the rents thereunder, have not been nor without the prior written consent of the Lenders acting reasonably will be altered, varied or amended in any material respect; and
- (m) no Event of Default has occurred or is continuing.

The representations and warranties of the Borrower and Beneficial Owners contained herein shall be deemed to be repeated on the Date of Advance and shall not merge or be prejudiced by and shall survive any Advance hereunder and shall continue in full force and effect for so long as any amounts are owing by the Borrower to the Lenders hereunder.

23. **Accuracy of Information:**

The Borrower hereby represents and warrants that all information that it has provided to the Lenders is accurate and complete respecting, where applicable:

- (i) the names of the Borrower's and Beneficial Owner's directors;
- (ii) the names and addresses of the Borrower's and Beneficial Owner's trustees, known beneficiaries and/or settlors; and
- (iii) the Borrower's and Beneficial Owner's ownership, control and structure

The Borrower will provide, or cause to be provided, such updated information

and/or additional supporting information as the Lenders may require from time to time with respect to any or all the matters in the Borrower's foregoing representation and warranty.

24. **Events of Default:** Upon the occurrence of an event of default as defined in the Mortgage (an "Event of Default"), the Lenders may exercise all rights and remedies available at law and under the Mortgage and other Security Documents.
25. **Origination Fee:** The loan origination fee (the "Origination Fee") in the amount of \$125,000 is acknowledged as having been received and shall be deemed to have been fully earned by the Lenders.
26. **Holding Fee:** The requirement for a Holding Fee has been waived for this Loan.
27. **Consent to Disclosure:** In addition to any rights that the Lenders and their affiliates may have regarding the collection and disclosure of your information, the Borrower and the Beneficial Owners also consent to and acknowledge that information, including but not limited to, credit, financial and personal information, regarding the Borrower and the Beneficial Owners may be maintained, used, collected, transferred or exchanged with or otherwise disclosed to references provided to the Lenders by the Borrower or the Beneficial Owners, insurers, including, but not limited to, title, mortgage default, portfolio and property insurers, participants, investors, underwriters, certificate holders, proposed assignees or proposed purchasers of all or any part of the Loan or interest thereon and any organization maintaining databases on the underwriting and performance of commercial mortgage loans by the Lenders at any time in connection with the Loan and/or in connection with any assignment, sell down, syndication, securitization or enforcement of the Commitment and the Loan.

Without limiting the generality of the foregoing, if an Event of Default has occurred under the Commitment and the Lenders have obtained a judgment against the Borrower in connection with such default, then for purposes of enforcing the judgment, the Borrower consents to and acknowledges that the Lenders may request a mortgage discharge statement from any mortgagee of the Property and the Borrower authorizes and agrees that any mortgagee of the Property may provide same to the Lenders.

28. **Assignment:** This Commitment and the Security Documents may not be assigned, transferred or otherwise disposed of by the Borrower without the prior written consent of the Lenders, which consent may be arbitrarily withheld. The Lenders may, at their sole cost and upon notice to, but without the consent of the Borrower or the Beneficial Owners, assign (other than by way of securitization), syndicate, transfer or grant participation interests in the whole or any part of the Commitment, the Loan, the Security Documents and any and all rights, title, benefits, remedies and obligations relating thereto. The Borrower and Beneficial Owners agree to co-operate with the Lenders in connection with any such assignment, syndication, transfer or grant of participation interest including, without limitation, the delivery of an estoppel certificate in a form satisfactory to the Lenders.

29. **Costs and Expenses:** All reasonable costs and expenses incurred by the Lenders in establishing and administering this Loan or in connection with the enforcement or protection of its rights under the Commitment and the Security Documents, including but not limited to due diligence costs, travel and inspection fees, legal, appraisal, engineering, title insurance and environmental assessment costs, and other costs associated with the transaction are for the account of the Borrower and the Borrower agrees, upon receipt of an invoice, to pay same in full whether or not this transaction is completed as contemplated herein and the Lenders are hereby authorized to deduct such costs and expenses from the Advance.
30. **Maximum Rate of Interest:** Notwithstanding anything contained herein to the contrary, the Borrower will not be obliged to make any payment of interest or other amounts payable to the Lenders hereunder in excess of the amount or rate that would be permitted by applicable law or would result in the receipt by the Lenders of interest at a criminal rate (as such terms are construed under the Criminal Code (Canada)). If the making of any payment by the Borrower would result in a payment being made that is in excess of such amount or rate, the Lenders will determine the payment or payments that are to be reduced or refunded, as the case may be, so that such result does not occur.
31. **Governing Law:** This Commitment and the Security Documents (unless otherwise stated therein) shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.
32. **Notices:** Any notice, demand, request, consent, agreement or approval (a "Notice") which may or is required to be given pursuant to this Commitment shall be in writing and shall be sufficiently given or made if delivered personally upon the party for whom it is intended, or transmitted by email or facsimile transmission at the email address or facsimile number provided below, or (except in the case of an actual or pending disruption of postal service) mailed by registered mail, and in the case of

The Lender, addressed as follows:

The Toronto-Dominion Bank  
Toronto-Dominion Bank Tower, 14th Floor  
66 Wellington Street West  
Toronto, Ontario  
M5K 1A2

Attention: Vice-President, Commercial Mortgage Group  
Email: td.cmgcommmtg@td.com

- and to -

The Canada Life Assurance Company  
330 University Avenue  
Toronto, Ontario  
M5G 1R8



THE CANADA LIFE ASSURANCE COMPANY

Per: Joshua Sonshine

Per: Jim Anderson  
James Anderson  
Managing Director, Mortgage Credit Adjudication

ACCEPTANCE BY BORROWER

The Borrower accepts the foregoing and agrees to comply with all of the provisions of this Commitment and the Schedules annexed hereto and acknowledges (a) that it has reviewed this Commitment and the attached Schedules and confirms that it has been advised to seek and, where appropriate, has and/or will seek the advice of independent legal counsel in connection with this Commitment and the loan transaction contemplated herein and (b) acknowledges and agrees by the acceptance of this Commitment that the Lenders may, upon notice but without the consent of the Borrower or the Beneficial Owners, assign (other than by way of securitization), syndicate, transfer or grant participation interests in the whole or any part of the Commitment, the Loan, the Security Documents and any and all rights, title, benefits, remedies and obligations relating thereto.

THIRD PARTY STATEMENT:

A "Third Party" is defined as anyone other than the Borrower/Mortgagor(s)/Owner(s)/Authorized Signing Officers/Property Manager, or The Toronto-Dominion Bank (and/or any of its affiliates), who will receive financial benefit from the mortgage and/or exert control over the mortgage or the property being mortgaged.

By executing below, the Borrower confirms that the proceeds from the Loan will not be used by or on behalf of a Third Party.

If the Loan will be used by or on behalf of a Third Party, Third Party Statement (TD Form #592018) is required to be completed.

DATED this 14<sup>th</sup> day of June, 2021

RIOCAN HOLDINGS (OAKVILLE PLACE) INC.

Per:   
Name: Natfat Stern  
Title: VP. Real Estate Finance

Per: \_\_\_\_\_  
Name:  
Title:

**ACCEPTANCE BY BENEFICIAL OWNERS**

Each Beneficial Owner accepts the foregoing and confirms that it has been advised to seek and, where appropriate, has and/or will seek the advice of independent legal counsel in connection with this Commitment and the loan transaction contemplated herein.

DATED this 14<sup>th</sup> day of June, 2021.

**RIOCAN REAL ESTATE INVESTMENT TRUST**

Per: 

Name: Noftal Sturm  
Title: VP. Real Estate Finance

Per: 

Name: Franca Smith  
Title: VP. Finance and Interim C.F.O.

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

Per: 

Name: Ian Putnam  
Title: President & CEO, HBC Properties & Investments

Per: \_\_\_\_\_

Name:  
Title:

## SCHEDULE "A"

### PREPAYMENT CHARGE

**Prepayment Charge.** For the purposes hereof, "Prepayment Charge" means, with respect to any acceleration or prepayment of the Principal Amount expressly permitted by the Mortgage, an amount equal to the greater of (A) three (3) months' interest at the Interest Rate on the Principal Amount then outstanding and (B) the total of (I) the positive difference, if any, between (x) the present value on the date of such acceleration or prepayment of all future monthly payments which the Borrower would otherwise be required to pay under the Mortgage during the remainder of the term of the Mortgage absent such acceleration or prepayment, including the unpaid Principal Amount which would otherwise be due upon the Balance Due Date absent such acceleration or prepayment, with such present value being determined by the use of a discount rate equal to the yield to maturity, on the date of such acceleration or prepayment of Government of Canada bonds (the "Bond(s)") having the term to maturity closest to what otherwise would have been the remainder of the term of the Mortgage absent such acceleration or prepayment, and (y) the Principal Amount on the date of such acceleration or prepayment and (II) without duplication, all Costs (as defined in the Mortgage), losses and expenses that the Lenders may incur due to such acceleration or prepayment of the Principal Amount. If there is more than one Bond with a maturity equally close to what otherwise would have been the remaining term of the Mortgage absent the repayment by reason of such acceleration or prepayment, as the case may be, the selection of the applicable Bond shall be made by the Lenders, acting reasonably. A certificate of the Lenders setting out the basis for the determination of the Prepayment Charge shall be conclusive evidence of such amount, absent manifest error in calculation.

**Prepayment.** It is expressly understood and agreed that prepayment in whole or in part of the Loan is prohibited prior to the Balance Due Date except as hereinafter expressly provided. The Principal Amount may be prepaid by the Borrower in whole (but not in part) and only on any regularly scheduled payment date under the Mortgage provided that:

- (a) no Event of Default then exists;
- (b) the Borrower gives the Lenders at least thirty (30) days' prior written notice of its intent to prepay; and
- (c) the Borrower pays to the Lenders, in addition to the Principal Amount, all outstanding interest, fees and other sums including costs due under this Commitment or under any of the Security Documents together with the Prepayment Charge.

The Borrower acknowledges and agrees that the Prepayment Charge represents reasonable and fair compensation for the loss that the Lenders may sustain from the prepayment of the Principal Amount. The Borrower acknowledges and agrees that it has no right to prepay the Principal Amount without paying the Prepayment Charge except as specifically provided hereinafter, and the Borrower specifically acknowledges and agrees that if by operation of law or by acceleration by the Lenders of the Principal Amount and interest secured by the Security Documents or for any other reason the Borrower becomes entitled or required to prepay and does prepay the whole or any part of the Principal Amount secured by the Security Documents prior to the Balance Due Date, the Borrower shall be required to pay to the Lenders, in addition to all other amounts owing, the Prepayment Charge.

Notwithstanding the foregoing:

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- (i) in the case of a prepayment resulting from the Lenders' receipt of insurance proceeds paid in connection with any damage or destruction to the Property where such proceeds have been applied to reduce the Loan, no Prepayment Charge shall be payable;
- (ii) in the case of a prepayment resulting from the Lenders' receipt of proceeds of expropriation of the Property where such proceeds have been applied to reduce the Loan, the Prepayment Charge will be limited to the portion of the Prepayment Charge that the Lenders are entitled to receive as compensation pursuant to the *Expropriations Act* (Ontario); and
- (iii) if the prepayment occurs in the final three (3) months of the Term, the Prepayment Charge shall be an amount equal to the interest otherwise payable to the Balance Due Date at the Interest Rate on the Principal Amount then outstanding.

## SCHEDULE "B"

### LIMITED RECOURSE EXCEPTIONS

Recourse of the Lenders shall be limited as set out in Section 3 of this Commitment save and except in the following circumstances, the occurrence or existence of which shall entitle the Lenders to full recourse against the Beneficial Owners and all of its properties and assets:

- (1) fraud by the Borrower, Beneficial Owners or their respective agents or representatives in connection with the Loans, the Commitment, the Property or the Security Documents;
- (2) any misrepresentation in connection with the Borrower's application for the Loans, the Commitment or the Security Documents;
- (3) insurance and/or expropriation proceeds received but not paid over or applied in accordance with the Commitment or the Security Documents;
- (4) failure to apply security deposits, advances or prepaid rents, cancellation or termination payments and other similar sums received by the Borrower from any tenants or other occupants of the Property;
- (5) any act of arson, malicious or intentional destruction or waste in respect of the Property;
- (6) failure to apply revenue from the Property to payments due to the Lenders or to operating expenses properly incurred in respect of the Property; and
- (7) default or non-compliance in withholding, collecting and/or remitting any amounts to a governmental department or agency including, without limitation, those deemed to be amounts held in trust for Her Majesty in right of Canada and other trust moneys as and when required under the *Income Tax Act* (Canada) and the *Excise Tax Act* (Canada), as amended from time to time or any successor legislation.

It is acknowledged and agreed that notwithstanding the foregoing, the Lenders shall at all times retain the right to commence an action or proceeding and seek judgment against the Borrower and/or the Beneficial Owners as may be necessary in order for the Lenders to preserve their rights against and/or realize upon or exercise its rights and remedies against the Property or any other assets secured by the Security Documents.