

October 3, 2024

RioCan-HBC Limited Partnership
401 Bay Street, Suite 500
Toronto, Ontario M5H 2Y4

Attention: Jennifer Bewley
Email: jennifer.bewley@hbc.com

RE: RC Holding II LP (the "**Lender**") loan facility to RioCan-HBC Limited Partnership (the "**Borrower**") to be secured by, *inter alia*: (i) a second mortgage on the lands and premises municipally known as 73, 85 and 87 Rideau Street, Ottawa, Ontario; and (ii) a pledge by the Borrower of its limited partner units of RioCan-HBC (Ottawa) Limited Partnership and its capital shares in RioCan-HBC (Ottawa) GP, Inc.

The Lender hereby offers a mortgage loan and guarantee facility (the "**Loan**") to the Borrower subject to the terms and conditions contained in the enclosed Part A, Part B and, if any, the schedules attached hereto (collectively, the "**Loan Offer**").

If the terms and conditions of this Loan Offer are acceptable to you, please confirm by signing, where applicable, by the Borrower, where noted herein, and returning to us a complete copy of the Loan Offer accompanied by the borrowing fees provided for herein before 4 p.m. Toronto time on October 2, 2024, failing which, the Lender will not be required to make the Loan described herein available to the Borrower or to act on this Loan Offer, which will become invalid solely due to the passage of time.

Sincerely,

RC HOLDING II LP, by its general partner, RC NA GP 2 TRUST, by its sole trustee, RIOCAN FINANCIAL SERVICES LIMITED

Signed by:
Per: Rocky Kim
9C0E54FC3147473...

Name: Rocky Kim
Title: VP, FP&A and Treasury
I have authority to bind the Corporation

RIOCAN REAL ESTATE INVESTMENT TRUST

Signed by:
Per: Dennis Blasutti
B456BC7AC7654CE

Name: Dennis Blasutti
Title: Chief Financial Officer

Signed by:
Per: Rocky Kim
9C0E54FC3147473...

Name: Rocky Kim
Title: VP, FP&A and Treasury
I/We have authority to bind the Corporation

**PART A
LOAN SUMMARY**

Definitions	All capitalized terms used in this Part A not otherwise defined in this Part A shall have the meanings ascribed to them in Part B.
Borrower	RioCan-HBC Limited Partnership (the " Borrower " or the " Mortgagor ") is the 99.999% holder of the limited partner interest in the Covenantor.
Covenantor	RioCan-HBC (Ottawa) Limited Partnership (the " Covenantor ") is the beneficial owner of an undivided 100% interest in the lands and premises municipally known as 73, 85 and 87 Rideau Street, Ottawa, Ontario, and legally described in Schedule B of this Part A (the " Ottawa Property " or the " Secured Property ")
Nominee	RioCan-HBC (Ottawa) Holdings Inc. (the " Ottawa Nominee " or the " Nominee ") is the registered owner of the Ottawa Property and holds an undivided 100% legal interest in the Ottawa Property as nominee and bare trustee for the Covenantor.
Recourse	The recourse of the Lender to the Nominee shall be limited to the interest in the Secured Property it holds for the Borrower. For greater certainty, notwithstanding the foregoing, the Lender shall have full recourse against all assets of the Borrower and the Covenantor in respect of its liability and obligations (including indemnity obligations) under this Loan Offer and all other Loan Documents to which it is a party.
Loan Amount	The loan amount (the " Loan Amount ") is limited \$16,650,000.00
Guarantee Facility	Upon full execution of a credit agreement with Desjardins Financial Security Life Assurance Company (" Desjardins ") in connection with the 1 st ranking mortgage financing of the Ottawa Property (the " Desjardins Loan "), RioCan Real Estate Investment Trust (" RioCan REIT ") shall provide Desjardins with a guarantee up to a maximum amount of \$12,500,000.00, being 22% of the maximum loan amount under the Desjardins Loan (the " Guarantee Facility "). The obligation of the Borrower in connection with the Guarantee Facility shall also be secured by the Security and form part of the Indebtedness.
Purpose	<p>The Borrower shall use the funds received from the Loan solely for the purpose of making a loan to the Covenantor who will correspondingly be required to use the entirety of such funds to repay a loan (the "Ottawa Loan") advanced by Computershare Trust Company of Canada (the "Ottawa Lender") to the Covenantor pursuant to a loan agreement dated as of March 25, 2019 between the Ottawa Lender and the Covenantor (as may be amended, restated, or supplemented from time to time, the "Ottawa Loan Agreement"), which loan is secured by, <i>inter alia</i>, a second mortgage charge against the Ottawa Property.</p> <p>In connection with the foregoing, on the date of the advance of funds under the Loan, the Borrower shall direct the Lender in writing to pay the net proceeds available under the Loan to the Covenantor and the Borrower shall cause the Covenantor to further direct the Lender in writing to pay the net proceeds available under the Loan to the Ottawa Lender to repay the Ottawa Loan.</p>

Disbursement	<p>The disbursement of the Loan must occur no later than thirty (30) days from the date of this Loan Offer, failing which the Lender may, in its sole and absolute discretion, cancel the Loan.</p> <p>Disbursement is subject to, among other typical conditions precedent, satisfaction of the conditions for advance of the Loan detailed in this Loan Offer.</p>
Term and Maturity Date	<p>Sixty (60) months from the first day of the month following the advance of the Loan (the "Term").</p>
Amortization Period	<p>The Loan shall be amortized over a period of twenty-five (25) years. Upon the earlier of:</p> <ul style="list-style-type: none"> (i) the day on which the Recapitalization Event occurs; and (ii) May 1, 2025; <p>The amortization period shall be reduced so that it is equal to the number of months remaining in the Term (as such term is defined under the Desjardins Loan) of the Desjardins Loan.</p>
Interest Rate	<p>See Interest Rate definition. Interest shall be compounded and calculated monthly in arrears.</p>
Repayment	<p>The Loan will be repayable in equal monthly blended payments of principal and interest at the Interest Rate, due on the third of each month, in an amount sufficient to amortize the Loan over the Amortization Period. A balloon repayment of principal will be due on the Maturity Date.</p>
Prepayment	<p>The Loan is open for prepayment in whole or in part, without penalty.</p>
Mandatory Prepayments	<p>The Borrower shall be obligated to make a prepayment of the Loan prior to the Maturity Date, without penalty, in an amount equal to all amounts received by the Borrower from:</p> <ul style="list-style-type: none"> (i) any loan secured on the Ottawa Property save and except the Desjardins Loan; (ii) any Sale by the Borrower, net of obligations under existing Financings; and (iii) any Financing, whether secured or unsecured, other than any refinancing of the amount outstanding under existing Financing. <p>Notwithstanding the foregoing, each of the Borrower, the Borrower's subsidiaries, and the Covenantor, shall be permitted to repay its monetary indebtedness under any Financing, whether secured or unsecured. Lender may accept such other prepayment arrangements in its sole discretion.</p>
Guarantee Facility Indemnity	<p>The Borrower hereby agrees to indemnify and save harmless RioCan REIT from and against any and all Claims suffered or incurred by RioCan REIT from time to time, and arising from or relating to, directly or indirectly, the Guarantee Facility (the "Guarantee Facility Indemnity").</p> <p>The Borrower shall pay to RioCan REIT (or as it may further direct) the amount of all Claims within ten (10) Business Days of demand from RioCan, to the extent RioCan has made payment of such Claim.</p>

All payments required to be made by the Borrower to RioCan REIT (or as it may further direct) under this Loan Offer shall be made in immediately available funds in lawful Canadian currency, without any set off, counter claim or deduction. The obligation of the Borrower in connection with the Guarantee Facility Indemnity shall also be secured by the Security and form part of the Indebtedness.

Security

It is understood and agreed that the security offered in connection with this Loan will be (collectively, the "**Security**"):

Ottawa Property Security:

- (i) a second position demand debenture (the "**Ottawa Mortgage**") granted by the Ottawa Nominee in the principal amount of \$30,000,000.00 (together with an assignment of interest in the material contracts and insurance pertaining to the Ottawa Property), which will be registered as a freehold charge against the freehold interest in the Ottawa Property described under the heading "Freehold Lands" in Schedule B of Part A and as a leasehold charge against the a leasehold interest in the Ottawa Property described under the heading "Leasehold Lands" in Schedule B of Part A. The Ottawa Mortgage shall be postponed to the security granted under the Desjardins Loan;
- (ii) a second position charge in the Covenantor's interest in the leases and rents from the Ottawa Property, to be subordinated only to the security granted under the Desjardins Loan;
- (iii) a second position beneficial charge of the Ottawa Property granted by the Covenantor, as beneficial owner of the Ottawa Property, to the Lender, together with: (A) the direction by the Covenantor, as beneficial owner of the Ottawa Property, to the Ottawa Nominee to execute all Security to which the Ottawa Nominee is a party; and (B) an agreement in favour of the Lender that such Security shall bind the Covenantor to the same extent as if the Covenantor had executed such Security in the place of the Ottawa Nominee, to be subordinated only to the security granted under the Desjardins Loan;
- (iv) a second position site-specific security agreement registered against the Covenantor and the Ottawa Nominee, subordinate only to the first position charge in favour of the first position lender of the Ottawa Property, to be subordinated only to the security granted under the Desjardins Loan;
- (v) a subordination and standstill agreement with Desjardins which must allow for regular debt payments under the Loan by the Borrower to the Lender in form and substance satisfactory to the Lender;

Additional Security:

- (vi) a pledge in favour of the Lender by the Borrower of all of its limited partner units of the Covenantor (the "**Units**") representing a 99.999% interest in the Covenantor, as such

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- pledge may be amended, modified, supplemented, replaced or restated from time to time (the "**Unit Pledge**");
- (vii) a unit transfer power of attorney in blank;
 - (viii) original unit certificate representing all Units;
 - (ix) a pledge in favour of the Lender by the Borrower of the 100 of capital shares of RioCan-HBC (Ottawa) GP, Inc. (the "**Shares**"), as such pledge may be amended, modified, supplemented, replaced or restated from time to time (the "**Share Pledge**");
 - (x) a stock transfer power of attorney in blank;
 - (xi) original share certificate representing all Shares;
 - (xii) the Borrower's acknowledgement and agreement that all payment obligations of the Borrower hereunder, including and without limitation the Arrangement Fee (as hereinafter defined) and repayment of the Loan Amount on the Maturity Date, are a "Partnership Expense" as such term is defined in the Partnership Agreement;
 - (xiii) a direction from the Borrower addressed to: (A) RioCan Holdings Inc., the bare trustee and nominee of the property located at 509 Bayfield Street, Barrie, Ontario ("**Georgian Mall**"); and (B) RioCan Holdings (Oakville Place) Inc., the bare trustee and nominee of the property located at 240 Leighland Avenue, Toronto, Ontario ("**Oakville Place**"), directing each of them to pay the next Distribution receivable by the Borrower in the aggregate amount of \$2,500,000.00 to the Lender as repayment of the Loan;
 - (xiv) certain amendments required by the Lender in respect of the following lease agreements, such amendments shall be in form and content satisfactory to the Lender:
 - a. a lease dated December 23, 2014 between RioCan Holdings (TJV) Inc. and 1633272 Alberta ULC, by their agent, RioCan Management Inc., as landlord, and Hudson's Bay Company ULC (as successor-in-interest to Hudson's Bay Company) for certain premises designated as Unit #750 consisting of a certified area of twenty eight thousand three hundred and fifty-seven (28,357) square feet (as more particularly shown in black on Schedule "B" attached to the lease), located in the shopping centre known as Tanger Outlets Ottawa in the City of Ottawa, in the Province of Ontario;
 - b. a lease dated September 1, 1984 between RioCan Holdings Inc., by its agent, RioCan Management Inc. (as successor-in-interest to The Cadillac Fairview Corporation) and Hudson's Bay Company ULC (as successor-in-interest to K Mart Canada Limited) for certain premises designated as Unit Y004 consisting of an area of approximately ninety thousand seven hundred and forty eight (90,748) square feet, located in the shopping centre known as Georgian Mall

in the City of Barrie, in the Province of Ontario, as more particularly described in Schedule "A" attached to the lease.

- c. a lease dated March 10, 1981 between RioCan Holdings (Oakville Place) Inc., by its agent, RioCan Management Inc. (as successor-in-interest to Oakville Place Developments Limited) and Hudson's Bay Company ULC (as successor-in-interest to Hudson's Bay Company), for certain premises designated as Unit MAJ2 consisting of an area of approximately one hundred nineteen thousand four hundred and twenty-eight (119,428) square feet as shown on Schedule "B" attached to the lease, located in the shopping centre known as Oakville Place in the Town of Oakville, in the Province of Ontario, as more particularly described in Schedule "A" attached to the lease.

(xv) property insurance policies satisfactory to the Lender, with the Lender noted thereon as 2nd loss payee in connection with the Ottawa Property; and

(xvi) such other additional security reasonably required by the Lender or its legal counsel.

Legal Description

See Schedule B of Part A.

Payment of Existing Charges

It is understood that all existing financial encumbrances on the Secured Property, will be discharged to provide the Lender with a second charge on title to the Ottawa Property.

Additional Charges

There are to be no subsequent encumbrances registered against the Secured Property without the prior approval of the Lender, other than Permitted Encumbrances.

Environmental

The Borrower and the Covenantor agrees:

- (i) to observe and conform to, in all material respects, all laws and requirements of any applicable federal, provincial and any other governmental authority relating to the environment and the operation of the business activities of the Borrower and the Covenantor at the Secured Property, as applicable;
- (ii) to allow the Lender access at all reasonable times to the Secured Property (subject to the rights of the tenants) to monitor and inspect all property and business activities and to conduct environmental remedial actions at the expense of the Borrower or the Covenantor, as applicable, if the Borrower or Covenantor, as applicable, fails to take such remedial action as is required to ensure compliance with applicable environmental legislation;
- (iii) to notify the Lender from time to time of any business activity conducted at the Secured Property of which it is aware which involves the use or handling of hazardous materials or wastes and which increases the environmental liability of the Borrower or the Covenantor, as applicable, in any material manner; and
- (iv) to provide the Lender with immediate written notice of any environmental problem and any hazardous materials or

substances which have a material adverse effect on the Secured Property, equipment, or business activities at any of the Secured Property and with any other environmental information reasonably requested by the Lender from time to time.

If the Lender is required to incur reasonable expenses due to the Borrower's or the Covenantor's failure to comply, as applicable, or to verify the Borrower's or the Covenantor's compliance with applicable environmental or other regulation, as applicable, the Borrower and the Covenantor shall indemnify the Lender in respect of such expenses, which will constitute further advances by the Lender to the Borrower under this Loan Offer.

Conditions for Loan Advance

The Loan Amount will be advanced when all the following conditions precedent and all other conditions contained herein have been fulfilled to the satisfaction of the Lender and its legal counsel:

- (i) receipt of a resolution of the board of directors of each of the Borrower's general partner and the Covenantor's general partner duly authorizing the Loan, this Loan Offer, and the Security required hereunder; and
- (ii) all reasonably required legal documentation shall have been completed, received and registered as necessary by the legal counsel acting on behalf of the Lender. The documentation must be satisfactory to the Lender's legal counsel, acting reasonably.

Arrangement Fee

The Borrower shall pay to RioCan REIT (or as it may further direct), in consideration of RioCan REIT's arrangement of the Desjardins Loan, a monthly arrangement fee in the amount of \$50,000 (the "**Arrangement Fee**"), which Arrangement Fee shall be payable in advance on the third of the first day of each calendar month during the initial term of the Desjardins Loan only and shall not be payable during any renewal or extension thereof, or at any time following repayment or termination/expiry of the Desjardins Loan. If the term of the Desjardins Loan does not commence or expire on the first day or the last day of a calendar month, respectively, then the Arrangement Fee payable in respect of such partial month shall be calculated and paid on a per diem basis in respect of such applicable partial month.

The Arrangement Fee shall be deemed fully earned upon full execution of the credit agreement respect of the Desjardins Loan and the initial Arrangement Fee payment shall be paid to RioCan REIT (or as it may further direct) at the time of the initial advance or drawdown under the Desjardins Loan.

To the extent exigible, harmonized sales tax shall be paid by the Borrower on the Arrangement Fee. The obligation of the Borrower to pay the Arrangement Fee shall also be secured by the Security and form part of the Indebtedness.

Commitment Fee

An annual amount of 1.00% of the principal sum, payable in equal monthly instalments, by the Borrower (the "**Commitment Fee**"). The obligation of the Borrower to pay the Commitment Fee shall also be secured by the Security and form part of the Indebtedness.

Legal Fee Deposit

The Borrower shall have paid a sum of \$25,000 to the Lender to be applied to the Lender's legal fees and disbursements. The Lender's legal fees in respect of the Loan shall not exceed a total of \$40,000, plus disbursements and applicable taxes.

Costs

All reasonable legal and out-of-pocket costs associated with the creation, documentation, registration, management and, if applicable, amendment of the Loan, including legal fees, will be for the account of the Borrower, whether or not this transaction closes. All collection and enforcement costs shall also be for the account of the Borrower and be deemed obligations of the Borrower secured by the Security and form part of the Indebtedness.

Paramountcy Provisions

In the event of a conflict or inconsistency between the provisions of this Loan Offer and the provisions of the other loan documents, the provisions of this Loan Offer will prevail. Notwithstanding the foregoing, it is understood that the rights of the Lender shall be added to, expanded by and enlarged by the provisions of the other loan documents in a manner not inconsistent or in conflict with the provisions of this Loan Offer.

[END OF PART A]

SCHEDULE A of Part A

ACCEPTANCE BY THE BORROWER, THE COVENANTOR, AND THE NOMINEE

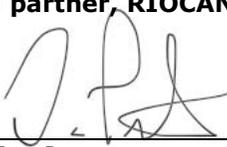
The undersigned Borrower, Covenantor, and Nominee confirm acceptance of this Loan Offer and agrees to respect each and every one of its terms and conditions.

To be valid, the acceptance of this Loan Offer must be unconditional. Any other form of acceptance will be considered invalid, whether or not substantially in compliance herewith.

This 3rd day of October, 2024

The Borrower:

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

Per: 

Name: Ian Putnam

Title: Executive Vice President

I have authority to bind the Corporation

The Covenantor:

**RIOCAN-HBC (OTTAWA) LIMITED PARTNERSHIP,
by its general partner, RIOCAN-HBC (OTTAWA)
GP INC.**

Per: 

Name: Ian Putnam

Title: Executive Vice President

I have authority to bind the Corporation

The Ottawa Nominee:

RIOCAN-HBC (OTTAWA) HOLDINGS INC.

Per: _____

Name: Rocky Kim

Title: VP, FP&A and Treasury

I have authority to bind the Corporation

SCHEDULE A of Part A

ACCEPTANCE BY THE BORROWER, THE COVENANTOR, AND THE NOMINEE

The undersigned Borrower, Covenantor, and Nominee confirm acceptance of this Loan Offer and agrees to respect each and every one of its terms and conditions.

To be valid, the acceptance of this Loan Offer must be unconditional. Any other form of acceptance will be considered invalid, whether or not substantially in compliance herewith.

This 3rd day of October, 2024

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I have authority to bind the Corporation

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by its general partner, RIOCAN-HBC (OTTAWA)
GP INC.**

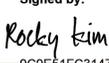
Per:

Name: Ian Putnam
Title: Executive Vice President
I have authority to bind the Corporation

The Ottawa Nominee:

RIOCAN-HBC (OTTAWA) HOLDINGS INC.

Per:

Signed by:  909E51FC3147473	_____
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Name: Rocky Kim
Title: VP, FP&A and Treasury
I have authority to bind the Corporation

SCHEDULE B of Part A

LEGAL DESCRIPTION OF PROPERTY

FREEHOLD PINS:

Firstly:

PIN 04215-0143 LTS C, D & E, PL 42482, N/S RIDEAU ST, EXCEPT PT 1, PL 4R-11766;
OTTAWA

Secondly:

PIN 04215-0226 PART OF LOT F PLAN 42482, N/S RIDEAU ST., PARTS 1, 2, 3 AND 4 PLAN
4R-599, EXCEPT PART 1 PLAN 5R-9476; OTTAWA. S/T N328914.

LEASEHOLD PIN:

Thirdly:

PIN 04215-0144 PT GEORGE STREET, PL 42482, PART 1, 5R6343, CLOSED BY NS155733;
FREIMAN STREET, PL 42482, PART 1, 5R5514, CLOSED BY NS119631
(FORMERLY MOSGROVE ST); OTTAWA

**PART B
GENERAL CONDITIONS**

1. DEFINITIONS AND INTERPRETATION

- 1.1. In this Loan Offer, unless another meaning is indicated, the terms defined in Part A – Loan Summary have the meaning that is given to them and the following terms mean:
- 1.1.1. **“Adjusted Daily Compounded CORRA”** means, for purposes of any calculation, the rate per annum equal to (a) Daily Compounded CORRA for such calculation plus (b) the Daily Compounded CORRA Adjustment; provided that if Adjusted Daily Compounded CORRA as so determined shall be less than the Floor, then Adjusted Daily Compounded CORRA shall be deemed to be the Floor.
- 1.1.2. **“Affiliate”** or **“affiliate”** means, as applied to any Person, any other Person directly or indirectly controlling, controlled by or under common control with, that Person;
- 1.1.3. **“Business Day”** means any day, excluding Saturdays and Sundays and any other statutory holidays or days on which the Lender’s office in Toronto are closed;
- 1.1.4. **“Canadian Relevant Governmental Body”** means the Bank of Canada, or a committee officially endorsed or convened by the Bank of Canada, or any successor thereto.
- 1.1.5. **“Change of Control”** means (i) any change in the control of the Borrower, and specifically, the transfer, sale, disposition or issuance of shares or units of the Borrower or its general partner carrying the right to vote and having the effect of changing the Person or Persons who control, directly or indirectly; or (ii) any reorganization, merger, liquidation or other modification of the legal structure of the Borrower.
- 1.1.6. **“Claim”** means all past, present and future claims, suits, proceedings, liabilities, obligations, losses, damages, penalties, judgments, costs, expenses, fines, disbursements, legal fees on full indemnity basis, interest, demands and actions of any nature or kind whatsoever.
- 1.1.7. **“CORRA”** means the Canadian Overnight Repo Rate Average administered and published by the Bank of Canada (or any successor administrator);
- 1.1.8. **“Daily Compounded CORRA”** means, for any day, CORRA with interest accruing on a compounded daily basis, with the methodology and conventions for this rate (which will include compounding in arrears with a lookback) being established by the Lender in accordance with the methodology and conventions for this rate selected or recommended by the Canadian Relevant Governmental Body for determining compounded CORRA for business loans; provided that if the Lender decides that any such convention is not administratively feasible for the Lender, then the Lender may establish another convention in its reasonable discretion; and provided that if the administrator has not provided or published CORRA, then, in respect of any day for which CORRA is required, references to CORRA will be deemed to be references to the last provided or published CORRA; and provided that if Daily Compounded CORRA as so determined shall be less than the Floor, then Daily Compounded CORRA shall be deemed to be the Floor.
- 1.1.9. **“Daily Compounded CORRA Adjustment”** means a percentage equal to 7.75% per annum.

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- 1.1.10. "**Financing**" means any indebtedness (whether secured or unsecured) incurred by or on behalf of the Borrower to finance or re-finance the business of the Borrower, or draw, make, execute and issue promissory notes, evidences of such indebtedness and other negotiable or non-negotiable instruments; and, to secure the payment of the sums so borrowed, mortgage, pledge, charge, assign and/or hypothecate any Partnership Property and enter into and complete any agreement relating to any mortgage, pledge, charge, assignment and/or hypothec of any Partnership Property;
- 1.1.11. "**Floor**" means a rate of interest equal to 4.25%.
- 1.1.12. "**Hazardous Substance**" means (i) any substance, waste, liquid, gas or solid matter, fuel, sound, vibration, odour, radiation and organic or inorganic matter which is or is deemed to be, alone or in any combination, hazardous, hazardous waste, subject waste, toxic, radioactive, a pollutant, a contaminant, a deleterious substance, or a source of pollution under any applicable statute, regulation, by-law or order now or hereafter enacted or promulgated by any Federal, Provincial or local authority having jurisdiction over the Secured Property, or (ii) any other substance which is or may become hazardous, dangerous or toxic to animals, persons or property.
- 1.1.13. "**Indebtedness**" means the full amount of all indebtedness and liability, direct or indirect, of the Borrower to the Lender arising under or in connection with this Loan Offer, the Loan, the Guarantee Indemnity Facility, the Guarantee Facility Indemnity, the Arrangement Fee, the Commitment Fee, and the Security, outstanding from time to time;
- 1.1.14. "**Interest Rate**" means the rate of interest on the Loan, and any overdue amounts not paid when due, equal to Adjusted Daily Compounded CORRA.
- 1.1.15. "**Loan Documents**" means this Loan Offer, the Security and the other documents and instruments held by the Lender from time to time pursuant to this Loan Offer or otherwise in connection with the Loan;
- 1.1.16. "**Material Adverse Change**" means any event or occurrence which, when considered individually or together with other events or occurrences, has a material adverse effect on:
- (a) the business, assets, liabilities (actual or contingent), operations, results of operations, condition (financial or other) or prospects of the Borrower or the Covenantor taken as a whole;
 - (b) the ability of the Borrower to pay the Loan Amount or to perform its obligations to the Lender in connection with this Loan Offer, the Loan, or the Security;
 - (c) the priority, effectiveness or enforceability of this Loan Offer or the Security;
 - (d) the Lender's rights and remedies under this Loan Offer and the Security;
- For greater certainty, "**Material Adverse Change**" does not include a change in general economic conditions unless same in turn cause any of the foregoing effects;
- 1.1.17. "**Obligors**" means, collectively, the Borrower, the Covenantor, and the Nominee and "**Obligor**" means any one of them;

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- 1.1.18. "**Partnership Agreement**" means the third amended and restated limited partnership agreement dated April 29, 2023 in respect of the Borrower.
- 1.1.19. "**Partnership Property**" means, collectively and individually, any and all property owned or held by the Borrower from time to time (real and personal, immoveable and moveable, tangible or intangible) and all improvements made thereto or erected thereon from time to time (other than any improvements owned by tenants or subtenants as applicable), all replacements thereof, all leases and other agreements relating thereto, all rents, income and other amounts derived therefrom and all other rights and benefits relating thereto.
- 1.1.20. "**Permitted Encumbrances**" means any one or more of the following:
- (a) any lien in respect of any property or assets of the Borrower or the Covenantor created by or arising pursuant to any applicable legislation in favour of any Person (such as but not limited to a Governmental Authority), including a lien for the purpose of securing the Borrower's or the Covenantor's obligation to deduct and remit employee source deductions and goods and services tax pursuant to the *Income Tax Act* (Canada), the *Excise Tax Act* (Canada), the Canada Pension Plan (Canada), the *Employment Insurance Act* (Canada) and any legislation in any jurisdiction similar to or enacted in replacement of the foregoing from time to time (each individually a "**Statutory Lien**") in respect of any amount which is not at the time due;
 - (b) any Statutory Lien in respect of any amount which may be due but the validity of which is being contested in good faith and in respect of which reserves have been established as reasonably required by the Lender;
 - (c) in respect of the Secured Property: (A) any registered agreement (or unregistered agreement that is required in connection with the further development of such Secured Property) with any Governmental Authority and any public utilities or private suppliers of services, including site plan agreements, subdivision agreements, development agreements, engineering, grading or landscaping agreements and similar agreements, which has not and is not reasonably likely to have a Material Adverse Change, provided the same is complied with in all material respects; (B) any registered easement for the supply of utilities or telephone services to such Secured Property and for drainage, storm or sanitary sewers, public utility lines, telephone lines, cable television lines or other services and all licences, easements, rights-of-way, rights in the nature of easements and agreements with respect thereto not registered on title to such Secured Property, including agreements, easements, licences, rights-of-way and interests in the nature of easements for sidewalks, public ways, sewers, drains, utilities, gas, steam and water mains or electric light and power, or telephone telegraphic conduits, poles, wires and cables, which has not and is not reasonably likely to have a Material Adverse Change; (C) any registered easement or right-of-way for the passage, ingress and egress of Persons and vehicles over parts of such Secured Property, which has not and is not reasonably likely to have a Material Adverse Change; (D) any registered or unregistered easement, rights-of-way, agreement or other unregistered interest or claims not disclosed by registered title which has not and is not reasonably likely to have a Material Adverse Change; (E) any zoning, land use and building restriction, bylaw, regulation and ordinance of any Governmental Authority, including municipal by-laws and regulations and airport zoning regulations, which has not any is not reasonably likely to have a Material Adverse Change; (F) any obligation with respect to any permit required in connection with the construction and use of such Secured

Property provided such permit is in good standing and has not and is not reasonably likely to have a Material Adverse Change; and (G) any minor defect in title which has not and is not reasonably likely to have a Material Adverse Change;

- (d) any reservation, limitation, proviso, condition, restriction and exception (including royalties, reservation of mines, mineral rights, access to navigable waters and similar rights) expressed in the letters patent or grant from the Crown, as varied by statute, of the lands of which the Secured Property forms a part and any statutory limitation, exception, reservation and qualification, provided same has been complied with in all material respects;
- (e) any lien incurred or deposit made or pledged to secure any obligation under workers' compensation legislation or similar legislation, or in connection with contracts, bids, tenders or expropriation proceedings, or surety, performance or appeal bonds in connection with construction of the further development of the Secured Property;
- (f) security given to a public utility or any Governmental Authority to secure obligations incurred to such utility, Governmental Authority or other authority in the ordinary course of business and not at the time overdue;
- (g) any inchoate lien (statutory or otherwise) arising in connection with the construction or improvement of the Secured Property or arising out of the furnishing of materials or supplies therefor, provided that such lien secures moneys not at the time overdue (or if overdue, the validity of which is being contested in good faith and in respect of which and reserves have been established as reasonably required by the Lender), notice of such lien has not been given to the Lender and such lien has not been registered against title to the Secured Property;
- (h) purchase-money security interests incurred or assumed in connection with the purchase, leasing or acquisition of capital equipment in the ordinary course of business, provided that the aggregate amount of each of the Borrower's and the Covenantor's liability thereunder is not at any time greater than five hundred thousand (\$500,000.00) dollars;
- (i) any present and future lease, offer to lease, sublease, concession, licence or other contract or agreement by which the use, enjoyment or occupancy of the Secured Property or any portion thereof is granted in accordance with this Loan Offer;
- (j) the Security;
- (k) those encumbrances registered against title to the Secured Property in priority to each of the Mortgages on the date of the registration of each of the Mortgages against title to the relevant Secured Property and which the Lender has agreed to accept in its sole, absolute and unfettered discretion;
- (l) any subsequent encumbrances with the express prior written consent of the Lender in its sole, absolute and unfettered discretion;
- (m) a first mortgage in favour of the first position lender of the Secured Property.

1.1.21. **"Person"** means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal

personal representative, regulator body or agency, government or governmental agency, authority or entity however designated or constituted;

- 1.1.22. **"Recapitalization Event"** means the completion of the Nancy transaction as previously communicated to the Lender.
- 1.1.23. **"Sale"** means the sale of all or any part of any Partnership Property or any interest therein, the receipt of compensation for the expropriation of all or any part of any Partnership Property or any interest therein, and the recovery of damage awards or insurance proceeds not required to repair or reconstruct any damaged Partnership Property (other than business or rental interruption insurance proceeds) in respect thereof;
- 1.1.24. **"Statutory Liens"** means any lien in respect of the Property created by or arising from any Applicable Laws in favour of any Person and **"Statutory Lien"** means any one of the Statutory Liens; and
- 1.1.25. **"Tax"** or **"Taxes"** means all present and future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority, including interest, additions to tax or penalties applicable thereto.
- 1.2. "Herein", "hereunder", and similar terms refer to this Loan Offer and all schedules thereto as a whole and not to any specific clause or provision thereof.
- 1.3. When the context makes it possible, the singular includes the plural and vice versa, and all references to any Person, whether a party to this Loan Offer or not, will be read with such changes in number or gender as the party or reference requires.
- 1.4. If any provision, covenant, or agreement contained in this Loan Offer is invalid or unenforceable in whole or in part, then such invalid or unenforceable provision, covenant, or agreement or part thereof will be severed from and will not affect the validity or enforceability of the remainder of this Loan Offer.
- 1.5. Any reference in this Loan Offer to a statute will include any amendment or successor statute and any regulations thereunder in force from time to time.
- 1.6. This Loan Offer will enure to the benefit of and be binding upon the successors and assigns of the Lender and the respective heirs, executors, administrators, successors and permitted assigns of each of the Obligors.

2. INTEREST AND MONTHLY PAYMENT

- 2.1. The amounts loaned pursuant to the Loan Offer bear interest daily, compounded and calculated monthly in arrears before and after maturity and before and after default at the applicable interest rate stated on page 1 of Part A. Interest on the Loan Amount will be calculated on the basis of the actual number of days elapsed in a year of 365 days or 366 days, as the case may be.
- 2.2. Any payment received by the Lender after 12:00 noon (Toronto time) (or after 3:00 PM on the balance due date) shall be credited as of the next Business Day. The Lender may, at its discretion, make an advance under the Loan to pay any unpaid interest, fees or other amounts which have become due and payable under the terms of this Loan Offer or any Security.
- 2.3. Whenever any payment or performance under this Loan Offer and the Security would otherwise be due on a day other than a Business Day, such payment shall be made on the following Business Day, unless the following Business Day is in a different calendar

month or would fall after the Repayment Date, in which case the payment shall be made on the preceding Business Day.

- 2.4. Any unpaid interest due on the Loan Amount will itself bear interest at the same rate as that applicable to the Loan, as the case may be, calculated and capitalized each month and payable at any time, without requiring notice or legal notification.
- 2.5. 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 Lender in excess of the amount or rate that would be permitted by Applicable Laws or would result in the receipt by the Lender 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 Lender will determine the payment or payments that are to be reduced or refunded, as the case may be, so that such a result does not occur.

3. REMEDIES OF THE LENDER

- 3.1. Subject in all cases to the limitations set out in Part A of this Loan Offer, the remedies of the Lender against the Borrower and the Covenantor are deemed to be unlimited.

4. AFFIRMATIVE COVENANTS

- 4.1. The Borrower and the Covenantor agrees with the Lender to:
 - 4.1.1. comply at all times with the terms and conditions of this Loan Offer and the other documents relative to the Loan and the Security required thereunder;
 - 4.1.2. if applicable, inform the Lender immediately of any modification or non-renewal or cancellation of any insurance policy regarding to the Secured Property;
 - 4.1.3. not use the Secured Property, or permit it to be used, to generate, manufacture, refine, treat, transport, store, handle, dispose, transfer, produce or process Hazardous Substances except in compliance with all applicable environmental laws;
 - 4.1.4. if applicable, maintain in all material respects all environmental and operating documents and records, including, without limitation, material licences and orders, relating to the Secured Property in the manner and for the time periods required by all applicable environmental laws;
 - 4.1.5. give written notice to the Lender promptly after becoming aware thereof of: (A) any Default or Event of Default that is continuing; (B) any litigation, dispute, arbitration or other proceeding to which the Borrower or the Covenantor is a party, the result of which if determined adversely would constitute, or could reasonably be expected to constitute, or cause, a Material Adverse Change to it; or (C) any written communication received by the Borrower or the Covenantor, as applicable, alleging default under any of the leases, agreements or Permitted Encumbrances related to the Secured Property that constitutes, or could reasonably be expected to constitute, or cause, a Material Adverse Change;
 - 4.1.6. if applicable, pay, as they become due, without subrogation, all its income taxes and Statutory Liens, all business taxes, realty taxes, local improvement charges, development charges, education development charges, as well as any interest on the said taxes and fines imposed in their respect and payable with respect to the Secured Property or charging it and deliver to the Lender the receipts attesting to the payment of the said taxes within sixty (60) days of the calendar year end;

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- 4.1.7. if applicable, punctually pay the cost of public utility services and authorize the Lender to make the verifications with public utility services in order to confirm the statement of amounts due in this respect;
 - 4.1.8. maintain the Secured Property free of any mortgages or other encumbrances, including Statutory Liens, unless they exist for the benefit of the Lender or accepted by the Lender (including Permitted Encumbrances); and
 - 4.1.9. if applicable, maintain and repair the Secured Property and all structures and all the appurtenances thereon in good working order and condition as would a prudent owner of similar property, reasonable wear and tear excepted.

5. RESTRICTIVE COVENANTS

- 5.1. The Borrower and the Covenantor agree that without the prior written authorization of the Lender:
 - 5.1.1. except as permitted in this Loan Offer, the Borrower and the Covenantor shall not make or permit any Sale;
 - 5.1.2. except as permitted in this Loan Offer, the Borrower and the Covenantor shall not grant or allow, as the case may be, any lien or caveat related thereto, servitude, real right, guarantee, mortgage, security or charge related to the Secured Property in favour of other Persons than the Lender, except Permitted Encumbrances;
 - 5.1.3. the Borrower shall not make any Distributions (as such term is defined in the Partnership Agreement) unless all amounts owing under this Loan Offer, as at the relevant date, have been fully paid;
 - 5.1.4. during an Event of Default that is continuing, the Borrower shall not declare or pay any Distribution (as such term is defined in the Partnership Agreement); and
 - 5.1.5. neither the Borrower nor the Covenantor shall take or refrain from taking any action which would cause any representations and warranties of the Borrower or the Covenantor under this Loan Offer to be false or misleading in any material respect.

6. DISPOSITION AND CHANGE OF CONTROL

- 6.1. Except as permitted herein, upon any Change of Control or any transfer, sale, assignment or disposition of any of the Secured Property, in whole or in part, the Lender may require the immediate repayment of the balance of the Loan Amount, including principal, interest, fees (including the Commitment Fee), expenses and additional charges.

7. EVENTS OF DEFAULT

- 7.1. The Borrower is in default and loses the benefit of the term of the Loan and the Security will be enforceable and all amounts (principal and interest) shall immediately become due and owing, upon the occurrence and continuance of any one or more of the following events (collectively, the "**Events of Default**" and each, an "**Event of Default**"):
 - 7.1.1. failure by the Borrower or the Covenantor to comply with any one or more of its obligations resulting from this Loan Offer, the Security in favour of the Lender, any other Loan Document or any other documents executed pursuant to this Loan Offer following expiry of any relevant cure periods;
 - 7.1.2. failure by the Borrower or the Covenantor, as applicable, to make the payments of principal, interest or other amounts when due or to pay the insurance, the realty

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- taxes on the Secured Property and any other Statutory Liens on their due date, beyond 3 days after receipt of notice thereof;
- 7.1.3. bankruptcy, insolvency, dissolution or liquidation of the Borrower, failure by the Borrower to pay its creditors as and when they become due or the appointment of a receiver with respect to any one of them or assignment for the general benefit of their creditors;
- 7.1.4. if the Borrower invokes the *Companies' Creditors Arrangement Act* or any law relative to insolvency;
- 7.1.5. if any one of the obligations that enure to the benefits of any creditor or any Person holding rights in the Secured Property is breached, whether or not these rights in the Secured Property are prior or subsequent to those of the Lender, and the default is not waived by the said creditor or Person;
- 7.1.6. failure to repay the balance of the Loan Amount when it is due;
- 7.1.7. if, further to a reasonable request by the Lender, the Borrower or the Covenantor, as applicable, refuses or fails to provide the Lender, or fails to cause the Lender to be provided with, all documentation and information related to the Secured Property or the financial situation of the Borrower or the Covenantor;
- 7.1.8. failure by the Borrower or the Covenantor, as applicable, to comply with an obligation to any Person which is likely to result in a Material Adverse Change for the Borrower, the Covenantor, or the Secured Property;
- 7.1.9. except as permitted herein, any Sale, or the transfer, sale, assignment or disposition of the Secured Property without the prior written consent of the Lender;
- 7.1.10. except as permitted herein, the Change of Control of the Borrower or the Covenantor without the prior written consent of the Lender;
- 7.1.11. if a declaration or representation made herein proves to be materially false, misleading or inexact;
- 7.1.12. if the Borrower or the Covenantor, as applicable, does not obtain the release of the seizure of any of the Secured Property or of the other charged assets in the execution of a judgment;
- 7.1.13. if the Hudson's Bay store lease in respect of the Ottawa Property (the "**Ottawa Store Lease**") is terminated for any reason; and
- 7.1.14. if the tenant under the Ottawa Store Lease (the "**Ottawa Tenant**") ceases to operate at the Ottawa Property.
- 7.2. The omission on the part of the Lender to notify the Borrower of any Event of Default hereunder or to avail itself of any of its rights hereunder shall not be construed as a waiver by the Lender of such Event of Default or rights.
- 7.3. If an Event of Default should occur, the Borrower or the Covenantor, as applicable, also lose the capacity to exercise all of their respective rights pursuant to this Loan Offer and the Lender may exercise all rights and remedies available at law and under the respective mortgage of the Secured Property.
- 7.4. No waiver by the Lender of any Event of Default shall in any way be, or be construed to be, a waiver of any future or subsequent Event of Default.

7.5. No Event of Default may be waived or discharged orally but, in each case, only by an instrument in writing signed by the Lender.

7.6. Intentionally deleted.

8. BANKRUPTCY AND INSOLVENCY ACT

8.1. The Lender will not be obliged to act on this Loan Offer, to sign the legal documentation or make any advance of the Loan Amount if the Borrower becomes insolvent, assigns its assets, is placed in bankruptcy or liquidation, makes a proposal or files a notice of intention to make a proposal to its creditors pursuant to the *Bankruptcy and Insolvency Act* or invokes the *Companies' Creditors Arrangement Act*.

9. REPRESENTATIONS AND WARRANTIES

9.1. The Borrower and the Covenantor jointly and severally make the following representations and warranties:

9.1.1. the Borrower has the powers, the authority, and the capacity necessary to borrow the Loan Amount;

9.1.2. The Borrower and the Covenantor has the powers, the authority, and capacity necessary to grant the Security in favour of the Lender, and to perform its obligations hereunder and thereunder;

9.1.3. the Ottawa Nominee is the registered owner of the Ottawa Property (in the case of the Leasehold Lands, the leasehold interest therein) and the Covenantor is the beneficial owner of an undivided 100% interest in the Ottawa Property (in the case of the Leasehold Lands, the leasehold interest therein) with good and marketable title thereto;

9.1.4. intentionally deleted;

9.1.5. there is no application, legal proceeding or material investigation, pending or imminent, against the Borrower or the Covenantor, or involving the Secured Property which would give rise to a Material Adverse Change;

9.1.6. to the best of the knowledge of the Borrower and the Covenantor, after having made the necessary verifications, there is no Hazardous Substance used, stored or located on the Secured Property not in compliance with Applicable Laws, no Hazardous Substance was used, stored or located, on the Secured Property other than in compliance with Applicable Laws, and no part of the Secured Property was contaminated by any such Hazardous Substance other than as already disclosed in writing to and accepted by the Lender in writing;

9.1.7. neither the Borrower nor the Covenantor is in default under the terms of any agreement or contract to which each of it is a party and whose consequences would be considered a Material Adverse Change for the Borrower or the Covenantor, as applicable;

9.1.8. the information, reports and other documents provided to the Lender contain no material error of fact or fail to declare any fact that proves a representation or warranty contained herein to be false or misleading;

9.1.9. every tax, deduction, income tax or other fee whose payment is secured by a Statutory Lien or statutory trust has been paid when due by the Borrower or the Covenantor, as applicable, without subrogation;

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- 9.1.10. all realty taxes and other Statutory Liens relative to the Secured Property are paid until their due date without subrogation in favour of anyone;
 - 9.1.11. the Borrower and the Covenantor has respected all laws and regulations, in particular the laws and regulations respecting environmental protection, and more specifically but not limited to the following:
 - 9.1.11.1. to the Borrower's and the Covenantor's knowledge, no notice or order has been served, registered, or recorded against the Secured Property; and
 - 9.1.11.2. it is not being prosecuted, or threatened with prosecution, for having violated laws and regulations respecting environmental protection;
 - 9.1.12. the Obligors have the full right and authority to grant the Security in favour of the Lender with respect to the Obligors' interest in the Secured Property.
 - 9.1.13. the information that the Borrower and the Covenantor has provided the Lender concerning the Obligors before acceptance of this Loan Offer is true and complete in all material respects;
 - 9.1.14. neither the Borrower nor the Covenantor is in default of any judgment, order, injunction, decree of any court, office, agency, arbitrator or commission that could cause a Material Adverse Affect; and
 - 9.1.15. there are no employees of the Borrower or the Covenantor.

10. NON-ASSIGNABILITY

- 10.1. This Loan Offer is specifically addressed personally to the Borrower and may not be assigned to a third party in any way whatsoever without the prior written authorization of the Lender.

11. NOTICE

- 11.1. Notice will be deemed to have been received by the one to whom it is addressed: (a) at the time of delivery, if delivered before 3 pm EST on a Business Day; (b) at the time it is received if sent by registered mail; (c) on the day of its sending, if sent by email before 3 pm EST on a Business Day and (d) the Business Day following the delivery or transmission if delivered or sent after 3 pm EST.
- 11.2. Any notice intended for the Borrower must be sent to the address of the Borrower indicated in this Loan Offer or at such other address as the Borrower may in writing notify the Lender.
- 11.3. Any notice intended for the Lender must be sent to the following address, or such other address as the Lender may in writing notify the Borrower:

2300 Yonge Street, Suite 500
Toronto, ON M4P 1E4
Attention: Rocky Kim VP FP&A and Treasury
Email: rkim@riocan.com

12. CONFIDENTIALITY

- 12.1. This Loan Offer is strictly confidential and its content may not be disclosed to any third party without the prior written authorization of the Lender.

13. JURISDICTION

- 13.1. This Loan Offer and all documents related to it are governed, at all times, by the Applicable Laws.
- 13.2. Any dispute will be submitted to the competent authorities according to the Applicable Laws.

14. ACCEPTANCE OF THIS LOAN OFFER

- 14.1. All the time periods mentioned in this Loan Offer are mandatory. The Lender is bound by this Loan Offer only if the Obligors unconditionally accept all of the terms and conditions of this Loan Offer within the time provided. Once accepted by the Obligors, this Loan Offer will be deemed to constitute a loan agreement between the Lender and the Obligors.
- 14.2. This Loan Offer was made on the basis of the information submitted and may not in any way serve to obtain advantages from a third party basing its decision on that information. Likewise, if information brought to our attention afterwards would change the data, we reserve the right to modify or cancel this Loan Offer.

15. ENTIRE AGREEMENT

- 15.1. The Obligors expressly acknowledge that this Loan Offer and the other Loan Documents reflects the complete agreement between them and the Lender and that no amendment or modification of any kind to its provisions can be enforced on the Lender, unless it is recorded in a written document distinct from this Loan Offer and signed by the authorized representative(s) of the Lender, failing which, this Loan Offer will be deemed not to have been amended or modified.

[END OF PART B]