

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
HUDSON'S BAY COMPANY ULC COMPAGNIE DE LA BAIE D'HUDSON SRI, HBC
CANADA PARENT HOLDINGS INC., HBC CANADA PARENT HOLDINGS 2 INC., HBC
BAY HOLDINGS I INC., HBC BAY HOLDINGS II ULC, THE BAY HOLDINGS ULC,
HBC CENTERPOINT GP INC., HBC YSS 1 LP INC., HBC YSS 2 LP INC., HBC HOLDINGS
GP INC., SNOSPMIS LIMITED, 2472596 ONTARIO INC., and 2472598 ONTARIO INC.

Applicants

**RESPONDING MOTION RECORD OF
IVANHOÉ CAMBRIDGE
the owner/landlord of or authorized agent and manager for various landlords
wherein the Applicants operated retail stores
(Returnable August 28, 2025)**

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Inc./Jones Lang LaSalle Incorporated as landlord and/or
authorized agent and manager for the landlords of its retail
stores leased to one or more of the Applicants

TO: THE E-SERVICE LIST (as at July 30, 2025)

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Applicants

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

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Applicants

AFFIDAVIT OF RUBY PAOLA

I, RUBY PAOLA, of the city of Mississauga, **MAKE OATH AND SAY:**

1. I am a Managing Director, Real Estate Asset Management, Canada with La Caisse de dépôt et placement du Québec ("**La Caisse**"), the parent entity of the various Ivanhoé Cambridge entities ("**Ivanhoé**"). Ivanhoé is the owner/landlord for various landlords wherein the Applicants (the "**Applicants**" and/or "**HBC**") operated retail stores and as such have knowledge of the matters hereinafter deposed.

2. Where the knowledge in this affidavit is based upon the information of others, I have stated the source of my knowledge and do verily believe it to be true.

3. I am swearing this affidavit in response to the affidavits filed by the Applicants and Ms Liu in connection with the motion brought by the Applicants for an Order assigning two of Ivanhoé's leases to Ruby Liu Commercial Investment Corp. ("**Liu CIC**"). For the reasons set out below, Ivanhoé opposes the Applicant's requested relief.

4. It should be noted that although Ivanhoé has been impacted by many retail insolvencies during its tenure, and many motions to assign leases to new tenants, to the best of my knowledge, Ivanhoé has never opposed such motions. In fact, in many insolvency proceedings, Ivanhoé has consented to the assignment of its leases. Such was the case in Nordstrom Canada where Ivanhoé consented to the assignment of two of its leases to Winners. In these proceedings with HBC, Ivanhoé consented to the assignment of three leases to YM Inc.

Industry knowledge and Expertise

5. I have over 25 years of experience in retail real estate operations and leasing. During my career I have worked in major markets across Canada, including Ontario, Alberta, and British Columbia.

6. Prior to my appointment with La Caisse, I worked in various rolls with Ivanhoé ranging from Director, to Vice President of Leasing and Head of Leasing in Canada. In addition to the oversight of retail leasing and operations, my responsibly including curating, implementing and executing merchandising plans in new ground up super regional and outlet shopping centres.

7. My experience includes being a Director of Leasing - Retail Leasing with Cadillac Fairview and prior to Cadillac Fairview, with First Gulf Corporation. I was also employed as Leasing Representative with First Pro Shopping Centres.

8. La Caisse is responsible for managing the assets/investments of its 48 depositors, representing over 6 million Quebecers and contributing to Quebec's economic development. As at December 31, 2024 La Caisse's net assets totaled CAD \$473 billion. In October of 2021, La Caisse retained the services of JLL Canada (Jones Lang LaSalle) ("JLL") to manage our

commercial real estate portfolio. While JLL undertakes the day to day operations of our shopping centres, ultimately JLL reports to La Caisse on retail strategies.

9. I hold a BA in Urban Geography/Economics as well as a Diploma in Urban Land Economics. Over the years I have had extensive hands on direct experience with tenants across the country addressing their leasing/operational needs.

10. I currently lead the Real Estate Asset Management group outside of the province of Quebec for La Caisse with a real estate portfolio that exceeds 12M square feet of commercial retail space. The real estate asset management team works to develop and implement property specific strategies designed to optimize market positioning and value.

11. In fulfilling the objective of optimizing market positioning and value, La Caisse, with the assistance of JLL, continually assesses local, regional and national factors that may affect our shopping centres. These assessments include market studies, trends and review of our position in the market compared to other retail shopping centres. We regularly retain outside experts to assess the primary and secondary trade areas which support our shopping centres. We also follow international trends in retail/retailers in order to proactively seek new market entrants, better anticipate trends all with the view to continually improve and enhance both the mix and value of our centres.

Tenant Selection

12. We carefully select the tenants in our shopping centres to meet our merchandising goals. The success of a shopping centre requires careful planning to ensure the tenants and the merchandising mix of the mall complement and enhance the overall character, quality, image,

nature and reputation of the shopping centre (and the needs of the surrounding community), which, if well done, facilitates the leasing of vacant space, renewing of leases of existing tenants, assists with converting underperforming uses to strong performing tenants and increase the rental rate for the shopping centre. Our retail strategies are continually evolving taking into account retail trends, performances and the adjacent market.

13. For many of our shopping centres, Ivanhoé is contractually obligated to ensure the shopping centres are managed in a first class manner. We take great efforts to ensure our malls are managed to the best standards in order that we may attract best in class tenants.

14. Tenants that do not fit the merchandising mix of the mall or do not have a proven track record for success, are more likely to fail and negatively impact the mall by driving down the overall appeal of the mall, reduce foot traffic in the mall and impact other nearby tenants. Ivanhoé will wait for the right tenant before entering into a long term lease instead of risking a tenancy on a concept that has yet to be proven. This strategy has proved to be successful over many years and was implemented with Target, Sears and other large tenant closures.

15. Ivanhoé carefully assesses all potential tenants before entering into long term leases. Even tenants with proven records of accomplishment are carefully considered to ensure their fit in any particular mall. We review retailer plans and operations to ensure they will be well operated, well staffed, well stocked and improve and innovate over time. In every case we seek out retailers that are “best in class”.

16. By way of example, Target, Nordstrom and Saks 5th Off were all established US retailers, however when these retailers wished to enter the Canadian market, Ivanhoé carefully reviewed their proposed business plans for Canada, marketing strategies, merchandise mix and

price points, vendors, photos, floor plans and fixturing renditions/plans, financial wherewithal, IT platforms and members of their business teams in both Canada and the US to ensure their fit in our shopping centre and their likelihood of success in Canada. In addition, inquiries were made regarding employee retention and training programs as the quality of employees often impacts the character of the retail experience. Ivanhoé sent representatives to the US to tour operating stores to better understand the brand, merchandising, vendors, displays, and retail operations in order that we may assess their fit in our shopping centres. With regard to Target, we obtained financial guarantees from its US parent company to guarantee the terms of the Leases. We also received an indemnity from Nordstrom for our lease at Deerfoot Meadows shopping centre. Only after this extensive review did we agree to lease locations to Target, Nordstrom and Saks.

17. Ivanhoé has a fiduciary responsibility to La Caisse's depositors and we are obligated to carefully manage the assets in our portfolio. It would be highly improper for Ivanhoé to risk our investor funds on uncertain, unproven concepts.

18. To the best of my knowledge, Ivanhoé never approved a lease with a new start-up business for a significant sized location (30,000 sq. ft. or more) in any of its shopping centres across Canada regardless of the financial backing of the tenant. The harm that may be visited on the shopping centre if the concept, brand, merchandise, quality, image, reputation, nature of the tenant is not appropriate, is so significant that Ivanhoé has never risked leasing significant premises to unproven tenants. As stated above, a vacant location with no rental income is less harmful to the shopping centre than a long term lease with an unproven and/or bad tenant. The wrong tenant in a large significant location will negatively impact the entire shopping centre and have a cascading effect on the ecosystem of the shopping centre impeding the ability of the landlord to

procure top rents from other tenants and attract other new best in class tenants to the mall – all of which ultimately leads to a devaluation of the asset.

19. With regard to financing, it is essential that our tenants are well financed with a strong covenant. We typically request financial statements to assess the financial wherewithal of the tenant. New tenants to the market that meet all other criteria are customarily required to provide guarantees or letters of credit as security for the financial obligations of the lease.

Fixturing Stores – time Periods

20. From my more than 25 years of experience in retail leasing, new tenants with premises having similar square footage to those of the leases concerned here, require a minimum of 8-16 months (and longer depending on the size of the store and quality of the fixturing) to fixture a premises, hire staff, order products, stock shelves and test software implementation, before being ready to open to the public. The process and timelines are many months longer if engineered drawings and building permits are required as most municipalities take a minimum of 8-12 weeks to process building permits after receipt of stamped drawing.

21. By way of example, when Nordstrom filed for CCAA protection, Ivanhoé consented to the assignment of two of its leases to Winners Merchants International (Vaughan Mills: premises 35,319 sq. ft. and Deerfoot Meadows: premises 30,606 sq. ft.). Winners advised that they required 3 ½ months to obtain building permits, an additional 3 months to commence construction, and an additional 244 days to complete its fixturing and open to the public. It should be noted that, unlike the HBC stores, the Nordstrom premises were in excellent condition with up to date HVAC, mechanical and electrical systems and a small fraction of the size of the Ivanhoé's HBC stores.

Merchandise/Seasonal Goods/Vendors

22. With regard to seasonal goods, it is understood in the industry that products must be ordered more than 6 months in advance to meet the next selling season. It is impossible to obtain quality fashion goods in 10 weeks unless such goods are end of line or seconds.

23. In most cases, quality vendors will not agree to sell to retailers unless they are able to assess the quality and standards of the retailer and where their products will be situated in the stores. From my experience, a new retailer will be unable to procure quality vendors without detailed merchandising plans including fixture and floor plans.

24. In addition to what we require from tenants, in every circumstance, when tenants are seeking to lease space in one of our shopping centres, they request information from the landlord relating to each specific shopping centre they are considering leasing space in. This information includes CRU sales psf, foot traffic and flow of traffic, list of other tenants, size of trade area, population, growth trends, tours of the malls, information on competitors in the mall and surrounding markets, demographics of the primary and secondary markets, etc. Neither Liu CIC, nor a broker representative for Liu CIC made any inquiries to Ivanhoé whatsoever.

HBC Leases and Anchor Tenant

25. During my 25 years in the retail leasing sector, I have had the opportunity to review many HBC leases and negotiate with HBC. As a result I am very familiar with HBC's retail operations and more specifically with HBC's leases in Ivanhoé's portfolio.

26. At the commencement of the HBC' CCAA proceeding, HBC operated nine retail stores in Ivanhoé's portfolio plus one in Market Mall, a shopping centre co-owned and managed

by Cadillac Fairview (“**CF Market Mall Lease**”). Following the completion of the Lease Monetization Process, HBC disclaimed three leases. Three leases were assigned, with the consent of Ivanhoé, to YM Inc. and one lease was assigned to an entity related to Ivanhoé. The remaining two leases are the subject of Liu CIC’s bid. The CF Market Mall Lease is also the subject of Liu CIC’s bid. CF is opposing, with our support, the assignment of this lease to Liu CIC.

27. In every case, HBC served as an “anchor” tenant of the shopping centres. Anchor tenants play a critical role in the financial viability of a shopping centre for both the landlord and other tenants as anchor tenants provide the single largest or one of the largest draws of customers to the shopping centres. Lease rates for other tenants are heavily dependent upon the identity and operation of anchor tenant(s). Furthermore, the retention of other tenants is also significantly impacted by the identity of the anchor tenants. The value of our shopping centres always take into account the identity and covenant of the anchor tenants.

28. HBC was aware of its role as an anchor tenant and its impact on Ivanhoé’s shopping centres and the other tenants in the shopping centres. HBC extracted significant concessions from its landlords, including Ivanhoé, due to its anchor tenant status.

29. In fact, in both of its leases for the Guildford Town Centre and Mapleview Centre, HBC acknowledged that it formed part of the over-all merchandising mix designed to enhance the character, quality, image and reputation of the Centre and that its continuous operation of its business was essential to Ivanhoé to maintain that character, quality, image, nature and reputation and to facilitate the leasing of vacant space and renewing leases of existing tenants (see s.5.03 of the Leases for Guildford Town Centre/ Mapleview Centre at **Exhibits “B” and “D”** below).

30. Immediately upon learning that HBC had filed for insolvency protection on March 7, 2025, Ivanhoé ensured JLL mobilized its team (which team includes leasing personnel, property managers, and other professionals) to consider and assess all options for re-leasing the locations if Ivanhoé recovered possession of the leases.

Surrender of Original Leases

31. In October of 2023 HBC approached Ivanhoé regarding the possibility of receiving financing or funding from Ivanhoé for its operations. After some negotiations, Ivanhoé agreed to pay to HBC the sum of \$30M in exchange for HBC agreeing to enter into new lease agreements for each of its stores in Ivanhoé's portfolio and surrendering all of the original leases ("**Original Leases**"). The parties agreed that the new leases (the "**Current Leases**") would have shorter terms and would not include any restrictions, namely on Ivanhoé's ability to manage, lease, develop, and/or redevelop the shopping centres, unlike the provisions contained in the Original Leases.

32. In addition, the parties also agreed that if HBC met certain conditions (which conditions included the faithful payment of rent for each and every Ivanhoé Lease), then in 2028 the terms of the Original Leases (which contained longer lease terms and shopping centre redevelopment restrictions) may be reactivated. Under separate agreements, Ivanhoé agreed that until November 13, 2028, it would continue to honour the restrictions from the Original Leases of its shopping centres wherein HBC operated (the "**Standstill Agreement**").

33. In or about 2025, HBC breached certain of the conditions entitling it to reactivate the Original Leases and as such, prior to the completion of HBC's Lease Monetization Process, counsel for Ivanhoé wrote to the Monitor to advise it that the Standstill Agreement was no longer operative. Ivanhoé's counsel requested that any perspective purchaser be advised of the

termination of the Standstill Agreement and that the Current Leases would remain operative after November 13, 2028.

34. On July 29, 2025, I learned for the first time that the requested assignment of Ivanhoé's lease to Liu CIC was not "as is", as represented to me when I met with Ms Liu, HBC and others. Rather, HBC's court filings revealed that Liu CIC does not wish to take an assignment of the Current Leases, but requires that the old Original Lease be assigned to her, notwithstanding HBC's breach of the conditions and notwithstanding it is not yet 2028.

35. In its Notice of Motion, HBC has asked for a declaration that certain provisions in the Standstill Agreement are invalid and for an order assigning the Original Lease to Liu CIC. Ivanhoé opposes HBC's requested relief and will be filing a separate Responding Motion Record to address HBC's request to amend Ivanhoé's leases. The information in this affidavit referred to below is based on the Current Leases – the only leases that are operative at this time.

Ivanhoé's two HBC Leases – Liu CIC Bid

36. As noted above, Ivanhoé has two leases which are the subject of the Liu CIC Bid: (i) Guilford Town Centre and (ii) Mapleview Centre.

Guildford Town Centre

37. The Guildford Town Centre is located at 10355 152 Street in Surrey, British Columbia. Ivanhoé (via a related entity) co-owns and operates this mall.

38. Guildford Town Centre is comprised of 1.2M square feet ("SF") of retail space on two levels. The shopping centre lands include an enclosed mall and exterior pad premises. There

are over 200 tenants operating in the Mall.

39. The trade area has a population of 1.4M with 492,000 households with an average household income of \$128,000. The average age in the trade area is estimated to be 40.

40. HBC occupied the largest premises in the mall with over 174,000 SF on two levels. The other major tenants are: Walmart 163,176 SF; Urban Behavior with 70,444 SF and Life Instyle Furniture with 70,300 SF. Other significant tenants are lululemon, H&M, Old Navy, Aritzia, Apple Store, Uniqlo and Sportchek.

Appended to my affidavit as **Exhibit “A”** is a copy of the Guildford Town Centre shopping centre map.

HBC Lease at Guildford Town Centre

41. By lease agreement February 1, 2024, Ivanhoé and HBC entered into a new lease for a premises at the Guildford Town Centre.

Appended to my affidavit as **Exhibit “B”** is a copy of the Current Lease for Guildford Town Centre.

42. The more salient provisions of the lease are summarized below.

- (1) **Term s.1.05:** The Term of the Lease is for 10 years ending on February 2, 2034. Ivanhoé has the option to extend the lease for 5 years upon notice to HBC
- (2) **Premises size:** 174,462 SF.
- (3) **Rent s.1.09:** The currently monthly rent is \$109,038.75 (being \$7.50 psf).
Common Area Maintenance (“CAM”) s.1.11: No CAM charges
Realty Taxes: Monthly Realty Tax charges are \$10,729.92
Water and Electricity s.1.14: \$9,167.62
 Total monthly payment: **\$128,936.29** plus HST
- (4) **Current Arrears of rent:** \$40,880.

- (5) **Use and Operating Covenant s.1.07 and s.5.03:** HBC to operate a department store consistent with standards of other department stores operated by the Tenant in Vancouver. The Tenant acknowledges that it forms part of an over-all merchandising mix designed to enhance the character, quality, image and reputation of the Shopping Centre, and that its continuous operation of the Premises is essential to Landlord to maintain that character, quality, image, nature and reputation and to facilitate the leasing of vacant space and renewing leases of existing tenants. Failure to operate will result in all Rent reserved becoming immediately due and payable.
- (6) **Use limitation s14.00 and Exhibit D Rules and Regulations:** Tenant is not permitted to prepare or sell food from the Premises.
- (7) **Landlord's Operation obligations s.6.00:** Landlord is to operate the shopping centre as would a prudent and diligent owner of a similar shopping centre, having regard to the size, age, nature, location and region where the Shopping Centre is situated, as well as the type of clientele the Shopping Centre services and the general image Landlord is attempting to project for the Shopping Centre.
- (8) **Tenant Repair obligations s.7.02; 7.03:** Tenant will, at its sole cost and expense maintain the Premises and all improvements therein in good order and condition. HBC to maintain, repair and replace all HVAC systems, elevators, escalator, mechanical, electrical and plumbing systems.
- (9) **No Assignment s.11.00:** HBC may not assign the lease without landlord consent. Assignment without consent entitles the landlord to terminate the lease.

43. The monthly minimum rent payable by HBC under the Guildford Town Center lease is very low compared to rates that would be negotiated today as HBC, being an anchor tenant, negotiated fixed rental rates over very long term leases. In addition, other than the payment of water and hydro, it is not obligated to pay CAM costs for the operation of the shopping centers. These provisions were granted to HBC as it was a nationally recognized brand that would act as the anchor tenant of the shopping centre driving sales, contributing to the first class mall character and drawing foot traffic into the shopping centre.

44. Although the Current Lease does not contain any of the "typical" restrictions on the

landlord contained in most HBC anchor tenant leases, as noted above, such rights were removed in the Current Lease upon payment of \$30M by Ivanhoé to HBC.

Mapleview Centre

45. Mapleview Centre is located at 900 Maple Ave. in Burlington, Ontario. Ivanhoé (via a related entity) co-owns and operates this mall.

46. Mapleview Centre is comprised of 630,000 SF of retail space on two levels. There are over 150 tenants operating in the Mall.

47. The trade area has a population of 1.M with 381,000 households with an average household income of \$104,000. The average age in the trade area is estimated to be 40.

48. HBC occupied the largest premises in the mall with 129,066SF on two levels. The other major tenants are: Sporting Life with 33,248SF; and Linen Chest with 19,065SF. Other significant tenants include Shoppers Drug Mart, Zara, lululemon, H&M, Aritzia, Uniqlo and Apple Store.

Appended to my affidavit as **Exhibit “C”** is a copy of the Mapleview Centre shopping centre map.

HBC Lease at Mapleview Centre

49. By lease agreement February 1, 2024, Ivanhoé and HBC entered into a new lease for a premises at the Mapleview Centre.

Appended to my affidavit as **Exhibit “D”** is a copy of the Current Lease for Mapleview Centre.

50. The more salient provisions of the lease are summarized below.

- (1) **Term s.1.05:** The Term of the Lease is for 10 years ending on February 2, 2034. Ivanhoé has the option to extend the lease for 5 years upon notice to HBC
- (2) **Premises size:** 129,066 SF.
- (3) **Rent s.1.09:** The currently monthly rent is \$46,212.92 (being \$4.30 psf).
Common Area Maintenance (“CAM”) s.1.11: 21,630.92
Realty Taxes: Monthly Realty Tax charges are \$25,245.83
Total monthly payment: **\$93,089.67** plus HST
- (4) **Current Arrears of rent:** \$19,645.
- (5) **Use and Operating Covenant s.1.07 and s.5.03:** HBC to operate a department store consistent with standards of other department stores operated by the Tenant in Toronto. Tenant acknowledges that it forms part of an over-all merchandising mix designed to enhance the character, quality, image and reputation of the Shopping Centre, and that its continuous operation of the Premises is essential to Landlord to maintain that character, quality, image, nature and reputation and to facilitate the leasing of vacant space and renewing leases of existing tenants. Failure to operate will result in all Rent reserved becoming immediately due and payable.
- (6) **Use limitation s14.00 and Exhibit D Rules and Regulations:** Tenant is not permitted to prepare or sell food from the Premises.
- (7) **Landlord’s Operation obligations s.6.00:** Landlord is to operate the shopping centre as would a prudent and diligent owner of a similar shopping centre, having regard to the size, age, nature, location and region where the Shopping Centre is situated, as well as the type of clientele the Shopping Centre services and the general image Landlord is attempting to project for the Shopping Centre,.
- (8) **Tenant Repair obligations s.7.02; 7.03:** Tenant will, at its sole cost and expense maintain the Premises and all improvements therein in good order and condition. HBC to maintain, repair and replace all HVAC systems, elevators, escalator, mechanical, electrical and plumbing systems.
- (9) **No Assignment s.11.00:** HBC may not assign the lease without landlord consent. Assignment without consent entitles the landlord to terminate the lease.

51. The monthly minimum rent payable by HBC under the Mapleview Centre lease is also very low compared to rates that would be negotiated today as HBC, being an anchor tenant, negotiated fixed rental rates over very long term leases. In addition, HBC’s CAM costs were

capped and significantly less than its proportionate share of the actual cost for the operation of the shopping centers. These provisions were granted to HBC as it was a nationally recognized brand that would act as the anchor tenant of the shopping centre driving sales, contributing to the first class mall character and drawing foot traffic into the shopping centre

52. Although the Current Lease does not contain any of the “typical” restrictions on the landlord contained in most HB’s anchor tenant leases, as noted above, such rights were removed in the Current Lease upon payment of \$30M by Ivanhoé to HBC.

HBC’s failure to maintain its Leased Locations.

53. Although HBC was obligated to repair and maintain each of the store premises, HBC failed to do so such that the stores are now in need of significant costly repairs.

54. When HBC filed for insolvency protection, Ivanhoé conducted an inspection of the premises and noted various deficiencies. For Guildford Town Centre, Ivanhoé estimates the costs to remedy deficiencies to be in excess of \$11M, which costs include the installation of new mechanical systems, new HVAC, new generator and repairs to boilers and chillers. These estimates do not include the cost of new Seismic upgrades that would be required by new building codes. These upgrades would likely add an additional cost of \$6M.

Appended to my affidavit as **Exhibit “E”** is a copy of the Cost estimates for required repairs at Guildford Town Centre.

55. For Maplevue Centre, Ivanhoé estimates the costs to remedy deficiencies to be in excess of \$12M, which costs include the installation of new roof, repair of building façade parapet, mould remediation, repair of elevator and escalators, new washrooms, new HVAC, and other items, new generator and repairs to boilers and chillers.

Appended to my affidavit as **Exhibit “F”** is a copy of the Cost estimates for required repairs at Maplevue Centre.

56. As Ivanhoé is not able to conduct a full and proper assessment of the premises (HBC remains in possession of the leased premises), it is possible that additional costly repairs will be required (as was discovered when Ivanhoé undertook a fulsome inspection of the HBC location Anjou after the lease was disclaimed).

57. I note that Mr. Ampas, who swore an affidavit for HBC, states that Maplevue Centre underwent partial improvements in 2018. If improvements were installed, they did not address any of the major deficiencies with the roof, and building systems.

Ruby Lui’s Bid for 25 Leases

58. Late in May 2025, Ivanhoé learned that HBC had entered into one or more Asset Purchase Agreements (each an “**APA**”) with Liu CIC, an entity related to Central Walk (the “Purchaser”) and owned by Ms Liu, for the purchase of 28 HBC leases.

59. I was familiar with Central Walk as Ivanhoé sold Tsawwassen Mills, Mayfair Shopping Centre, and Woodgrove Centre to Central Walk. I was also aware that Central Walk owned and/or managed a golf course, Arbutus Ridge Gold Club.

60. From my knowledge of Ms Liu’s business experience, I understood that neither Central Walk, Ruby Liu nor Liu CIC have operated retail stores, let alone large anchor stores.

61. Soon after it was announced that HBC had entered into a transaction with Liu CIC, we were contacted by Ms Liu’s team to arrange a meeting. I, along with others from Ivanhoé, met with Ms Liu and her team on May 26, 2025 via videoconference. At the meeting Ms Liu requested

significant rent concessions (rent free periods) and lease amendments. She also provided us with a document entitled “business plan” that included information regarding her bid to HBC and a “pamphlet” depicting the proposed business.

Appended to my affidavit as **Exhibit “G”** is a copy of Ms Liu’s Business Plan and the pamphlet given to Ivanhoé on May 26, 2025.

62. I reviewed the “business plan” provided to me on May 26, 2025 and it was very clear that the document was not a business plan, but rather pages of aspirations and ideas for the operation of an unusual business. None of the typical information I would expect in a business plan were provided (no definitive concept, lack of clear objectives and strategies, no merchandising plan, no financial forecasts, and lack of a well defined path to execution).

63. With regard to the pamphlet, it was a compilation of photos that appeared to be copied from the internet with coffee cup sayings. It referred to Bingo games and community performances and holiday decorations and VR Gaming. It referenced Joyful Curated Lifestyle and pet friendly services including a pet hospital and veterinary services. The concept was extremely unusual and deeply troubling, and did not comply with the terms of the leases.

64. By email dated May 29, 2025, Charles Saint-Pierre, sent a list of questions to Ms Qin advising that the Standstill Agreement was no longer operative and asking for response to various questions regarding the proposed business. Linda Qin responded to the email providing answer to the questions posed. At no time did anyone from Ms Liu’s team advise Ivanhoé that a term of their APA for the 25 leases included a provision that Ivanhoé’s leases be amended and that Ivanhoé’s Original Leases, that had been surrendered, be assigned to Liu CIC.

65. The response to the question posed by Charles Saint-Pierre substantiated our concern that Liu CIC was not a suitable tenant for HBC's anchor tenant space. By way of example, in response to the question regarding vendors have been secured, Ms Qin stated that Flyoland, a children's playground vendor had confirmed its "partnership" with them.

Appended to my affidavit as **Exhibit "H"** is a copy of Charles Saint-Pierre's email dated May 29, 2025 and the responding email from Ms Qin dated May 30, 2025.

66. Within a few days of our meeting on May 26, 2025, Ivanhoé received a call from Ms Liu's team to advise that the rent concession and lease amendments requested were not required as Ms Liu had sufficient funds to go forward with the transaction without such rent abatements. This seemed to indicate someone had advised Ms Liu not to request any of the lease amendments raised during our meeting.

67. Early in June Ivanhoé was invited to a second meeting with Ms Liu and certain of her team members, along with HBC and its counsel, representatives of Oberfeld, and representatives of the Monitor and its counsel. The purpose of the meeting was purportedly to provide Ivanhoé with information regarding Liu CIC and to respond to questions we may have regarding the proposed assignment of our leases to Liu CIC. On June 2, 2025 I, along with Charles Saint-Pierre, Legal Counsel, Investments with Ivanhoé/La Caisse, attended the meeting with Ms Liu and her teams.

68. During the meeting it became clear that Ms Liu and her team were unaware of what retail operations entail or what landlords would require before consenting to an assignment of lease to a new tenant. We were not provided with any of the standard information we would typically receive from prospective new tenants: no business plan, no financial information, no merchandising

plan. We were not asked any questions relating our shopping centres or it surrounding markets. We left the meeting deeply concerned with the prospect that our leases may be assigned to Liu CIC.

69. By letter dated June 6, 2025, Ivanhoé received correspondence from Miller Thomson LLP, Ruby Liu’s then counsel, (the “**MT Letter**”) requesting that Ivanhoé consent to the assignment of our HBC leases to Liu CIC. This letter appended documentation entitled “financial forecasts”. While the letter provided some additional information, it nevertheless lacked the most basic information necessary to assess the proposed business. The financial forecasts for Ivanhoe’s stores showed poor sales - so poor that the proposed operation could not drive foot traffic or increase property values – to the contrary, in our view, the operation was destined to fail.

Appended to my affidavit as **Exhibit “I”** is a copy of the June 6, 2025 MT Letter sent to Ivanhoé with the appended financial information.

70. In the financial information appended to the MT Letter, the projected sales for Ivanhoé’s two locations were provided. The projected sales were as follows:

	Area (sf)	Liu CIC Projected Sales)	Sales (psf)	HBC 2024 Sales
Guildford	174,462	\$10,713,131	\$61.40	\$14,951,644
Mapleview	129,066	\$10,324,361	\$79.99	\$16,051,315

71. Annual projected sales are very low. These sales are lower than HBC’s 2024 sales for each store.¹ **Such a business will not succeed in our shopping centres with these projected sales, nor will it draw foot traffic or increase the value of our asset.** To the contrary, this tenant

¹ HBC’s 2024 financial per Store were disclosed by HBC in landlord request for documents

will impair other leasing efforts in our shopping centres by adversely affecting the overall vitality of the shopping centres and the local community shopping experience.

72. By letters dated June 13, 2025, Ivanhoé responded to Miller Thomson's letter advising that due to the lack of information provided, Ivanhoé would not consent to the assignment of its leases.

Appended to my affidavit as **Exhibit "J"** is a copy Ivanhoé's letter to Miller Thompson dated June 13, 2025.

73. Over the next several weeks, no additional information was provided to Ivanhoé save for an email dated June 25, 2025, from Ms Qin sent to our external counsel Linda Galessiere advising that as part of Ruby Liu's revitalization strategy, "*Ms Liu proposes the following three-tiered approach*":

1. Flagship Stores

Ruby intends to select up to eight locations to develop into flagship stores in collaboration with the respective landlords. With the support and approval of landlords, for each of these flagship locations, she plans to invest approximately \$30 million in renovation and redevelopment.

2. Operational Continuity Stores

Ten stores will undergo essential repairs to ensure they are functional and customer-ready. These locations are expected to reopen to the public within three months and will operate in a format similar to the original HBC stores.

3. Enhanced Retail Experience Stores

The remaining stores will undergo interior renovation and visual merchandising upgrades to offer an enhanced retail experience. The estimated investment for each of these locations ranges from \$5 million to \$10 million, with a targeted reopening timeline of six months.

Appended to my affidavit as **Exhibit "K"** is a copy of Ms Qin's June 25, 2025, email to our counsel Linda Galessiere. I am advised by Linda Galessiere that she did not response to this letter as Ms Liu was represented by counsel.

74. Rather than providing clarity, Ms Qin's email raised additional concerns as now Liu CIC required three concepts, three plans, and three financial models. We were not advised which of our locations were allotted to which concept.

75. In addition, without a clear merchandising plan, Ivanhoé would be unable to determine what goods or services Liu CIC proposes to implement that Ivanhoé may be prohibited from permitting due to exclusive uses contractually given to other tenants.

76. In mid July we learned that Ms Liu and Ms Qin had privately corresponded directly with Justice Osborne. I reviewed a redacted copy of the correspondence. The fact that the two top persons on Liu CIC's executive management team would engage in such inappropriate conduct is very worrisome.

77. In addition, I have noticed factually incorrect statements made by Ms Liu in her documentation. In preparing this affidavit, I reviewed the pamphlet that was provided to Morguard Investments and note that while its cover page is the same, the contents are different. The pamphlet contains a biography of Ruby Liu which includes a statement that Ruby Liu has *forged strong partnerships and friendships with renowned institution such as ... "Simon Properties Group (USA), Ivanhoé Cambridge (Canada)"*. Ivanhoé Cambridge does not have a partnership or friendship with Ms Liu, despite the business dealing between Ivanhoé and Ms Liu. It appears that Ms Liu will say what is convenient for the moment regardless of whether it is true.

Appended to my affidavit as **Exhibit "L"** is a copy of the pamphlet provided to Morguard Investments.

78. I recall that in the meeting with Ms Liu and HBC/Monitor, we were introduced to Mr. Wayne Drummond former Senior Vice President, Apparel for HBC and advised that he was

retained by Liu CIC to assist with the new retail business. Mr. Drummond's CV was also appended to the MT Letter. I note that Mr. Drummond is no longer listed as a part of Liu CIC's management team. In fact, 3-4 of the persons shown as being on the management team in the information appended to the MT Letter, do not appear on the management team referenced in the business plan attached to Ms Liu's affidavit. A management team that has this much turn over is a very worrisome sign.

Liu CIC is Not an Appropriate Tenant for Ivanhoé's Shopping Centres

79. Ivanhoé operates its shopping centres as first class shopping centres. Our shopping centres are managed to ensure optimal values and recoveries for our investors. This requires careful planning in our tenant selection and merchandising mix for our shopping centres. We strive to lease to the best in class retailer, as such retailers will enhance our shopping centre atmosphere and character and will drive foot traffic, and thereby sales in the malls. For tenants wishing to lease large anchor tenant space, the proposed tenant must have both a strong brand and a proven track record of financial success. The proposed assignee Liu CIC, fails in every respect. Liu CIC's proposed business plan is lacking in every category.

80. I have reviewed paragraphs 81-133 of the affidavit sworn by David Wyatt for Morguard Investments and I fully agree with the statements he makes regarding shopping centre operations and the concerns he raises with Liu CIC's business proposal. I also echo the comments made by Mr. Wyatt regarding the time periods required to repair and retrofit stores. As noted above, when our Nordstrom leases were assigned to Winners, Winners requested more than a year to ready the store. The time to obtain building permits is significant (2-3 months) and the parts to

repair elevators and escalators are not readily available. Rather than repeating the same issues and concerns raised and referenced in Mr. Wyatt's affidavit, I adopt and rely on the comments and concerns raised by Mr. Wyatt in paragraph 81-133 of his affidavit.

Conclusion

81. Although the cost to re-demise, construct and re-tenant Ivanhoé's two location is expected to exceed any increase in rent that Ivanhoé may charge new tenants, (Ivanhoé anticipates redevelopment costs to exceed \$20M per shopping centre), the harm that will be visited on Ivanhoé and each of the shopping centres if the HBC store is assigned to an uncertain, untested, unknown retailer in an anchor tenant location (that is most likely to fail) will negatively impact the mall for many, many years to come and will likely far exceed the costs to be expended by Ivanhoé in redeveloping the space and executing its merchandising plan.

82. I make this affidavit in support of the relief requested here in and for no other or improper purpose.

SWORN remotely by Ruby Paola,
stated as being located Mississauga, in
the Province of Ontario, before me at
the City of Toronto in the Province of
Ontario, on 8th day of August, 2025 in
accordance with O. Reg. 431/20,
Administering Oath or Declaration
Remotely.

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Ruby Paola

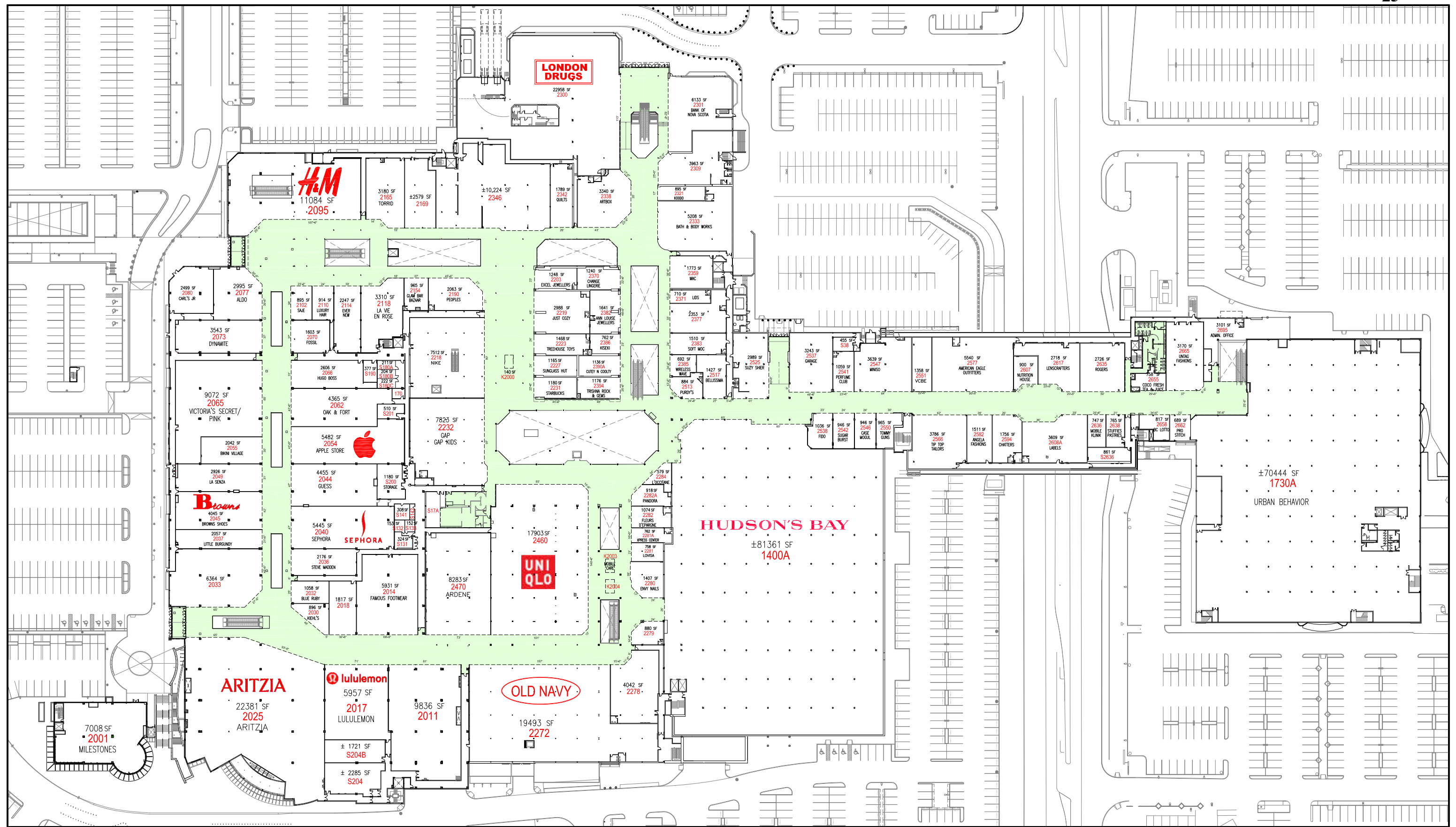
RUBY PAOLA

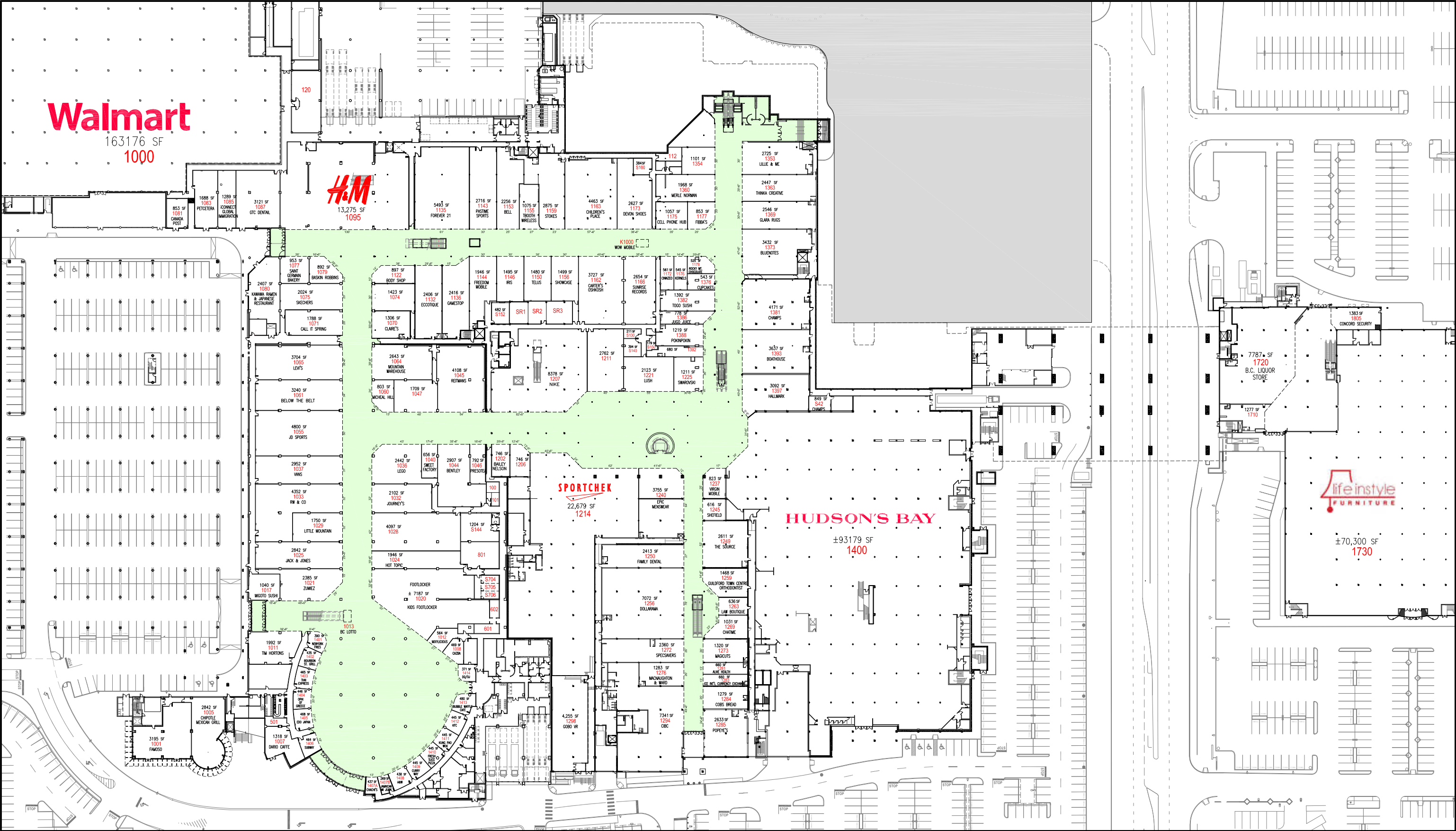

Commissioner for Taking Affidavits
Linda Galessiere

**THIS IS EXHIBIT "A" TO THE
AFFIDAVIT OF RUBY PAOLA
SWORN REMOTELY BEFORE ME AT
THE CITY OF TORONTO,
ON THIS 8TH DAY OF AUGUST, 2025**



Commissioner for Taking Affidavits
Linda Galessiere





GUILDFORD TOWN CENTRE
LEVEL ONE LEASE PLAN
JULY - 16 - 2025

**THIS IS EXHIBIT "B" TO THE
AFFIDAVIT OF RUBY PAOLA
SWORN REMOTELY BEFORE ME AT
THE CITY OF TORONTO,
ON THIS 8TH DAY OF AUGUST, 2025**



**Commissioner for Taking Affidavits
Linda Galessiere**

LEASE OF RETAIL SPACE

BETWEEN:
(address)

GUILDFORD TOWN CENTRE LIMITED PARTNERSHIP AND
LASALLE CANADA CORE REAL PROPERTY, L.P.
c/o Jones Lang LaSalle Real Estate Services, Inc.
6365 Halcyon Way, Suite 970
Alpharetta, Georgia
U.S.A. 30005

(“Landlord”)

AND:
(address)

HUDSON’S BAY COMPANY ULC
401 Bay Street, Suite 2302 (Attention: Real Estate Department)
Toronto, Ontario
M5H 2Y4

(“Tenant”)

CENTRE: GUILDFORD TOWN CENTRE, SURREY, BRITISH COLUMBIA

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LEASE OF RETAIL SPACE

DATE: February 1, 2024

BETWEEN:
(address)

GUILDFORD TOWN CENTRE LIMITED PARTNERSHIP AND
LASALLE CANADA CORE REAL PROPERTY, L.P.
c/o Jones Lang LaSalle Real Estate Services, Inc.
6365 Halcyon Way, Suite 970
Alpharetta, Georgia
U.S.A. 30005

(“Landlord”)

AND:
(address)

HUDSON’S BAY COMPANY ULC
401 Bay Street, Suite 2302 (Attention: Real Estate Department)
Toronto, Ontario
M5H 2Y4

(“Tenant”)

FOR PREMISES IN: GUILDFORD TOWN CENTRE, SURREY, BRITISH COLUMBIA

LANDLORD AND TENANT, in consideration of the covenants herein contained, hereby agree as follows:

ARTICLE 1.00 PRINCIPAL PROVISIONS AND DEFINITIONS

1.01 *Addresses for Purposes of Notice:*

- Landlord:

c/o Jones Lang LaSalle Real Estate Services, Inc.
6365 Halcyon Way, Suite 970
Alpharetta, Georgia
U.S.A. 30005
Attention: Retail Documents
- With a copy to:

Ivanhoe Cambridge Inc.
1001, rue du Square-Victoria, bureau C-500
Montréal, Québec
H2Z 2B5
Attention: Legal Affairs Department
- Tenant:

401 Bay Street, Suite 2302 (Attention: Real Estate Department)
Toronto, Ontario
M5H 2Y4

- 1.02 **Location of Premises:** Premises No. Unit 1400 & 1400A
- 1.03 **Shopping Centre:** Guildford Town Centre
- 1.04 **Area:** 174,462 square feet.
- 1.05 **Term:** A period of ten (10) years, beginning on the 3rd day of February, 2024, and expiring on the 2nd day of February, 2034, unless (a) extended by the Landlord pursuant to Section 3.01 hereof; or (b) terminated earlier as provided in this Lease.
- 1.06 **Intentionally deleted.**
- 1.07 **Permitted Use of Premises:** The Premises shall be used for the purposes of a department store operated in a manner consistent with the standards of other department stores operated by the Tenant that are located in the greater Vancouver area and shall not be used for any other purpose whatsoever.
- 1.08 **Tenant's Store Name:** HUDSON'S BAY COMPANY, HUDSON'S BAY, THE BAY or any other trade name used by the Tenant in a majority of its department stores in the greater Vancouver area. Tenant shall not operate its business under any other name or trade name without having first obtained Landlord's prior written consent.
- 1.09 **Minimum Rent:** An annual amount equal to \$7.50 per square foot of the Area per annum, payable pursuant to Article 4.00.
- 1.10 **Intentionally deleted.**
- 1.11 **Proportionate Share of Operating Costs:** The parties hereto hereby acknowledge and agree that at no time during the Term of this Lease shall the Tenant be required to pay to the Landlord any contribution towards the costs, charges and expenses incurred by the Landlord for or attributable to the supervision, operation, insurance, maintenance, repair or replacement of the Common Areas and Facilities of the Shopping Centre (including, without limitation, any Taxes assessed against or attributable to all or any portion of the Common Areas and Facilities and all costs incurred by the Landlord to meet its obligations under clause 6 hereof).
- 1.11.1 **Intentionally deleted.**
- 1.12 **Promotion Charge:** For each Fiscal Year of the Term, a charge of \$NIL per square foot of the Area per annum.
- 1.13 **Tenant's Share of Taxes:** . Tenant shall pay the Tenant's Taxes contribution to the Landlord as Additional Rent hereunder in an amount equal to the actual Taxes levied specifically against the Premises by the taxing Authority, as further detailed herein.
- 1.14 **Demised Utilities:** Tenant shall pay utilities in accordance with the terms and conditions of Article 7.00. In addition, Tenant shall pay (i) a yearly amount of \$3,400.00 on account of water charges for the 2024 Fiscal Year, and (ii) an initial amount of \$0.57 per square foot of the Area per annum on account for electric charges. Said amounts shall be increased annually per Article 7.01.
- 1.15 **HVAC Costs/Charge for the Tenant:** For the 2024 Fiscal Year, an initial amount estimated to be \$NIL per square foot of the Area per annum.
- 1.16 **Intentionally deleted.**
- 1.17 **Intentionally deleted.**
- 1.18 **Definitions:** In this Lease:
- 1.18.1 **"Additional Rent"** means all amounts (other than Minimum Rent) that Tenant is required to pay to Landlord pursuant to this Lease.
- 1.18.2 **Intentionally deleted.**
- 1.18.3 **"Area"** means the area expressed in square feet of all floors of the Premises measured from the exterior face of all exterior walls, doors and windows or those separating the Premises from any Common Areas and Facilities, and the centre line of all interior walls separating the Premises from adjoining leasable premises. The Area includes all interior space whether or not occupied by projections, structures or columns, openings, shafts, structural or non-structural. If a store front, show window or other part of the Premises is recessed from or

protrudes beyond the lease line shown on Exhibit A (whether such recess or protrusion is located at or above ground level), the area of such recess or protrusion will be included in the Area. The parties acknowledge and agree that the Area of the Premises as of the date hereof is the Area set out in Article 1.04 hereof.

- 1.18.4 **“Architect”** means the architect, engineer, land surveyor, designer or technician that Landlord names, as the case may be.
- 1.18.5 **“Article”** means an article of this Lease.
- 1.18.6 **“Authority” or “Authorities”** means the federal, provincial, and municipal governments, the courts, administrative and quasi-judicial boards and tribunals and any other organizations or entities with the lawful authority to regulate, or having a power or right conferred at law or by or under a statute over Landlord, Tenant, the Premises or the Shopping Centre, including the business carried on therein.
- 1.18.7 ***Intentionally deleted.***
- 1.18.8 **“Commencement Date”** means the first day of the Term (effective as of 12:00am).
- 1.18.9 **“Common Areas and Facilities”** means all areas, services and facilities not installed or intended for the exclusive use or benefit of any individual tenant, including without limitation, all non-leasable areas, service and administrative areas (including, without limitation, administrative offices, janitorial rooms and storage rooms not reserved to any tenant exclusively), all parking areas, parking decks, roofs, roadways, sidewalks, landscaped areas, floor slabs, exterior walls and exterior and interior structural portions of any open or enclosed malls or other common means of access to leasable premises (excluding any structural mezzanines within any leasable premises), public lavatories, truck courts, common loading areas, driveways, music and public address systems, electrical, plumbing and drainage, fire protection, fire detection, heating, ventilation and/or air-conditioning systems or equipment servicing the Shopping Centre and/or more than one tenant, mall decorative or promotional installations, customer and service stairways, mall directories and directional signs, information booths, elevators, escalators and all other areas, services and facilities which Landlord provides or designates from time to time to be part of Common Areas and Facilities.
- 1.18.10 **“Consumer Price Index” or “C.P.I.”** means the Consumer Price Index for all items in the City of Vancouver as issued by Statistics Canada or its successor, provided that if such Consumer Price Index is not available from Statistics Canada or its successor, Landlord may utilize for the purposes of this Lease any reasonable measure of changes in consumer price levels.
- 1.18.11 **“Delivery Facilities”** means those portions of the Common Areas and Facilities which are, from time to time, designated by Landlord as facilities to be used in common by Landlord, tenants of the Shopping Centre, and others, for purposes of loading, unloading, delivery, dispatch and holding of merchandise, goods and materials entering or leaving the Shopping Centre, and those portions of the Shopping Centre giving vehicular access to the said facilities.
- 1.18.12 ***Intentionally deleted.***
- 1.18.13 **“Environmental Law”** means the statutes, regulations, policies, directives, orders, approvals and other legal requirements of an Authority or of the common law which affect the Premises or Tenant’s business, and which impose any obligations relating to the protection, conservation or restoration of the natural environment or to any contaminant, pollutant, dangerous substance, potentially dangerous substance, noxious substance, toxic substance, hazardous waste, flammable, explosive or radioactive material or any other substances or materials that are declared or defined to be hazardous, toxic, contaminants or pollutants in or pursuant to any applicable federal, provincial or municipal statutes, regulations, policies, directives, orders, approvals and other legal requirements of an Authority.
- 1.18.14 **“Fiscal Year”** means a twelve (12) month period (all or part of which falls within the Term) from time to time determined by Landlord with the concurrence of the appropriate taxation authorities, at the end of which Landlord’s books are balanced for auditing and/or taxation purposes.
- 1.18.15 ***Intentionally deleted.***
- 1.18.16 ***Intentionally deleted.***
- 1.18.17 **“Force Majeure”** means, if during the Term either party to this Lease will be unable to perform any of the terms, obligations, or conditions contained in this Lease due to strikes,

walkouts (except for strikes or walkouts directly involving employees of Tenant), civil commotion, warlike operations, governmental regulations or controls, acts of God, pandemics, inability to procure materials or services, otherwise beyond the reasonable control of such party. Notwithstanding anything contained in this Lease to the contrary, nothing in this Force Majeure provision will relieve Tenant from payment of Rent as required in this Lease and insolvency or lack of funds will not relieve any party to this Lease from fulfillment of any obligation arising from any part of this Lease.

- 1.18.18 *Intentionally deleted.*
- 1.18.19 **“Goods and Services Tax” or “GST”** means all goods and services tax, value-added tax, or any other similar tax (such as by way of example GST, HST, QST or any other similar tax) howsoever characterized, which any taxing Authority imposes on Landlord and/or requires Landlord to collect on behalf of said taxing Authority, on any amount received or receivable by Landlord from Tenant under the terms of this Lease.
- 1.18.20 **“Gross Leasable Area”** means the total of all floor areas (measured in the manner stipulated in the definition of “Area”) of all premises in the Shopping Centre intended for leasing from time to time, whether said premises directly access an enclosed mall or court or not, but excluding basement areas, mezzanines, storage areas, elevator and escalator shafts, areas of the Common Areas and Facilities leased or occupied on a temporary basis, areas not used for retail purposes such as, by way of example only, areas leased or occupied for non-retail purposes or promotional purposes and areas occupied by the Shopping Centre manager and any support staff.
- 1.18.21 *Intentionally deleted.*
- 1.18.22 **“Hazardous Substance”** means, whether or not controlled or regulated by Environmental Law, any solid, liquid, gas, odour, heat, sound, vibration or combination of them resulting directly or indirectly from human activities that may, if released into the environment, have an adverse effect on the natural environment or on people, property or the normal conduct of business, including without limitation, harmful moulds or other harmful airborne substances, flammables, explosives, radioactive materials, urea formaldehyde foam, asbestos, polychlorinated biphenyls (PCBs), pollutants, contaminants, hazardous wastes, toxic substances or related materials, petroleum or petroleum products and substances declared to be hazardous or toxic under any law, by-law, regulation or ordinance now or hereafter enacted.
- 1.18.23 **“HVAC Cost”** means all the costs, charges and expenses in any Fiscal Year for the operation, repair, replacement and maintenance of the systems for heating, ventilating, and air conditioning the Shopping Centre and/or premises including the Premises as established by Landlord, from time to time, on a fair and equitable basis which reflects load and hours of operation provided, however, where Tenant pays an HVAC Charge for the Premises, or where Tenant maintains, repairs and replaces HVAC for the Premises at its cost, HVAC costs shall exclude the Premises.
- 1.18.24 **“Interest Rate”** means the Prime Rate in force when an amount becomes due, plus three (3) percentage points.
- 1.18.25 **“Land”** means all of the lands described in Exhibit B.
- 1.18.26 **“Landlord”** means the party first herein above described and includes its successors and assigns, and in articles that contain a release or other exculpatory provisions or an indemnity in favour of Landlord, including the officers, directors, employees and agents and contractors of Landlord, as well as any Person under Landlord’s exclusive control.
- 1.18.27 *Intentionally deleted.*
- 1.18.28 **“Lease”** means this Lease, and the Exhibits annexed to this Lease described in Article 1.18.55 and every properly executed instrument which by its term amends, modifies or supplements this Lease.
- 1.18.29 **“Lease Year”** means a period of twelve (12) calendar months except the first Lease Year of the Term which will begin on the Commencement Date and end on the last day of the calendar month in which the first (1st) anniversary of the day immediately preceding the Commencement Date occurs and succeeding Lease Years will comprise successive periods of twelve (12) calendar months (and the last Lease Year in the Term may contain less than twelve (12) calendar months), but if Landlord deems it expedient, it may by written notice to Tenant specify an annual date upon which any Lease Year will terminate, in which event the appropriate adjustments will be made between the parties.

- 1.18.30 *Intentionally deleted.*
- 1.18.31 *Intentionally deleted.*
- 1.18.32 **“Management Company”** means a company or other entity, if any, retained by Landlord from time to time to operate or manage the Shopping Centre.
- 1.18.33 *Intentionally deleted.*
- 1.18.34 **“Minimum Rent”** means the amount payable by Tenant to Landlord pursuant to Article 1.09 in respect of each year of the Term under Article 4.01.
- 1.18.35 **“Mortgagee”** shall have the meaning given to the term in Article 17.03.
- 1.18.36 **“Operating Agreement(s)”** means any agreement or agreements between Landlord and the owner(s) of lands neighbouring or contiguous to the Land, pursuant to which the developments and improvements on the Land and the developments and improvements on such neighbouring or contiguous lands are operated on a coordinated basis (if any).
- 1.18.37 **“Operating Costs”** means:
- (a) all costs, expenses and charges which are attributable to the insuring, operation, repair, replacement, administration and maintenance of the Shopping Centre or incurred to reduce Operating Costs, including, without limiting the generality of the foregoing, any tax, rate, charge, levy, duty, fee, tariff or assessment however imposed, assessed or charged in relation to the consumption and/or emissions of any fuel of whatsoever nature for the Shopping Centre and/or the Premises or from any part of the foregoing, or levied or charged in lieu thereof, the costs to Landlord of purchasing in compliance with all applicable laws of any Authority tradable units of greenhouse producing gases including without limitation carbon dioxide, HVAC Cost, plus energy costs in relation thereto, depreciation or amortization allocable to the Fiscal Year on equipment and fixtures, energy conservation and security costs, cleaning, snow removal, landscaping, garbage collection and disposal, recycling, painting, decorations, parking lot repairs, maintenance, replacements and stripping, roof repairs, maintenance and replacements, utilities including water, gas, and electricity, security and security equipment and technology, energy efficiency, energy sub-metering and recycling technology and equipment, rental of equipment and hiring of services, remuneration of all or any on-site Shopping Centre staff and supervisory personnel, including but not limited to managers, supervisors and support staff, including wages, bonuses and benefits, employment related costs, including the foregoing costs of off-site personnel involved in the administration and management of Taxes and insurance for the Shopping Centre, general overhead expenses including office supplies and equipment, postage and courier costs, the fair market rentable value and any business taxes associated with any office space in the Shopping Centre used by Landlord or Management Company to operate and administer the Shopping Centre, interest calculated at the rate of two percent (2%) per annum in excess of the Prime Rate upon the undepreciated or unamortized portion of the cost and expense of items being depreciated or amortized from time to time and capital replacement of the systems for heating, ventilating and air conditioning the Shopping Centre, and repairs and replacement of the roofs and parking facilities of the Shopping Centre;
 - (b) all expenses after the date any space in the Shopping Centre was first occupied by any tenant and properly allocable to the Fiscal Year for any capital improvement or structural repair to the Shopping Centre, or required by any change in the laws, rules, regulations, or orders of any governmental or quasi-governmental authority having jurisdiction, or incurred to reduce Operating Costs, which expenses will be amortized in accordance with reputable shopping centre management and operation practices, and interest calculated at the rate of two percent (2%) per annum in excess of the Prime Rate upon the unamortized portion of the total costs of the foregoing;
 - (c) all costs, charges and expenses which are directly attributable to the operation, management, repair, replacement and maintenance of the Shopping Centre or incurred to reduce Operating Costs but which are not attributable solely to the operation, management, repair, replacement and maintenance of any leasable area of the Shopping Centre; and
 - (d) an administration fee equal to fifteen percent (15%) of the total of the items set out in Article 1.001.18.37(a), (b) and (c) above.
- 1.18.38 *Intentionally deleted.*

- 1.18.38.1 **“Original Lease”** means that certain lease dated June 9, 1993 (as amended, supplemented, renewed and extended from time to time, including pursuant to the amending agreements dated August 15, 2001, May 20, 2004, June 10, 2004, September 24, 2004 and October 27, 2004 and the omnibus agreements dated November 17, 2015 and December 29, 2020, collectively, the **“Original Lease”**), entered into by Landlord and the Tenant (by them or which apply to them as successors to the original parties thereto) for the Premises which Original Lease has been surrendered immediately prior to the Commencement Date.
- 1.18.39 **“Owners”** means the owner or owners or co-owners from time to time (other than Landlord) of the freehold or leasehold title of the Shopping Centre.
- 1.18.40 **“Person”** where the context allows, includes any physical person, corporation, partnership or association, or any groups or combinations of same.
- 1.18.41 **“Premises”** means the premises described in Article 1.02, the approximate location of which is shown on Exhibit A. If the Premises are entirely self-enclosed, the boundaries shall extend to the exterior face of all exterior walls, doors and windows, or those separating the Premises from Common Areas and Facilities, the centre line of all interior walls separating the Premises from adjoining leasable premises, and from the top surface of the structural sub-floor to the underside of the roof or any structural floor slab situated immediately above the ceiling of the Premises. Premises shall exclude any Common Areas and Facilities located within them, and if the Premises are open to the ceiling of the Shopping Centre, the boundaries of the Premises will extend from the top surface of the structural sub-floor to the top of its permanent structures. The “Premises” include the structure slab for the lowest floor level and all fixed improvements located below the slab or on the roof which are for the exclusive use of the Tenant and which are comprised of any mechanical, electrical, plumbing and other services and any insulation, and all elevators and escalators therein (including connecting the Premises to the parking garage), and all elevator shafts, cabs and lobbies.
- 1.18.42 **“Prime Rate”** means the annual rate of interest announced from time to time by Royal Bank of Canada at its main branch in Toronto, Ontario, as a reference rate then in effect for determining interest rates on Canadian dollar commercial loans in Canada.
- 1.18.43 **“Promotion Fund”** means the fund for promotion of the Shopping Centre, if any, described in Article 4.11.
- 1.18.44 **“Proportionate Share”** means, a fraction, the numerator of which is the Area, and the denominator of which is the Gross Leasable Area. **For certainty, the Tenant’s Proportionate Share for the purposes of this Lease shall be determined in a manner consistent with the Tenant’s Proportionate Share figure used by the parties under the Original Lease as at the Termination Date.**
- 1.18.45 **“Released Persons”** means collectively and individually, Landlord, Owners, Mortgagee and any Management Company and partners of the Owners or Landlord. In articles that contain a release or other exculpatory provision or an indemnity in favour of any Released Persons, “Released Persons” includes the officers, directors, employees and agents of the Released Persons, and Landlord acting as agent for, or as trustee for, the benefit of the Released Persons so that each such release, indemnity and/or other exculpatory provision is fully enforceable by the Released Persons.
- 1.18.46 **“Rent”** means the Minimum Rent and the Additional Rent.
- 1.18.47 **“Shopping Centre”** means the Site and all buildings and Common Areas and Facilities on the Site as each of the foregoing exists from time to time, as may be varied from time to time by adding or subtracting or altering or reconfiguring or by such other means as Landlord considers necessary or advisable.
- 1.18.48 **“Site”** means the Land indicated on Exhibit B as may be varied from time to time by adding or subtracting land or by such other means as Landlord considers necessary or advisable (and even if parts of the Site may be separated from other parts of same by lanes, streets, highways or any other means of passage in or to which others may have rights).
- 1.18.49 **“Taxes”** means the aggregate of all taxes, rates, charges (including local improvement charges), levies, assessments, licence fees, excise and other charges, or any other taxes, rates or charges levied, charged or assessed in lieu thereof, imposed by any competent authority upon or in respect of the Shopping Centre, upon or in respect of all adjoining or neighbouring lands from time to time owned or made available to Landlord and used in connection with the Shopping Centre, or upon or in respect of both, and upon or in respect of all developments and improvements on the Shopping Centre and on such adjoining or neighbouring lands (including, without limitation, parking lot/transit support taxes, rates charges, levies and

assessments), such taxes, rates, charges, levies and assessments being established by such competent authority based upon the Shopping Centre, in its various stages of development, assessed as a completed, fully occupied Shopping Centre. Subject to the foregoing, in determining Taxes, any corporate income, profits, excess profits, and business tax imposed upon the income of Landlord, and any other impost of a personal nature charged or levied against Landlord will be excluded, except to the extent that it is levied in lieu of Taxes. Landlord’s reasonable expenditures for consultation, negotiation and contestation, to the extent that they are incurred in an attempt to minimize or reduce Taxes, shall be included in the definition of Taxes.

- 1.18.50 *Intentionally deleted.*
- 1.18.51 **“Tenant”** means the Person executing this Lease as Tenant. Where the context permits, Tenant will also include all servants, employees, agents and contractors of Tenant, as well as any Person under Tenant’s exclusive control.
- 1.18.52 **“Tenant Security”** means any deed creating a charge or having the effect of encumbering, in any manner whatsoever, the rights that Tenant and/or any other Person (other than Landlord) have in any property (excluding this Lease and the Premises), whether movable or immovable, located in or forming part of the Premises, to secure in whole or in part any loan, indebtedness, authorized credit or any other obligation.
- 1.18.53 *Intentionally deleted.*
- 1.18.54 **“Term”** means the period of time set out in Article 1.05 and shall include all renewals and extensions thereof.
- 1.18.55 **Exhibits**
 - “Exhibit A” means the plan(s) attached hereto as Exhibit A.
 - “Exhibit B” means the legal description(s) attached hereto as Exhibit B.
 - “Exhibit C” INTENTIONALLY DELETED.
 - “Exhibit D” means the Rules and Regulations attached hereto as Exhibit D.
 - “Exhibit E” INTENTIONALLY DELETED.
 - “Exhibit F” means the sample Estoppel Certificate attached hereto as Exhibit F.

- ARTICLE 2.00

GRANT OF LEASE
- 2.01 **Grant** Landlord hereby demises and leases the Premises to Tenant, and Tenant hereby leases and accepts the Premises from Landlord, to have and to hold during the Term, subject to the terms and conditions of this Lease.
 - 2.02 **Quiet Enjoyment** So long as Tenant performs its obligations under this Lease, Landlord will warrant and defend Tenant in the quiet enjoyment and possession of the Premises during the Term, subject to the terms and conditions of this Lease.
 - 2.03 **Covenants of Landlord and Tenant** Landlord covenants to observe and perform all of the terms and conditions to be observed and performed by Landlord under this Lease. Tenant covenants to pay the Rent when due under this Lease, and to observe and perform all of the terms and conditions to be observed and performed by Tenant under this Lease.

- ARTICLE 3.00

TERM, POSSESSION AND TERMINATION OF ORIGINAL LEASE
- 3.01 **Landlord’s Option to Renew.** Landlord has, exercisable at its sole and entire and unfettered discretion by giving at least 12 months’ prior written notice to the Tenant, the right to renew this Lease for an additional period of five (5) years (the **“Renewal Term”**) on the same terms and conditions as set out herein, save and except for the Minimum Rent, which shall be equal to the minimum/base rent that would have been payable under the Original Lease during this Renewal

Term had the Original Lease not been terminated and continued during the period of this Renewal Term.

3.02 *Intentionally deleted.*

3.03 ***Acceptance of Premises and Tenant Acknowledgements*** The Tenant acknowledges, agrees and confirms that: (a) it originally occupied the Premises pursuant to the Original Lease, and as of the date hereof, it continues to be in possession of the Premises (which possession by the Tenant was in place prior to the date hereof pursuant to the Original Lease); (b) it has accepted the Premises in an entirely “as is where is” condition basis without any representation, warranty or obligation on the part of the Landlord to perform any work or construct any leasehold or other improvements in the Premises or the Shopping Centre in connection with the Tenant’s intended use thereof; (c) the continued possession of all or any portion of the Premises by the Tenant is conclusive evidence as against the Tenant that the Premises are in good and satisfactory condition as of the date hereof, (d) it is solely responsible (at its sole cost and expense and without any reimbursement from or contribution by the Landlord) for all improvements, fixtures, chattels or other personal property currently existing or which in the future may exist or may be required in, on or around the Premises and needed, required or used by the Tenant for the operation of its business from the Premises, and (e) it does not have any right of first refusal, right of first opportunity, option to purchase or any other right to acquire any interest or real property right in all or any part of the Shopping Centre or the Premises.

3.04 ***Limitation on Length of Term*** This Lease is entered into subject to the express condition that it is to be effective to create any interest in land only if the provisions of any statute are complied with relating to the severance of land or interests in land by conveyance or otherwise (as it may from time to time be amended). Landlord and Tenant agree, as a separate and distinct agreement, that if pursuant to any statute consent is requisite to the validity of this Lease, either party may apply for such consent and until unconditional consent has been obtained, the Term of this Lease or any renewal thereof will not extend beyond the period permitted without consent pursuant to any such statute, with no further right on the part of Tenant to extend the term, notwithstanding any other provision of this Lease.

3.05 ***Termination of Original Lease*** Tenant and Landlord hereby agree that the Original Lease is surrendered and terminated effective on 11:59pm on the date immediately preceding the Commencement Date (the “**Termination Date**”). The respective rights and obligations of Landlord and Tenant with respect to the Premises and the Original Lease will be preserved and will survive the Termination Date, as to all matters arising or accruing prior to the Termination Date, but no such rights or obligations will arise or accrue to either of them with respect to the Original Lease on or after the Termination Date. Any breach of the Original Lease which has not been cured will, after the Termination Date, be enforceable in accordance with all applicable provisions of the Original Lease. Tenant represents, warrants and covenants with Landlord that Tenant has the absolute right, full power and authority to agree to the termination of the Original Lease as provided herein.

3.05(A) ***Reinstatement of Original Lease.***

Tenant and Landlord hereby agree that if at November 13, 2028 (the “**Original Lease Reinstatement Date**”) no Event (as such term is hereinafter defined) has occurred or is continuing, and there is not then any default occurring of the Tenant’s obligations under this Lease, failing which this provision shall not apply and be null and void (and this Lease shall remain in full force and effect without any obligation to enter into the Reinstated Original Lease), then the parties shall execute and deliver to one another the Reinstated Original Lease (as defined below) which shall provide and confirm that effective upon the Original Lease Reinstatement Date: (1) this Lease shall be resolved, cancelled, surrendered and rescinded; and (2) the termination of the Original Lease shall be deemed to have been revoked and, except as expressly modified pursuant to this provision, the Original Lease shall be reinstated in its entirety effective as of the Original Lease Reinstatement Date and shall again be in full force and effect as if the same had never been terminated. However, the respective rights and obligations of Landlord and Tenant as to the Premises under this Lease will be preserved and will survive the termination of this Lease on the Original Lease Reinstatement Date as to all matters arising or accruing prior to the Original Lease Reinstatement Date, but no such rights or obligations will arise or accrue to either of them with respect to this Lease on or after the Original Lease Reinstatement Date (given the Reinstated Original Lease will thereafter govern this tenancy). Any breach of this Lease which has not been cured will, after the Original Lease Reinstatement Date, be enforceable in accordance with all applicable provisions of this Lease.

“Event” means the occurrence of any of the following:

- (1) Tenant (or any of its affiliates) defaulting under any of its monetary obligations (beyond any applicable cure period) under this Lease or any HBC IC Lease (as hereinafter defined); or

- (2) Tenant (a) is insolvent, (b) has committed an act of bankruptcy, and/or (c) has become bankrupt.

“HBC IC Lease” means any lease of premises entered into by the Tenant or any of its affiliates (in its or their capacity as tenant), in respect of premises located in any of the following shopping centres that are within Ivanhoe Cambridge’s owned or managed portfolio of properties:

- (i) Galeries D’Anjou;
- (ii) Metropolis at Metrotown;
- (iii) Outlet Collection at Niagara on the Lake;
- (iv) Southgate;
- (v) Mapleview;
- (vi) Oshawa;
- (vii) CrossIron Mills;
- (viii) St. Foy;
- (ix) Outlet collection Winnipeg; or
- (x) Vaughan Mills.

“Reinstated Original Lease” means the Original Lease but reinstated and amended only to provide that the Term of the reinstated Original Lease shall commence on the Original Lease Reinstatement Date and end upon the expiry of the remaining unexpired Term of this Lease as at the Original Lease Reinstatement Date, Tenant, subject to the following sentence shall have the unexpired rights, if any, to renew or extend the said Term as set out in the Original Lease on the terms and conditions set out therein (inclusive of the calculation of minimum rent). Notwithstanding the foregoing, the expiry of the Term (taking into consideration all options to extend in favour of the Tenant) of the Reinstated Original Lease shall not exceed the date on which the Original Lease would have expired (taking into consideration all options to extend in favour of the Tenant thereunder). For greater certainty, and as an illustrative example only to further clarify the parties’ intent, if the expiry of the term of the Original Lease was December 31, 2030, taking into consideration all options to extend in favour of the Tenant, and the Reinstated Original Lease was executed by the parties, the Term of the Reinstated Original Lease, taking into consideration all options to renew or extend in favour of the Tenant, shall not exceed December 31, 2030. Landlord shall prepare the form of Reinstated Original Lease and the parties shall forthwith thereafter execute and deliver same to the other, each at its sole expense. In addition, Tenant shall execute such other documents contemplated in Section 3.05 hereof for the discharge of any registered documents relating to this Lease for which Section 3.05 shall equally apply in this context, mutatis mutandis.

ARTICLE 4.00

RENT

- 4.01 **Minimum Rent** Tenant will pay to Landlord a Minimum Rent for the Premises described in Article 1.09 of this Lease, payable in advance in equal and consecutive monthly instalments and without notice on the Commencement Date and on the first day of each calendar month thereafter during the Term, subject to the adjustment of Minimum Rent provided in this Article 4.00.

Commencing at the commencement of the fourth year of the Term and at the commencement of every third year thereafter, the following calculation shall be made and, to the extent that the calculation results in a positive amount, such amount shall also be payable as Minimum Rent by the Tenant, per square foot of Area, for the year in which the calculation is to be made and for each of the subsequent two years:

$$\frac{\$1.25 \times \text{CPI}_2 - \text{CPI}_1}{\text{CPI}_1}$$

Where CPI_1 is the C.P.I. as of June 9, 1993 and CPI_2 is the C.P.I. as of the date on which the adjustment is to be made. Such annual amount per square foot of the Area is hereby defined as the “Adjustment” for the purposes of Clause 6.00 of the Original Lease.

For the sake of clarity, the parties hereto hereby acknowledge and agree that the last such adjustment occurred on June 9, 2023. On or before thirty (30) days after each succeeding three-year anniversary date of June 9, 2023 throughout the Term, the Landlord shall advise

the Tenant in writing of the actual adjustment to be made hereunder, using the formula hereinbefore set out.

In addition to the Minimum Rent, all sums of money required to be paid by the Tenant to the Landlord under this Lease and whether or not such sums of money are expressed or referred to as being rent, shall, when in default, be deemed to be additional rent and payable and recoverable as rent.

4.02 *Intentionally deleted.*

4.03 *Intentionally deleted.*

4.04 *Intentionally deleted.*

4.05 **Net Lease** It is the stated purpose and intent of Landlord and Tenant that, **except as otherwise expressly provided herein**, this Lease will be fully net to Landlord. Tenant will pay to Landlord, at the times and in the manner provided in Articles 4.07 and 4.09, its Proportionate Share of Taxes.

4.06 *Intentionally deleted.*

4.07 *Intentionally deleted.*

4.08 **Taxes Payable by Tenant** The Tenant shall be responsible for the payment of all Taxes imposed from time to time during the Term in respect of the Premises, including in each case the value of any Common Areas and Facilities which is included by the assessing authorities in the value of the Premises and the business operated therefrom and all the improvements constructed thereon and all the fixtures and equipment constructed and used by Tenant and its assignees, sublicensees and concessionaires. For certainty, Tenant shall pay the Tenant's Taxes contribution to the Landlord as Additional Rent hereunder in an amount equal to the actual Taxes levied specifically against the Premises by the taxing Authority, provided that if the Premises are not taxed on a separate basis, then in an amount determined by the Landlord, acting reasonably and equitably, on the basis of the notes and working papers of the assessment Authority (or its successor) made readily available to the Landlord, and provided further that if such notes and working papers are not readily available to the Landlord or they do not contain sufficient information to determine the Taxes applicable specifically to the Premises, then Tenant shall pay its Proportionate Share of all Taxes payable in respect of the Shopping Centre. **The parties acknowledge and agree that as of the Commencement Date, the notes and working papers of the assessment authority are readily available to the Landlord and contain sufficient information to determine the Taxes applicable specifically to the Premises.**

Tenant shall reimburse Landlord that part of any increase in Taxes for the Shopping Centre, which is reasonably attributable to any change, addition or improvement or special equipment identified by an assessment Authority made on or in the Premises by Tenant. In such event, Tenant shall pay to Landlord the total amount of said Tax increase attributable to Tenant within 30 days of receipt of an invoice from Landlord, said amount to be deemed Additional Rent.

For greater certainty, Tenant shall pay to Landlord an amount equal to any and all goods and services tax, value added tax, or any other similar tax (such as by way of example GST, HST or any other similar tax) ("**Value Added Taxes**"), it being the intention of the parties that Landlord shall collect from Tenant all Value Added Taxes collectable by Landlord on the Rent and any other amounts payable by Tenant under this Lease. The amount of such Value Added Taxes so payable by Tenant shall be calculated by Landlord in accordance with the applicable legislation and shall be paid to Landlord at the same time as the amount to which such Value Added Taxes apply are payable to Landlord under the terms of this Lease. The amount payable by Tenant under this provision shall be deemed not to be additional rent, but Landlord shall have all of the same remedies for and rights of recovery of such amount as it has for recovery of Rent under this Lease

The Landlord may appeal any official assessment or the amount of any Taxes or business taxes (including other taxes capable of constituting a lien) relating to the Shopping Centre including the improvements (including fixtures and equipment) thereon, and the Tenant may appeal any official assessment or any Taxes or business taxes relating to the Premises including the improvements thereon or, where the Tenant's obligations are directly or indirectly affected thereby, relating to any other portion of the Shopping Centre including the Common Area and Facilities. Neither the Landlord nor the Tenant shall institute any appeal without notice to the other and, where their interests do not conflict and in particular where the appeal is being made in order to achieve a re-assessment which is consistent with the basis contemplated by this Lease, each shall extend its co-operation and assistance to the other in respect to such appeal.

4.09 **Changes in Taxes** If the system of real estate taxation is altered or varied from that in force on the Commencement Date and any new tax shall be levied or imposed on all or part of the Shopping

Centre and/or the revenues therefrom and/or on Landlord in substitution for or in addition to previously existing Taxes by any taxing Authority, whether or not the taxing Authority has previously charged any Taxes, then any such new tax or levy shall be included in Taxes, or if by law, regulation or otherwise all or any part of any Taxes, is made payable by Landlord or if the mode of collecting such tax, assessment, local improvement, licence fee, excise or other charge is so altered so as to make Landlord liable in whole or in part therefor instead of Tenant or if all or any part of Tenant's Taxes under Article 8.01 is imposed, levied, assessed or charged upon or on account of the Shopping Centre, Tenant will pay to Landlord, from time to time, within 30 days after demand, the amount payable by Landlord, from time to time, as a result of such change as determined by Landlord in the same manner as the Proportionate Share of Taxes is payable under the terms of this Lease and Tenant will indemnify and save Landlord harmless from any cost or expense in respect thereof. For greater certainty, to the extent that the new tax or levy is fully recoverable by Tenant as an input tax credit or refund, such Tax shall be fully payable by Tenant notwithstanding the proportionate sharing of other Taxes hereunder.

4.10 *Intentionally deleted.*

4.11 ~~**Promotion Fund** Landlord may establish and maintain a common Promotion Fund for the Shopping Centre or continue to maintain any Promotion Fund in existence as of the Commencement Date of this Lease. Landlord will use the Promotion Fund for the promotion or benefit of the Shopping Centre in such a manner and as Landlord may, from time to time, decide and, without limiting the generality of the foregoing, Landlord may utilize the Promotion Fund for payment of a full time or part time marketing director, the employment of other promotional staff and customer service, the purchase of advertising space and time, materials or equipment for decorating and promotional events and activities similar to those undertaken by other shopping centres. Any surplus in the Promotion Fund at the end of a Fiscal Year of the Promotion Fund will be carried forward for like purposes in the next year, without any reduction in the amount payable by Tenant pursuant to this Article 4.11. Landlord may, at its sole discretion, establish a Promotion Fund advisory committee comprised of representatives of the tenants of the Shopping Centre chosen by Landlord to advise Landlord on the application of the Promotion Fund contributions.~~

~~If there is a Promotion Fund for the Shopping Centre, Tenant will pay to Landlord in equal monthly instalments, the amount stipulated in Articles 1.12, towards the Promotion Fund, and may include the development of a mall video network, offering a program of information, entertainment and advertisements, and for the promotion of the Shopping Centre.~~

~~Landlord will have the right at its discretion to change the Fiscal Year of the Promotion Fund as it may deem appropriate, from time to time. In the event of any such change, Tenant's required contributions to the Promotion Fund for any fiscal year thereof, which is either greater or lesser than twelve (12) calendar months, will be adjusted by Landlord in a reasonable manner.~~

4.12 *Intentionally deleted.*

4.13 **Landlord's Promotions** Landlord may promote and advertise the Shopping Centre in a manner and to the extent that would a diligent and prudent owner of a similar shopping centre, taking into account the nature, size, age, character and location of the Shopping Centre as well as the general image that Landlord is attempting to project for the Shopping Centre from time to time. Tenant agrees that Landlord will never be obliged to spend more than the total amount paid to the Promotion Fund described in Article 1.12 by the tenants of the Shopping Centre in any Fiscal Year in order to fulfill its obligations hereunder. Landlord shall alone administer the Promotion Fund.

Landlord's promotional activities may include, without limiting the generality of the foregoing, the production and distribution of written advertising or promotional materials and/or audio and/or audio visual promotions by the various media (radio and television) and/or internet and/or seasonal decorations and/or all other forms of promotion or publicity in relation to the Shopping Centre alone or on a joint basis with one or more other shopping centres or properties of which Landlord is owner or manager. Tenant agrees to give its complete support and cooperation to all of Landlord's promotional activities. Without limitation, Tenant will honour any discount coupons, gift certificates, gift cards, electronic gift cards or other incentives given to customers as part of any promotional activity.

Landlord may designate an agent to promote and/or advertise on its behalf, to enter into any agreements with third parties for promotion and/or advertising purposes, and may use all or any part of the Promotion Fund contributions to pay or remunerate its agent.

4.14 *Intentionally deleted.*

4.15 *Intentionally deleted.*

4.16 ***Tenant's Support t*** Tenant will support all promotional events, functions and activities sponsored or participated in by either the Promotion Fund, if any. In order to comply with this obligation, however, Tenant will not be required to make any additional financial contributions toward the promotion of the Shopping Centre other than those set out in Article 4.11.

4.17 ***Payment of Rent – General l*** During the Term of this Lease, Tenant shall pay Minimum Rent and Additional Rent to Landlord in the manner provided in this Lease or if not so provided, as reasonably required by Landlord. All amounts payable by Tenant to Landlord under this Lease will be deemed to be Rent and will be payable and recoverable as Rent in the manner herein provided, and Landlord will have all rights and recourses against Tenant for default in any such payment as in the case of arrears of Rent. Rent will be paid to Landlord, without deduction or set-off, in legal tender of the jurisdiction in which the Shopping Centre is located. If and to the extent Landlord so requires, Rent will be paid to Landlord, at Tenant's expense, by electronic funds transfer system or similar system whereby Tenant will authorize its bank, trust company, credit union or other financial institution to credit Landlord's bank account each month in an amount equal to the monthly Rent payable pursuant to the provisions of this Lease, otherwise, Rent will be paid to Landlord at the address of Landlord as set forth in the beginning of this Lease, or to such other Person or at such other address as Landlord may from time to time designate in writing.

Where Tenant makes payments of Rent by an electronic funds transfer system, Tenant shall notify Landlord by e-mail of the date of said electronic payment.

4.18 ***Rent – Adjustment for Partial Months*** If the Commencement Date is not the first day of a calendar month, the instalment of Rent payable on the Commencement Date will be that proportion of the Rent which the number of days from the Commencement Date to the last day of the calendar month in which the Commencement Date occurs (both the Commencement Date and the last day being inclusive) bears to 365. If the Term ends on a day other than the last day of a calendar month, the instalment of Rent payable on the first (1st) day of the last calendar month of the Term will be that proportion of the Rent which the number of days from the first (1st) day of such last calendar month to the last day of the Term (both the first (1st) and the last day being inclusive) bears to 365.

4.19 ***Charge Adjustment*** Wherever it is mentioned in this Lease that Landlord may increase any amount or charge, the following rules may apply if required by the Landlord: (a) each permitted increase of any such amount or charge shall come into force as of the date indicated in Landlord's notice and shall remain in effect until the subsequent increase comes into effect; (b) each permitted increase of any such amount or charge may, at Landlord's option, be charged retroactively; (c) each time any such amount or charge increases, the amount or charge shall be deemed to be replaced by the increased amount or increased charge; (d) any such amount or charge that may be payable during any Fiscal Year shall never be less than the amount or charge so payable during the immediately preceding Fiscal Year; (e) the fact that no annual increase was imposed for any preceding Fiscal Year or such other period, or the fact that an amount less than the full amount of any permitted increase was charged, shall not prevent Landlord, in any manner whatsoever, from imposing the full amount of any annual increase, or any part thereof, during any subsequent Fiscal Year; and (f) the annual increase that Landlord shall be permitted to charge shall be calculated by multiplying the amount or charge presently in force by a fraction, the numerator of which shall be the C.P.I. for the month of June of the current Fiscal Year in question and the denominator of which shall be the C.P.I. for the month of June for the immediately preceding Fiscal Year.

ARTICLE 5.00 USE OF PREMISES

5.01 ***Use and Business Name*** The Premises will be used and occupied only for the purposes described in Article 1.07; nothing in this Article 5.01 shall create or be deemed to create an exclusivity in favour of Tenant.

The business of Tenant in the Premises will be carried on under the name and style described in Article 1.08 and under no other name and style unless approved by Landlord in writing.

5.02 ***Hours of Business*** During the Term of this Lease, Tenant will conduct its business in the Premises on such days and during such hours as is required, from time to time, by Landlord unless prevented from so doing by any Authority, however, nothing herein shall require the Premises or portions thereof to be open during hours other than those which have been generally established by the Tenant for the operation of its similar stores in the greater Vancouver area. Tenant shall abide by

all rules and regulations now or subsequently in force to the extent that they do not conflict with the terms of this Lease and are applied to Tenant in a non-discriminatory manner.

In the event Tenant fails to conduct its business in accordance with this Article 5.02 then Landlord will have the right, without prejudice to any other rights which it may have under this Lease or at law, to obtain an injunction requiring Tenant to comply with the provisions of this Article 5.02.

- 5.03 ***Continuous Operations*** Tenant acknowledges that it forms part of an over-all merchandising mix designed to enhance the character, quality, image and reputation of the Shopping Centre, and that its continuous operation of the Premises is essential to Landlord to maintain that character, quality, image, nature and reputation and to facilitate the leasing of vacant space and renewing leases of existing tenants. Tenant therefore, provided the Landlord is operating the Shopping Centre in accordance with this Lease in all material respects, covenants and agrees that throughout the Term it will continuously occupy and operate in the entire Premises, comply strictly with the provisions of Article 5.02 and not vacate or abandon the Premises at any time during the Term. Tenant acknowledges that Landlord is executing this Lease in reliance thereupon and that the same is a material element inducing Landlord to execute this Lease. Tenant further agrees that if it vacates or abandons the Premises or it fails to so conduct its business therein, or uses or permits or suffers the use of the Premises for any purpose not specifically herein authorized and allowed, Tenant will be in breach of Tenant's obligations under this Lease and shall have caused Landlord a grave and serious prejudice, and then, without constituting a waiver of Tenant's obligations or limiting Landlord's remedies under this Lease and at law, all Rent reserved in this Lease will immediately become due and payable to Landlord unless guaranteed to the satisfaction of Landlord. Landlord will have the right, without prejudice to any other rights which it may have under this Lease or at law, to obtain an injunction requiring Tenant to comply with the provisions of this Article 5.03.

5.04 ***Restrictions on Use & Occupancy***

- (a) Tenant will carry on its business on the Premises in a reputable manner and in compliance with all the provisions of this Lease, and in particular Tenant will not advertise, do, omit, permit or suffer to be done or exist upon the Premises anything which will be or result in or bring about a breach of any provision of this Lease.
- (b) Tenant shall not, at any time during the Term, conduct or carry on in the Premises any of the following activities or enterprises: (i) any manufacturing operation; (ii) any mail order or catalogue enterprise; (iii) any enterprise for the purpose of taking telephone orders; (iv) a store conducted principally or in part for the sale of second hand goods or apparel, war surplus articles, insurance salvage stock, or fire sale stock; (v) the sale of merchandise damaged by fire except in the event of a fire taking place on the Premises and then only for the sale of merchandise damaged by such fire, and only for a period of 30 days immediately following the reopening after such fire; (vi) a store conducted, promoted and/or represented in whole or substantially as a discount operation or in part as a discount operation so as to give the impression that it is being conducted principally as a discount operation; (vii) a pawn shop; (viii) any operation in any line or merchandise in which operation Tenant is making a practice of fraudulent or deceptive advertising or selling procedures including without limitation the sale of counterfeit brands; (ix) an auction sale; and (x) any other enterprise, activity or practice which because of the merchandise likely to be sold or the merchandising or pricing methods likely to be used would tend to lower the character of the Shopping Centre.
- (c) Tenant shall not conduct on the Premises any "distress sale", "bankruptcy sale", "going out of business sale", "liquidation sale" or "fire sale" except as expressly provided above nor any other type of sale designed to convey to the public that business operations are to be discontinued or that the store shall close, Tenant shall only sell merchandise in the regular course of trade as a retailer operating the Premises for the purpose for which the Premises are leased. Notwithstanding the foregoing, within the last six (6) months of the Term, the Tenant shall have the right to conduct clearance and other sales promotions in the Premises and the Tenant shall be permitted to erect, install and maintain within the Premises during such period any clearance and/or store closing signage (or other signage of a similar nature), provided that (i) any such signage on the exterior of the Premises or which faces any Common Areas and Facilities, shall be subject to the Tenant obtaining all required municipal approvals as well as the Landlord's prior written approval for the nature, size, type and location thereof; and (ii) all clearance and other sales otherwise comply with the requirements of sub-paragraph (b) above and this Lease and are undertaken in a reputable and prudent manner that does not interfere with the typical use and operation of the Shopping Centre or the occupants thereof. Landlord's approval of such signage shall not be unreasonably withheld, conditioned or delayed provided it complies with this provision.
- (d) ***Intentionally deleted.***

- (e) Tenant shall not use the Common Areas and Facilities for any reason whatsoever without the prior written approval of Landlord. Tenant will not place or keep any merchandise or other thing beyond the permanent floor mounted storefront or closure of the Premises or in the Common Areas and Facilities.

- (f) *Intentionally deleted.*

5.05 *Intentionally deleted.*

5.06 **Display Windows** Tenant will keep display windows (if any) neatly dressed. Display windows and lighted signs (if any) will be kept illuminated by Tenant on all business days until at least one half hour after the Shopping Centre closes for business.

5.07 **Compliance with Laws** The Premises will be used and occupied in a safe, careful and proper manner so as not to contravene any present or future governmental or quasi-governmental laws in force or regulations or orders including, without limitation, all Environmental Law. If, due solely to Tenant's use of the Premises, improvements are necessary to comply with any of the foregoing or with the requirements of insurance carriers, Tenant shall execute same and will pay the entire cost thereof. Unless otherwise directed by Landlord, Tenant will obtain and comply with the terms of all licences, certificates of approval, permits and other approvals necessary or appropriate under applicable laws (inclusive of Environmental Law) for the safe and lawful conduct of its business at or from the Premises.

5.08 **Nuisance** Tenant will not cause or maintain any nuisance or hazard in or about the Premises and will keep the Premises free of debris, trash, rodents, vermin and anything of a dangerous, noxious or offensive nature or which could create a fire hazard (through undue load on electrical circuits or otherwise) or undue vibration, heat or any unusual or objectionable noises or odours or anything which may disturb the enjoyment of the Shopping Centre and all the Common Areas and Facilities thereof by customers and other tenants of the Shopping Centre, nor will Tenant allow any noise, sound or music in the Premises to be heard in the Common Areas and Facilities or neighbouring premises.

5.09 **Advertising, Trade Names and Restricted Marks**

- (a) In its advertising, Tenant will use the name of the Shopping Centre, such trade names, symbols and slogans as may be designated by Landlord but Tenant will not indulge in any advertising or sales promotion which is undignified or not in conformity with the highest standards of practice among stores dealing in similar merchandise or might harm or tend to harm the business reputation of Landlord or reflect unfavourably on the Shopping Centre, or might confuse or mislead or tend to confuse or mislead the public. Tenant will not sell, advertise, conduct or solicit business anywhere within the Shopping Centre other than in the Premises.

- (b) The name for the Shopping Centre which Landlord may from time to time adopt and every name or mark adopted by Landlord in connection with the Shopping Centre will be used by Tenant only in association with sales made at or from and the business carried on in the Premises during the Term and Tenant's use thereof will be subject to such regulations as Landlord may from time to time impose. Tenant will not acquire any rights in any such restricted name or mark, and upon the termination of this Lease all its interest herein will be deemed to have been surrendered to Landlord and Tenant will thereafter cease and abandon all use thereof. If Landlord so requests, Tenant will execute registered user applications or agreements or both to protect Landlord's trade mark rights.

5.10 *Intentionally deleted.*

5.11 **Loading and Delivery** The delivery and shipping of merchandise, supplies, fixtures, and other materials or goods of whatsoever nature to or from the Premises and all loading, unloading, and handling of it will be done only at the times, in the areas, by the means, and through the elevators, entrances, malls, and corridors as are designated by Landlord. Without limiting the generality of the foregoing, Tenant will not use or permit any elevators, entrances, malls, corridors or other parts of the Common Areas and Facilities to be used as temporary storage area or areas by Tenant, any of Tenant's employees or suppliers or others when making deliveries to or shipments from the Premises or any permitted storage area of Tenant.

Landlord accepts no liability and is hereby relieved and released by Tenant in respect of the operation of the Delivery Facilities, or the adequacy of them, or of the acts or omissions of any Person or Persons engaged in the operation of them, or in the acceptance, holding, handling, delivery or dispatch of any goods for or on behalf of Tenant, or for any claim of Tenant by reason of damage, loss, theft, or acceptance, holding, handling, delivery or dispatch, failure of any acceptance, holding, handling or dispatch, or any error, negligence or delay.

Landlord may, from time to time, make and amend regulations for the orderly and efficient operation of the Delivery Facilities, and may require the payment of reasonable and equitable charges for delivery services and removal provided by Landlord.

For certainty, the premises include the loading dock and unloading areas, which exclusively serve the Premises.

ARTICLE 6.00

SERVICES, MAINTENANCE, REPAIRS AND ALTERATIONS BY LANDLORD

- 6.01 ***Operation of Shopping Centre*** Landlord shall operate the Shopping Centre and maintain the Common Areas and Facilities as would a prudent and diligent owner of a similar shopping centre, having regard to the Shopping Centre's size, age, nature, location and region where the Shopping Centre is situated, as well as the type of clientele the Shopping Centre services and the general image Landlord is attempting to project for the Shopping Centre, all as determined by the Landlord in its sole discretion.
- 6.02 ***Services*** Landlord will provide in the Shopping Centre except where Tenant shall do so pursuant to this Lease:
- (a) domestic hot (or tempered) and cold running water and necessary supplies in common washrooms sufficient for the normal use thereof; and
 - (b) heat, ventilation, air conditioning, lighting, electric power, domestic hot (or tempered) and cold running water, steam, natural gas and chilled water, in the Common Areas and Facilities (where appropriate).
- 6.03 ***Maintenance, Repair and Replacement*** Subject to the provisions of Article 7.01(b), Landlord will operate, maintain, repair and replace the systems, facilities and equipment necessary for the proper operation of the Shopping Centre and for provision of Landlord's services under Article 6.02 except as such may be installed by or be the property of Tenant or others (excluding Landlord) or both and except for the heating, ventilating and air conditioning equipment, elevators, escalators and other systems, facilities, machinery and equipment installed within or for the Premises, and will expeditiously maintain and repair the foundations, structure and roof of the Shopping Centre (excluding the Premises), provided that:
- (a) if all or part of such systems, facilities and equipment are destroyed, damaged or impaired, Landlord will have a reasonable time in which to complete the necessary repair or replacement, and during that time will be required only to maintain such services as are reasonably possible in the circumstances;
 - (b) Landlord may temporarily discontinue such services or any of them at such times as may be necessary due to causes (except lack of funds) beyond the reasonable control of Landlord;
 - (c) Landlord will use reasonable diligence in carrying out its obligations under this Article 6.03, but will not be liable under any circumstances for any consequential damage to any Person (including without limitation, Tenant) or any property for any failure to do so;
 - (d) no reduction or discontinuance of such services under clauses (a) or (b) of this Article 6.03 will constitute as an eviction of Tenant or (except as specifically provided in this Lease) release Tenant from any obligation of Tenant under this Lease; and
 - (e) nothing contained herein will derogate from the provisions of Articles 7.02, 7.03, 10.01, 16.01, 16.02, 16.03, or 16.04 and in no event shall Landlord be required to make any repairs or replacements which are necessary as a result of Tenant's default, negligence or willful misconduct..
- 6.04 ***Alterations by Landlord*** Landlord may, at any time prior to or during the Term, subject to Article 6.06: (i) change the area, level, location, arrangement or use of any portion of the Shopping Centre; (ii) construct on the Site or on adjacent lands, other buildings, structures or improvements and make alterations, additions, subtractions or rearrangements; (iii) modify, alter, expand, reduce or eliminate any interior or exterior Common Areas and Facilities; (iv) close off all or any part of the Shopping Centre and/or temporarily suspend services for the purpose of maintenance, repair, alteration or construction; (v) place any installations within or on any interior or exterior Common Areas and Facilities including without limitation, kiosks, planters, benches, promotional displays or activities and any other installations; (vi) close all or part of the Shopping Centre to the public outside of regular business hours, Sundays and holidays included; (vii) restrict areas on the Site available for employee parking, and/or prohibit employees from parking anywhere on the Site; (viii) impose reasonable charges for parking, and impose restrictions on refunds or compensations

by Tenant to Persons using the parking areas; (ix) modify tenant mix, both with respect to kinds of uses which may be made of premises, as well as to changes in the physical location of any one or more tenants; (x) do and perform such other acts in relation to the Shopping Centre for the more efficient and proper operation of the Shopping Centre as Landlord determines to be advisable; (xi) change the name of the Shopping Centre; (xii) do all work required to install new, and/or maintain, adapt, repair or replace existing utility lines, pipes, roof drainage pipes, conduits, wires, duct work, columns and other matters through any part of the Premises if necessary and do any other work in the Premises to preserve, support or reinforce any structural walls or foundations of the Premises or the Shopping Centre, and do such work as may be required for an expansion or an alteration of all or part of the Shopping Centre.

Notwithstanding anything contained in this Lease, it is understood and agreed that if the Shopping Centre, the Site and/or the Common Areas and Facilities are diminished or altered in any manner whatsoever as a result of the exercise by Landlord of its rights set out in this Article 6.04, Landlord is not subject to any liability nor is Tenant entitled to any compensation or diminution or abatement of Rent, nor is any alteration or diminution thereof deemed to constitute constructive or actual eviction, or a breach of any covenant for quiet enjoyment contained in this Lease. Landlord and Tenant further agree that the exercise by Landlord of its rights under this Article 6.04 will not relieve Tenant of Tenant's obligations under Article 5.03 of this Lease.

The Tenant acknowledges, agrees and confirms that the Landlord has not granted to the Tenant and neither the Tenant or the Premises has the benefit of any merchandising controls, exclusivity rights, use restrictions, no-build zones, minimum parking ratio requirements, or minimum stall number requirements, or any other restrictions, restrictive covenants or approval rights applicable to the Site; the Shopping Centre or any part(s) thereof or any other lands abutting thereto or in the vicinity thereof ("Additional Lands") which the Landlord or any of its affiliates may have an interest in, including without limitation and for certainty anything that would otherwise restrict, limit, delay or otherwise interfere with the Landlord's (or its affiliate's) ability to lease, use, convey, alter, develop and/or redevelop all or any part of the Shopping Centre, the Site or any such Additional Lands. The Tenant hereby confirms that any of the forgoing that the Tenant was entitled to or that were granted in or in connection with the Original Lease, its occupancy of the Premises or otherwise have been expressly waived by the Tenant, have terminated and have ceased to have any force or effect. The Tenant covenants and agrees: (a) not to oppose (and hereby irrevocably waives all rights to oppose) the exercise of the Landlord's rights under this Section 6.04 or otherwise pursuant to this Lease in this regard, including, in respect of any rezoning matters, variance applications, restrictive covenants, site plans, subdivisions, easements, transfers, dedications, permits or approvals and other similar requirements in connection therewith (hereinafter "Rezoning Matters"); and (b) agrees to cooperate with Landlord (at no cost or expense to the Tenant) to the extent reasonably required, including, without limitation, granting any partial discharges of its notice of lease and executing any consents, documents and instruments reasonably requested by the Landlord in furtherance of any Rezoning Matters.

- 6.05 ***Intentionally deleted. Access by Landlord*** Tenant will permit Landlord to enter the Premises outside of normal business hours, and during normal business hours where such will not unreasonably disturb or interfere with Tenant's use of the Premises and operation of its business, to examine, inspect and show the Premises to persons wishing to lease them, to provide services or make repairs, replacements, changes or alterations as set out in this Lease, and to take such steps as Landlord may deem necessary for the safety, improvement or preservation of the Premises or the Shopping Centre. Landlord will whenever possible, save in the event of emergency, consult with or give reasonable notice to Tenant prior to such entry, but no such entry will constitute an eviction or entitle Tenant to any abatement of Rent.
- 6.07 ***Energy, Conservation and Security Policies*** Landlord will be deemed to have observed and performed the terms and conditions to be performed by Landlord under this Lease, including those relating to the provision of utilities and services, if in so doing it acts in accordance with a directive, policy or request of a governmental or quasi-governmental authority serving the public interest in the fields of energy, conservation or security.
- 6.08 ***Sustainable Operation of Shopping Centre*** Tenant acknowledges Landlord's intention, to operate its Shopping Centre in a manner so as to provide for:
- (a) reduced energy and water consumption;
 - (b) the use of renewable energy and recycled water;
 - (c) the facilitation of alternate transportation for customers of the Shopping Centre;
 - (d) the use of non-toxic, low-impact cleaning and pest control and other products in the operation and maintenance of the Shopping Centre;

- (e) a healthy indoor environment;
- (f) installation and use of sustainable materials, furniture, equipment and improvements within the Shopping Centre; and
- (g) the recycling and diversion of operational waste from landfill generated from the activities of tenants, licensees, and customers of the Shopping Centre,

and Landlord intends to operate, manage and maintain the Shopping Centre so as to obtain and/or maintain any green building certifications, accreditations or ratings.

ARTICLE 7.00 DEMISED UTILITIES, SERVICES, MAINTENANCE AND ALTERATIONS BY TENANT

7.01 *Demised Utilities*

- (a) Subject to Article 7.01(b), during the Term, Tenant will provide in the Premises at its own expense heat, ventilation, air-conditioning, water, gas, electricity, steam and other utilities and services. Tenant shall be solely responsible for and shall promptly pay (but in any event no later than the due date) the cost of water consumption, electricity, gas, steam, telephone, and other utilities used or consumed in or from the Premises directly to the supplier of such services where separately metered or as Landlord may direct.
- (b) If heat, ventilation, air conditioning, water, gas, electricity, steam or any other utility or service is provided by Landlord, but is not metered or is supplied to the Premises through meters common to a group of tenants in the Shopping Centre, Landlord will pay the cost thereof and apportion such cost as may reasonably be determined by Landlord among the tenants utilizing the utility or service or supplied through such common meters, (provided that if Landlord will from time to time reasonably determine that the use of any such utility or service in the Premises is disproportionate to the use of other tenants, Landlord may adjust Tenant's share of the cost thereof from a date reasonably determined by Landlord to take equitable account of the disproportionate use) and Tenant will reimburse Landlord the amount of its share of such cost.
- (c) *Intentionally deleted.*
- (d) If a separate or a check meter exists, Tenant shall then pay for its consumption to Landlord as measured by the Premises check meter and in accordance with the rates of Landlord's supplier.
- (e) If at any time, any utility serving the Premises, whose consumption rate was measured by separate or check meter, ceases to be measured by separate or check meter for any reason whatsoever, Tenant shall pay to Landlord a charge calculated in accordance with paragraph (b) above.
- (f) Notwithstanding Article 7.00 of this Lease, at Landlord's option, Landlord may, at any time or times during the Term, purchase in bulk from the utility supplier the aggregate electrical energy requirements of the Shopping Centre or any portion thereof, in which event Landlord may arrange for the supply of electricity to the Premises for the general electrical purposes of Tenant. In such case, Tenant will pay to Landlord on a monthly basis, in advance, with annual adjustment at the end of each Fiscal Year, a charge for supplying electricity to the Premises as determined by Landlord on the basis of Tenant's consumption.
- (g) Where the Premises are metered directly by a utility company or supplier for electricity, gas, water, or steam consumption, Tenant will provide Landlord, at Tenant's cost, with all consumption data for the Premises, in the manner, at such frequency and in the format as required by Landlord so as to comply with its obligations relating to governmental or quasi-governmental authority reporting regulations, to meet green building certifications or standards including, without limitation, LEED, BOMA BEST or ENERGY STAR or to improve the environmental performance of the Shopping Centre.

7.02 *Demised Heating, Ventilation, and Air-Conditioning (HVAC)* Without limiting the generality of the foregoing, Tenant will at its sole cost and expense be responsible for maintaining, repairing and replacing of the heating, ventilating and air-conditioning equipment (the "**Tenant HVAC System**") installed for the Premises where such equipment is not part of a shared or central system.

7.03 *Condition of Premises* During the Term, Tenant will keep the Premises in a clean and tidy condition, and will provide at its own expense therein janitor services in accordance with this Lease and the rules and regulations of Landlord from time to time, removal of debris and garbage, and

cleaning of all windows, doors, walls, ceiling, tiles, floors, grease traps and grease guard systems in the Premises and on the roof of the Shopping Centre where applicable and the exterior of the Premises, subject to Article 7.04(f).

Subject to the foregoing and except to the extent that Landlord is specifically responsible therefor under this Lease, Tenant will at its sole cost and expense maintain the Premises and all improvements therein in good order and condition, subject to reasonable wear and tear, including, without limiting the generality of the foregoing:

- (a) intentionally deleted;
- (b) making repairs and replacements as needed to glass, plate glass, store windows and storefronts, signs, mouldings, doors, hardware, partitions, walls, fixtures, lighting, finishes, plumbing, wiring, ductwork and piping (including that portion which is contiguous to the Premises), ceilings, floors and thresholds in the Premises;
- (c) maintaining, repairing and replacing as needed all Tenant HVAC Systems, elevators, escalators, mechanical, electrical and plumbing systems, facilities and equipment in the Premises;
- (d) making other repairs and replacements in the Premises as needed, except repairs and replacements to the Premises for which Landlord is specifically responsible under this Lease; and
- (e) keeping the Premises in such condition as to comply with the requirements of any governmental or quasi-governmental authority and insurers having jurisdiction and the rules and regulations of Landlord.

Notwithstanding any legislation to the contrary, the Tenant's repair obligations will include all those which are major as well as minor, or those which are customarily landlord's or tenant's, except as expressly provided otherwise in this Lease

7.04 Alterations by Tenant Tenant may from time to time at its own expense make changes, additions and improvements in the Premises to better adapt the same to its business, provided that any such change, addition or improvement will:

- (a) comply with the requirements of Landlord's insurer and any Authority having jurisdiction;
- (b) be made only with the prior written consent of Landlord;
- (c) equal the then current standard for the Shopping Centre;
- (d) be carried out only by persons selected by Tenant and approved in writing by Landlord, who will, if required by Landlord, deliver to Landlord before commencement of the work, performance and payment bonds as well as proof of worker's compensation and public liability and property damage insurance coverage as reasonably required by Landlord with Landlord, Owners and Management Company as additional insured parties in amounts, with companies and in form reasonably satisfactory to Landlord, which will remain in effect during the entire period in which the work will be carried out;
- (e) Tenant shall obtain all necessary construction and other permits before starting any work in the Premises;
- (f) Tenant shall not make any repairs, openings, or additions to any part of the exterior of the Premises, or to the Common Areas and Facilities nor place anything of whatsoever nature in or upon any part of the Common Areas and Facilities, including without limitation the roof and without having obtained the prior written consent of Landlord. In addition it is expressly forbidden for Tenant, its employees, agents, representatives or any Person for whom Tenant is in law responsible to go upon the roof of the Shopping Centre for any reason whatsoever without Landlord's prior written consent. Notwithstanding the prior granting of such consent, Tenant shall be fully responsible for all ensuing costs and damages whether to remove materials or to effect repairs needed as a result of such acts;
- (g) Tenant shall not make any change, alteration, addition, repair or improvement in or to the Premises which in any manner affects the structure, the roof, the perimeter walls, the bearing floors, structural slab or slab on grade, the storefront, the sprinkler system (whether it services the Premises exclusively or not), or any heating, ventilation or air-conditioning system or equipment or the electrical and plumbing services or systems (whether these serve the Premises exclusively or not), without in each case obtaining Landlord's prior written approval thereto. Tenant will accompany each request for Landlord's written

approval by detailed plans and specifications for the intended work, and will ensure that the work is done according to the relevant provisions of this Lease.

Any increase in Taxes or insurance premiums for the Shopping Centre, or any part thereof, attributable to such change, addition or improvement will be borne by Tenant and Tenant will pay Landlord for the cost of such increase upon receipt of Landlord's invoices therefor.

7.05 ***Trade Fixtures and Personal Property*** Tenant may install in the Premises its usual trade fixtures and personal property in a proper manner, provided that no such installation will interfere with or damage the mechanical, plumbing, sprinkler or electrical systems or all or any part of the structure of the Shopping Centre. If Tenant is not then in default under this Lease, trade fixtures and personal property installed in but not affixed to the Premises by or on behalf of Tenant may be removed from the Premises:

- (a) from time to time in the ordinary course of Tenant's business or in the course of permitted reconstruction, renovation or alteration of the Premises by Tenant; and
- (b) during a reasonable period prior to the expiration of the Term,

provided that Tenant in all cases promptly repairs at its own expense any damage to the Premises resulting from such installation and removal. In no case will trade fixtures or personal property include the ceiling or ceiling panels, electric light fixtures, doors, floor coverings, storefront, plumbing fixtures and fittings or any affixed cabinets, shelves, hardware or decorative items in or upon the Premises which upon installation become the property of Landlord, provided, however, that if any of the foregoing shall contain any Hazardous Substance such installation shall remain the property of Tenant and Tenant will remove such items at its expense.

7.06 ***Liens*** Tenant will pay before delinquency all costs for work done or caused to be done by Tenant in the Premises which could result in any lien or encumbrance on Landlord's interest or Tenant's interest or both in the Site or the Shopping Centre or any part thereof, will keep the title to the Site and the Shopping Centre and every part thereof free and clear of any lien or encumbrance in respect of such work and will indemnify and hold harmless Landlord against any claim, loss, cost, demand and legal or other expense, whether in respect of any lien or otherwise, arising out of the supply of material, services or labour for such work. Tenant will immediately notify Landlord of any such lien, claim of lien or other action of which it has or reasonably should have knowledge and which affects the title to the Site and the Shopping Centre or any part thereof, and will cause the same to be removed within fifteen (15) days of written notice from Landlord (or such additional time as Landlord may consent to in writing), failing which Landlord may take action as Landlord deems necessary to remove the same and the entire cost thereof will be immediately due and payable by Tenant to Landlord, including all legal fees, costs and disbursements on a substantial indemnity basis.

7.07 ***Intentionally deleted.***

7.08 ***Signs*** Tenant shall not erect or place any sign, decal, decoration, lettering, design or advertisement of any nature whatsoever ("Sign") on the exterior walls of the Premises or on the walls of the mall or elsewhere in the Shopping Centre or in the display windows without first obtaining Landlord's written consent as to the specifications, design, location and method of installation. All Signs shall conform to all applicable rules and regulations and shall be of high quality. Furthermore, all Signs shall be suitably illuminated where applicable in the same manner as other signs in the Shopping Centre. Tenant shall not install or affix any Sign in the Premises or in the Shopping Centre which is visible from the exterior of the Shopping Centre. All Signs on Tenant's storefront which Landlord allows Tenant to install must be so installed prior to the opening by Tenant of its Premises to the public.

No Sign(s) advertising an auction sale, going out of business sale, closing out sale, bankruptcy sale or any other similar sale other than one in the normal course of Tenant's business, or any Sign indicating that Tenant is moving to another location, shall be permitted in the Shopping Centre.

For certainty, the Landlord confirms that the Tenant's exterior Signs that exist as of the Commencement Date are compliant with this Section.

ARTICLE 8.00

TENANT'S TAXES

8.01 ***Business Taxes and Other Taxes Payable by Tenant*** Tenant shall pay promptly and directly to the Authorities responsible for collection all business and water taxes, charges or rates, garbage removal taxes, charges, rates, taxes, levies, fees, duties, tariffs or assessments for consumption and/or emissions of any fuel of whatsoever nature however imposed or assessed and/or for recycling and/or similar taxes, charges or rates imposed on or applicable to Tenant in connection

with the activities, goods (including without limiting the generality thereof, Tenant's movables, equipment and tools) or services of which Tenant benefits, or for Tenant's use or occupation of the Premises, or for the nature of the enterprise that Tenant operates in the Premises, or any other matter determined by said authorities (hereinafter "Tenant's Taxes"). It is understood that Tenant shall pay promptly and directly to Landlord any Tenant's Taxes where Landlord shall be invoiced therefor or shall become liable for any such Tenant's Taxes pursuant to any new, amended or modified law, regulation, policy and/or practice of any competent Authority. Tenant shall also be liable for the payment of any Tenant's Taxes, Taxes and any other amount payable by Landlord, and any increases in one or all of the foregoing (even where such Tenant's Taxes, Taxes or other amount or increases thereof are substantially greater than the amount payable therefor by Tenant in previous years) as a direct or indirect result of the abolition, modification and/or replacement of any Tenant's Taxes by any competent Authority or due to any modification of any policy or practice thereof. Tenant will indemnify Landlord from and against all losses, costs of expenses occasioned by or arising from the foregoing.

ARTICLE 9.00

INSURANCE

9.01 ***Landlord's Insurance*** Throughout the Term of this Lease, Landlord will carry the insurance for which Landlord is obligated under the Original Lease and such insurance provisions are deemed incorporated herein by reference. For certainty, during the Term, Landlord will maintain the Landlord's insurance coverage currently in place as of the Commencement Date, which the Landlord and the Tenant acknowledge is satisfactory.

9.02 ***Tenant's Insurance*** Throughout the Term of this Lease Tenant, at its sole cost and expense, will carry the insurance for which Tenant is obligated under the Original Lease and such provisions of the Original Lease are deemed incorporated herein by reference. For certainty, during the Term and any period Tenant is in possession of the Premises, the Tenant will maintain the Tenant's insurance coverage currently in place as of the Commencement Date in accordance with the insurance certificate most recently provided to the Landlord by the Tenant, which the Landlord and the Tenant acknowledge is satisfactory.

Tenant agrees to deliver to Landlord, proof of above required insurance in force at such date, such proof to be in the form of certificates of insurance acceptable to Landlord. If the breach or non-performance of any of the covenants or agreements herein contained on the part of Tenant will immediately endanger or could reasonably lead to or result in future endangerment of the Premises or any other of the buildings or property in or on the Shopping Centre or result in the voiding, cancellation or threatened cancellation of any insurance policy affecting such buildings or property or part thereof Landlord may, either, at Landlord's sole discretion, terminate this Lease effective upon written notice to Tenant, or without terminating this Lease and after giving such notice, if any, as is reasonable in the circumstances, enter upon the Premises and take such action, including removing Tenant and any persons or property from the Shopping Centre, as is reasonable to remove or abate the cause of the danger or voiding or cancellation of the policy, and Landlord will not be liable for any damages of any kind howsoever caused arising out of such termination or such action, the whole without prejudice to Landlord's other rights and recourses.

ARTICLE 10.00

INJURY TO PERSON OR PROPERTY

10.01 ***Mutual Indemnity.*** Except to the extent released in Sections 10.02 and 10.03 below, each of the Landlord and the Tenant will defend, protect, indemnify and save harmless the other of and from all fines, suits, claims, demands and actions of any kind or nature to which the party being indemnified shall or may become liable or suffer by reason of any breach, violation or nonperformance by the party so indemnifying of any covenant, term or provision of this Lease or by reason of any damage, injury or death occasioned to or suffered by any person or persons including the Landlord or the Tenant, as the case may be, or any property, by reason of any wrongful act, neglect or default on the part of the party so indemnifying or any of its agents, employees, officers or contractors.

10.02 ***Release of Landlord.*** In respect of any insurance required by this Lease to be obtained by the Tenant, none of the Landlord, the mortgagees of the Shopping Centre, any manager retained from time to time by the Landlord to operate the Shopping Centre or other persons for whom the Landlord is responsible in law shall be liable to the Tenant in respect of any loss, injury or damage so required to be insured by the Tenant to the extent that insurance proceeds are recovered. For this purpose if the Tenant fails to utilize its reasonable efforts to recover or fails to comply with its obligations to insure under this Lease, recovered proceeds shall be deemed to include proceeds which would reasonably have been recoverable if the Tenant had so complied or so utilized its reasonable efforts to recover, as the case may be. In confirmation of the foregoing and in addition thereto, the Tenant shall obtain a waiver of subrogation from its insurers in favour of the Landlord, the mortgagees of the Shopping Centre, the manager retained by the Landlord from time to time to operate the Shopping Centre and those for whom the Landlord is responsible in law. With respect to the Tenant's fixtures, furniture, inventory and stock-in-trade including merchandise or other contents

of the Premises, the Landlord, the mortgagees of the Shopping Centre, any manager retained from time to time by the Landlord to operate the Shopping Centre and others for whom the Landlord is responsible in law shall not be liable to the Tenant in respect of any loss, injury or damage.

- 10.03 **Release of Tenant.** In respect of any insurance required by this Lease to be obtained by the Landlord, none of the Tenant, its officers, employees, agents, invitees or other persons for whom the Tenant is responsible at law shall be liable in respect of any loss, injury or damage required to be so insured to the extent that insurance proceeds are recovered. For this purpose if the Landlord fails to utilize its reasonable efforts to recover or fails to comply with its obligations to insure under this Lease, recovered proceeds shall be deemed to include proceeds which would reasonably have been recoverable if the Landlord had so complied or so utilized its reasonable efforts to recover, as the case may be. In confirmation of the foregoing and in addition thereto, the Landlord shall obtain a waiver of subrogation from its insurers in favour of the Tenant, its officers, employees, agents, invitees and those for whom the Tenant is responsible in law.

ARTICLE 11.00

TRANSFERS

- 11.01 **Transfers** Except to an Eligible Corporation (which for the purpose of this Article 11.00 is a corporation or other legal entity (but not an individual) which controls or is controlled by or under common control with Tenant, where to control means to own beneficially either directly or indirectly more than 50% of the voting shares of a corporation or other legal entity) and subject to provisions of Article 11.03, Tenant will not, and will not permit a subtenant to, assign this Lease in whole or in part or sublet all or part of the Premises, or transfer this Lease in any other manner and will not permit the occupation or use of all or part of the Premises by others (any of which events are hereinafter referred to as a "Transfer"), without the prior written consent of Landlord in each case, which consent, despite any statutory provision to the contrary, may be arbitrarily or unreasonably withheld; provided, however, that Tenant may enter into a Transfer with an Eligible Corporation, with the prior written consent of Landlord which consent may not be arbitrarily or unreasonably withheld. Tenant will not, and will not permit subtenant or any other Person or entity to mortgage or encumber all or any part of the Tenant's rights resulting from this Lease or all or any part of the Premises. Under no circumstances will Tenant be entitled to effect a Transfer to any one prior to the Commencement Date, notwithstanding anything to the contrary in this Lease or at law. The consent by Landlord to a Transfer will not constitute a waiver of its consent to a subsequent Transfer. This prohibition against transferring includes a Transfer by operation of law. If a Transfer occurs without the consent of Landlord when required, Landlord may collect rent from the assignee, subtenant, mortgagee, encumbrancer, user or occupant as the case may be (hereinafter the "**Transferee**"), and apply the net amount collected to the rent herein reserved, but no such Transfer, occupancy or collection will be deemed a waiver of the covenant not to Transfer without Landlord's consent, nor an acceptance by Landlord of the Transfer or the Transferee notwithstanding any rule of law or equity to the contrary. Despite a Transfer, Tenant remains fully liable under this Lease. A permitted Transfer of all or part of this Lease or the Premises will be documented by Landlord or its solicitors, and the amounts stipulated in Article 11.02(b)(iv) shall be paid by Tenant and deemed to be Rent. Notwithstanding anything contained in this Lease to the contrary, Landlord may immediately terminate this Lease if Tenant effects a Transfer without Landlord's prior written consent thereto, whether or not Tenant gives prior written notice thereof.

- 11.02 **Conditions** Any Transfer referred to in Article 11.01 or elsewhere in this Lease will be subject to the following conditions:

- (a) that Tenant causes any Transferee to promptly execute an agreement in writing with Landlord agreeing to be bound by the terms, provisions and conditions contained in this Lease as if such Transferee had originally executed this Lease as Tenant (provided that such agreement will not in any way affect the rights of Landlord under this Lease); and
- (b) all requests for Landlord's consent to effect a Transfer shall be in writing and be accompanied by each of the following: (i) the name, address and telephone number of each proposed Transferee and if it is a corporation, the names of the directors and the majority shareholders (or in the case of a change of control, those Persons who would subsequently acquire effective control); (ii) details of the proposed Transferee's prior business experience (including experience in the enterprise for which the Premises are to be operated pursuant to this Lease); (iii) bank and other credit references, required by Landlord to assess the business or financial strength and standing of the proposed assignee, subtenant or occupant; (iv) a non-reimbursable fee (paid by certified cheque or draft of a Canadian chartered bank) for all charges associated with Landlord's administration and documentation of the Transfer; (v) if the proposed Transferee is a corporation or other legal entity (but not an individual), its constating documents (including any articles of incorporation, amendment or amalgamation, any declarations of trust or partnership agreements and the like); (vi) details of the transaction of Transfer between Tenant and the proposed Transferee and all relevant documents with respect thereto; (vii) a signed copy of Landlord's standard form of letter of consent authorizing Landlord to make inquiries

regarding the personal affairs of the proposed Transferee or any principal thereof, and (viii) all other information or documentation which Landlord may reasonably require.

- 11.03 **Corporate Ownership** If after the date of execution of this Lease, securities not listed for sale on a recognized securities exchange in Canada either of Tenant or of an Eligible Corporation which controls Tenant are transferred by sale, assignment, bequest, inheritance, operation of law or other disposition, or issued by subscription or allotment or cancelled or redeemed, so as to result in a change in the effective voting or other control of Tenant or of an Eligible Corporation which controls Tenant by the Person or Persons holding control on the date of execution of this Lease or on the date when Tenant becomes a corporation, if later, or if other steps are taken to accomplish a change of the effective control of Tenant, Tenant will promptly notify Landlord in writing of the change which will be considered to be a Transfer of this Lease to which Articles 11.01 and 11.02 apply; and whether or not Tenant notifies Landlord, Landlord may terminate this Lease within 60 days after Landlord learns of the change unless Landlord previously had consented to the change in writing. Tenant will make available to Landlord or its lawful representatives all corporate books and records of Tenant and of any Eligible Corporation which controls Tenant for inspection at all reasonable times, to ascertain to the extent possible whether there has been a change of control.
- 11.04 **Insolvency of Transferee** In the event Transferee becomes insolvent or commits an act of bankruptcy and this Lease is disclaimed or terminated, or Transferee disclaims this Lease pursuant to any bankruptcy or insolvency legislation, or the terms of any insolvency-related Court order, then at Landlord's option to be exercised on written notice to the original Tenant named in this Lease or any Transferee (except the bankrupt or insolvent Transferee), such party will be deemed to have entered into a lease with Landlord for the remainder of the initial Term, on the terms and conditions of this Lease prevailing immediately prior to the date of such disclaimer, termination or repudiation (including without limitation, future Rent escalations (if any)) effective upon the effective date of such disclaimer, termination or repudiation.
- 11.05 **Permitted Transfers.** Notwithstanding the aforesaid, Tenant may, without the consent of Landlord, but on prior written notice to Landlord:
- (a) assign this Lease to, and may in any event permit the Premises to be used and occupied in whole or in part by, any affiliated corporation of Tenant (as such term "affiliated corporation" is defined by the Canada Business Corporations Act); or
 - (b) assign this Lease to any corporation with which Tenant merges or consolidates that is an affiliated corporation of Tenant; or
 - (c) grant concessions or licenses to use and occupy any part or parts of the Premises provided that: (i) the Premises continues to be carried on, and retains the appearance to the public of being carried on, as an integrated single department store operated in accordance with the requirements of this Lease, (ii) at least 80% (by number) of the concessions or licenses granted shall be to licensees or concessionaires which operate in a majority of the Tenant's other stores in the greater Vancouver area; and (iii) any such concessionaire, licensee or other occupant within the Premises is subject to the day-to-day operational control of the Tenant in matters related to general standards of the business carried on so as to enable the Tenant to ensure that such standards shall conform to the general standards of business of the Tenant itself.

ARTICLE 12.00 SURRENDER

- 12.01 **Possession** Upon the expiration of the Term or other termination of this Lease and in addition to the provisions of Article 12.02, Tenant will immediately quit and peaceably surrender possession of the Premises to Landlord:

- (i) in a vacant, clean and broom-swept condition with all of Tenant's signage, inventory, trade fixtures, racking and personal property removed; and
- (ii) without any material damage to the structural and building system elements of the Premises (inclusive, for certainty, of walls, ceilings, windows and storefronts) and with such building systems (inclusive of elevators and escalators) servicing the Premises in a working order, subject to reasonable wear and tear ;

but otherwise in an "as is, where is" condition and without any obligation to: (A) return the Premises or any component thereof to an improved or better state of condition or operation than existing as of the Commencement Date; or (B) to remove any leasehold improvements in the Premises installed pursuant to Article 7.04 hereof. For greater clarity, it is the intention of the parties that Tenant shall have no obligation to make cosmetic or "wear and tear" type repairs to the Premises upon surrender (such as repainting or repairing holes in walls, floors or ceilings caused by the typical installation and removal of racking, trade fixtures etc.).

Notwithstanding the foregoing, if the Landlord's intention is to demolish and/or redevelop the Premises following the expiry of the Term and not to re-tenant same, the Landlord shall advise the Tenant thereof in which event sub-paragraph (ii) above shall not apply.

Upon surrender, all right, title and interest of Tenant in the Premises will cease. If Tenant has registered a caveat, caution, memorandum notice or other instrument relating to this lease against title to the Land, it will cause the same to be released and discharged no later than 15 days following the expiry or termination date, failing which Landlord may following the expiry of a further 15 days after notice to Tenant, at its option, register a release or discharge immediately and Tenant hereby appoints Landlord as its agent with respect to executing such documents. The costs of preparing and/or registering a release or discharge of a notice of this will be paid by Tenant.

12.02 ***Trade Fixtures, Personal Property and Improvements***

- (a) Subject to Article 7.05, all alterations, additions and improvements made or to be made upon or to the Premises (save any movable trade fixtures used in Tenant's enterprise) which in any manner are attached in, to or under the floors, walls or ceilings, including, without limitation, walk-in vaults, large water features such as pools, water basins and fountains and landscaping features, any component of any heating, ventilating, air-conditioning, sprinkler, plumbing or electrical equipment or systems, presently or in the future installed within or servicing the Premises, all lighting installations and fixtures including, without limitation, all spot lights and tracks and all floor finishes of whatever nature placed upon the floor of the Premises, all storefronts, doors and/or partitions, shall become Landlord's property at the time they are installed, and will be surrendered to Landlord at the expiry of the Term or sooner termination of this Lease without any compensation or indemnity payable to Tenant whatsoever.
- (b) If Tenant leaves any property on the Premises following the expiry of the Term or earlier termination thereof which it is entitled to remove, then unless Landlord expressly notifies Tenant to remove such property, the ownership of such property will, at Landlord's option, be deemed to have been abandoned to Landlord, free and clear of all Tenant Security, notwithstanding any law or agreement to the contrary and whether or not Landlord chooses to become the owner of such items, they may be used, removed or disposed of by or on behalf of Landlord, as Landlord determines, without compensation payable to Tenant and without incurring any liability to Tenant.

12.03 ***Merger*** The voluntary or other surrender of this Lease by Tenant or the cancellation of this Lease by mutual agreement of Tenant and Landlord will not work a merger, and will, at Landlord's option, either terminate all or any subleases and subtenancies or operate as an assignment to Landlord of all or any subleases and subtenancies. Landlord's option hereunder will be exercised by notice to Tenant and all sublessees or subtenants in the Premises or any part thereof known to Landlord. If Landlord does not give notice within a reasonable period of time after such cancellation of this Lease, then all such subleases will be deemed to have been terminated on the date of such cancellation.

12.04 ***Payments After Termination*** No payment of money by Tenant to Landlord after the expiration of the Term or other termination of this Lease or after the giving of any notice by Landlord to Tenant, will reinstate, continue or extend the Term or make ineffective any notice given to Tenant prior to the payment of such money. After the service of notice or the commencement of a suit, or after final judgment granting Landlord possession of the Premises, Landlord may receive and collect any sums of Rent due under this Lease, and the payment thereof will not make ineffective any notice, or in any manner affect any pending suit or any judgment theretofore obtained.

ARTICLE 13.00

HOLDING OVER

13.01 ***Month-to-Month Tenancy with Landlord Consent*** If with Landlord's written consent, Tenant remains in possession of the Premises after the expiration of the Term or other termination of this Lease, notwithstanding any legislation to the contrary, Tenant will be deemed to be occupying the Premises on a month-to-month tenancy only, at a monthly rental equal to the Rent payable by Tenant during the last month immediately preceding the expiration of the Term or such other rental as is stated in such written consent, and such month-to-month tenancy may be terminated by Landlord or Tenant on the last day of any calendar month by delivery of at least one (1) month's advance written notice of termination to the other.

13.02 ***Tenancy at Sufferance*** If without Landlord's written consent Tenant remains in possession of the Premises after the expiration of the Term or other termination of this Lease, Tenant will be deemed to be occupying the Premises upon a tenancy at sufferance only, at a monthly rental equal to two (2) times the Rent payable during the last month preceding the expiration or termination. Such tenancy at sufferance may be immediately terminated by Landlord at any time by notice of

termination to Tenant, and by Tenant on the last day of any calendar month by at least 30 days' advance written notice of termination to Landlord.

- 13.03 **General** Any month-to-month tenancy or tenancy at sufferance hereunder will be subject to all other terms, provisions and conditions of this Lease except any right of renewal or extension and nothing contained in Article 13.00 will be construed to limit or impair any of Landlord's rights of re-entry or eviction or constitute a waiver thereof.

ARTICLE 14.00 RULES AND REGULATIONS

- 14.01 **Purpose** The Rules and Regulations in Exhibit D (the "Rules and Regulations") have been adopted by Landlord for the safety, benefit and convenience of all tenants and other persons in the Shopping Centre.
- 14.02 **Observance** Tenant will at all times comply with, and will cause its employees, servants, agents, licencees and invitees to comply with the Rules and Regulations from time to time in effect.
- 14.03 **Modification** Landlord may from time to time, for the purposes set out in Article 14.01, amend, delete from, or add to the Rules and Regulations, provided that any such modification:
- (a) will not be repugnant to or inconsistent with any other provision of this Lease;
 - (b) will be reasonable and have general application to tenants in the Shopping Centre; and
 - (c) will be effective only upon delivery of a copy thereof to Tenant at the Premises.
- 14.04 **Non-Compliance** Landlord will use reasonable efforts to secure compliance by all tenants and other persons in the Shopping Centre with the Rules and Regulations from time to time in effect, but will not be responsible to Tenant for failure of any person to comply with such Rules and Regulations.

ARTICLE 15.00 EXPROPRIATION

- 15.01 **Expropriation** Both Landlord and Tenant agree to cooperate with each other in respect of any expropriation of all or any part of the Premises or any other part of the Shopping Centre, so that each may receive from the Authority the maximum award to which each is respectively entitled by law. If any portion of the Shopping Centre other than the Premises is expropriated, then the proceeds accruing therefrom shall belong solely to Landlord, and Tenant shall abandon to Landlord any rights which Tenant may have by operation of law to such proceeds or award. Tenant will execute such documents as required to give effect to the foregoing.

If at any time during the Term, any material part of the Shopping Centre is expropriated or if access to the Premises is materially affected by such expropriation, then Landlord may terminate this Lease on written notice to Tenant, which termination will take effect on the earlier of the date of the expropriation or the taking of prior possession.

Whether the Lease is terminated or not, Tenant shall have no claim against Landlord as a result of or arising from the expropriation of all or any part of the Shopping Centre or the Premises.

If Landlord exercises its right of termination hereunder, this Lease will terminate on the date stated in the notice, provided, however, that no termination pursuant to notice hereunder may occur later than 60 days after the date (hereinafter "Date of Such Taking") on which the Authority takes possession of that part of the Shopping Centre so taken.

- 15.02 **Surrender** On any such date of termination under Article 15.01, Tenant will immediately surrender to Landlord the Premises and all interests therein under this Lease. Landlord may re-enter and take possession of the Premises and remove Tenant therefrom, and the Rent will abate on the date of termination, except that if the Date of Such Taking differs from the date of termination, Rent will abate on the former date.
- 15.03 **Partial Taking of Premises** If any portion of the Premises (but less than the whole thereof) is so taken, and no rights of termination herein conferred are timely exercised, the Term of this Lease will expire with respect to the portion so taken on the Date of Such Taking. In such event the Rent payable hereunder with respect to such portion so taken will abate on such date, and the Rent thereafter payable with respect to the remainder not so taken will be adjusted pro rata by Landlord in order to account for the resulting reduction of the Area of the Premises. After such adjustment,

and on notice from Landlord stating the Rent then owing, Tenant will immediately pay Landlord such Rent.

ARTICLE 16.00

DAMAGE BY FIRE OR OTHER CASUALTY

- 16.01 **Limited Damage to Premises** If all or part of the Premises are rendered untenantable by damage from fire or other casualty which, in the reasonable opinion of the Architect, can be substantially repaired under applicable laws and governmental regulations within 180 days from the date of such casualty (employing normal construction methods without overtime or other premium), Landlord will immediately at its own expense repair such damage other than damage to improvements, furniture, chattels or trade fixtures which do not belong to Landlord or which have been installed by or on behalf of Tenant, which instead will be repaired immediately by Tenant at Tenant's own expense.
- 16.02 **Major Damage to Premises** If all or part of the Premises are rendered untenantable by damage from fire or other casualty which, in the reasonable opinion of the Architect, cannot be substantially repaired under applicable laws and governmental regulations within 180 days from the date of such casualty (employing normal construction methods without overtime or other premium), then Landlord, or in the event that there is less than two (2) years remaining in the Term, Tenant, may elect to terminate this Lease as of the date of such casualty by written notice delivered to the other not more than 20 days after receipt of the Architect's opinion, failing which Landlord will forthwith at its own expense repair such damage other than damage to improvements, furniture, chattels or trade fixtures which do not belong to Landlord or which have been installed by or on the behalf of Tenant, which instead will be repaired forthwith by Tenant at Tenant's own expense.
- 16.03 **Abatement** If Landlord is required to repair damage to all or part of the Premises under Article 16.01 or 16.02, provided such damage is caused by a peril Landlord is required to insure against pursuant to Article 9.01, the Rent payable by Tenant under this Lease will be proportionately reduced to the extent that the Premises are thereby rendered untenantable by Tenant in its business, from the date of such casualty until five (5) days after completion by Landlord of the repairs to the Premises (or the part thereof rendered untenantable) or until Tenant again uses the Premises (or the part thereof rendered untenantable) in its business, whichever first occurs.
- 16.04 **Major Damage or Destruction of Shopping Centre** Notwithstanding any contrary provision of this Lease and specifically, but without limitation, Article 16.01, if the Shopping Centre is totally or partially damaged or destroyed (whether the Premises are affected or not), and (i) in the Architect's opinion, the damaged or destroyed portions cannot reasonably be repaired, restored or rebuilt within one hundred and eighty (180) days following the occurrence of the damage or destruction (employing normal construction methods without overtime or other premium); or (ii) the cost as estimated by the Architect, of repairing, restoring or rebuilding the damaged or destroyed portions would exceed the proceeds of insurance available to Landlord for such purpose; or (iii) the damage or destruction was caused by a peril for which Landlord was not insured and for which Landlord was not obliged to insure against; or (iv) intentionally deleted; ; or (v) less than two (2) years remains during the Term; or (vi) a Mortgagee will not consent to the use of insurance proceeds for repair or reconstruction; then in any of the above cases, Landlord may, at its option (to be exercised by written notice to Tenant within 30 days following any such occurrence) elect to terminate this Lease.

If Landlord elects to terminate this Lease, then the following provisions will apply:

- (a) If the Premises become totally unfit for the use for which they were leased, the termination will take effect from the date of the damage or destruction and the Rent will cease to be payable and will be adjusted as of that date.
- (b) If the Premises are partially damaged and Tenant has occupied any part of the Premises or any part of the Premises have been reasonably capable of being occupied from the date of the damage or destruction, this Lease will terminate ten (10) days from Landlord's notice stipulated in the first paragraph of this Article 16.04 and the Rent will cease to be paid by Tenant as of the date of termination, however, Minimum Rent and Additional Rent will abate from the date of the damage and destruction until the date of termination to the extent the Premises cannot reasonably be used for their intended purposes.
- (c) If the Premises were not damaged, this Lease will terminate ten (10) days from Landlord's notice stipulated in Article 16.00 and the Rent will cease to be paid from such date of termination.

If the Shopping Centre is totally or partially damaged or destroyed and Landlord does not elect to terminate this Lease, subject to the following, Landlord shall commence and proceed diligently to reconstruct or repair those portions of the Shopping Centre which have been so damaged or

destroyed to the extent only of Landlord's responsibilities pursuant to the terms of the various leases for premises in the Shopping Centre and exclusive of any tenants' responsibilities. Furthermore, if the Premises are being repaired or reconstructed, the provisions of Article 16.01 will apply.

If Landlord does any reconstruction or repairing of the Shopping Centre, Landlord may do any one or more of the following: (i) use plans, specifications and working drawings which differ from those applicable to the Shopping Centre existing prior to the damage or destruction provided that the enjoyment Tenant may obtain from the Premises is of a similar or superior quality to that which existed prior to the damage or destruction; (ii) change the configuration, design and/or size of the Shopping Centre or any of its component parts including, without limitation, the location and size of any mall, court, entrance, parking facility or any of other Common Areas and Facilities provided that the enjoyment Tenant may obtain from the Premises is of a similar or superior quality to that which existed prior to the damage or destruction; and (iii) redesign the tenant mix, both with respect to the kinds of uses which will be included in the tenant mix, as well as the physical location of the types of uses being operated prior to the damage or destruction. Tenant agrees that none of the foregoing shall constitute a default of Landlord's obligation to provide peaceable enjoyment of the Premises, nor shall it constitute a change of form or destination of the Shopping Centre, nor shall the validity or enforceability of this Lease be affected in any manner by any of the foregoing.

ARTICLE 17.00

TRANSFERS AND MORTGAGES BY LANDLORD

- 17.01 ***Sales, Conveyance and Assignment*** Nothing in this Lease (which term for purpose of this Article 17.00 includes any extension, renewal or replacement of this Lease) will restrict the right of Landlord to sell, convey, assign, mortgage or otherwise deal with all or any part of the Shopping Centre, subject only to the rights of Tenant under this Lease.
- 17.02 ***Effect of Sale, Conveyance or Assignment*** A sale, conveyance or assignment of the Shopping Centre will operate to release Landlord from liability from and after the date thereof upon all the covenants, terms and conditions of this Lease, express or implied, except as such may relate to the period prior to such effective date, and Tenant will thereafter look solely to Landlord's successor in interest in and to this Lease. This Lease will not be affected by any such sale conveyance or assignment, and Tenant will attorn to Landlord's successor in interest thereunder.
- 17.03 ***Definition of Mortgage, Mortgagee and Mortgagee's Interest*** Each and every charge, mortgage, debenture or trust deed, now or hereafter registered against all or any part of the Shopping Centre is hereafter called a "Mortgage" which term includes all amounts advanced or to be advanced thereunder and all renewals, modifications, consolidations, replacements and extensions thereof. "Mortgagee" means a chargee or mortgagee named in a Mortgage, or the holder of a debenture or the trustee under a trust deed constituting a Mortgage, as the case may be; and "Mortgagee's Interest" means the estate or interest of the Mortgagee secured by a Mortgage.
- 17.04 ***Subordination of Mortgage to Lease*** If this Lease or the estate or interest of Tenant thereunder (the "Tenant's Leasehold Interest") is subordinate to a Mortgage or Mortgagee's Interest now or at any time hereafter, then on written request of the Mortgagee or of Landlord on Mortgagee's behalf, made concurrently with execution of this Lease or at any time thereafter, the Mortgage and the Mortgagee's Interest will be postponed and made subordinate to this Lease and the Tenant's Leasehold Interest as if such Mortgage had been executed, delivered, registered and fully advanced after the execution, delivery and registration of this Lease, by means of an instrument of postponement and subordination, which will be entered into between Tenant and the Mortgagee, provided that Tenant shall have the right to peacefully and quietly hold and enjoy the Premises pursuant to and provided that it complies with the terms and conditions of the Lease. Such instrument will be in such form as the Mortgagee may reasonably require, consistent with this Article 17.04 and Article 17.07 and will be effective between the Mortgagee and Tenant when executed by them, without necessity for registration against title to the Shopping Centre; but if desired by the Mortgagee or Tenant, either of them may register such agreement or notice thereof and for that purpose the Mortgagee and Tenant will enter into any further document required to effect registration.
- 17.05 ***Attornment*** If this Lease and Tenant's Leasehold Interest now or at any time hereafter is subordinate to a Mortgage and Mortgagee's Interest and the Mortgagee does not require a postponement and subordination instrument under Article 17.04, Tenant will on request of such Mortgagee or of Landlord on behalf of the Mortgagee, made concurrently with execution of this Lease or at any time thereafter, enter into an attornment agreement with such Mortgagee in such form as the Mortgagee may reasonably require, whereby Tenant will agree that if default occurs under the Mortgage, and:
- (a) the Mortgagee takes possession of the Premises, by obtaining and enforcing a court order to that effect or otherwise;

- (b) the Mortgagee forecloses or otherwise acquires the interest of Landlord in the Premises, but does not foreclose the Tenant's Leasehold Interest; or
- (c) the Mortgagee sells, conveys or assigns the Premises to another party (hereinafter a "Purchaser") pursuant to a power of sale or court order for sale which does not purport to sell the Premises free of the Tenant's Leasehold Interest,

Tenant will, on written demand of the Mortgagee or Purchaser as the case may be, attorn to and become the tenant of that person from and including the date the demand is received, for the balance of the term of this Lease (and with rights of renewal if any as provided in this Lease), at the rents and otherwise on the terms of this Lease, subject as hereinafter provided in Article 17.06, provided that Tenant shall have the right to peacefully and quietly hold and enjoy the Premises pursuant to and provided that Tenant complies with, all the terms and conditions of the Lease.

17.06 ***Intentionally deleted.***

17.07 ***Effect of Subordination or Attornment*** No subordination effected under Article 17.04 and no attornment effected under Article 17.05 will render the Mortgagee or Purchaser, as the case may be:

- (a) liable for any act or omission of Landlord or a predecessor in title of Landlord; or
- (b) subject to any offsets or defenses which Tenant might have against Landlord or a predecessor in title of Landlord; or
- (c) bound by any prepayment by Tenant of more than one month's instalment of Rent, or by any previous modification of this Lease, unless such prepayment or modification has been approved in writing by the Mortgagee or Purchaser or any predecessor in interest except Landlord.

Upon attornment occurring under Article 17.05, the relationship of landlord and tenant thereby created between the Mortgagee or Purchaser as the case may be, as Landlord, and Tenant as tenant, will supersede this Lease, but if the Mortgage is subsequently redeemed or put in good standing or the Mortgagee goes out of possession, the Mortgagee will be relieved of its obligations to Tenant as if a sale, conveyance or assignment had occurred to which Article 17.02 applied.

Any attornment by Tenant to a Mortgagee or Purchaser will be without prejudice to the right (when applicable) of any other mortgagee or purchaser that has priority to the Mortgagee or Purchaser to demand that Tenant attorn to the other mortgagee or purchaser pursuant to the rights if any, of the other mortgagee or purchaser in that regard under Article 17.00. In case of such demand being lawfully made, and Tenant attorning to such other mortgagee or purchaser the attornment previously made to the Mortgagee or Purchaser will cease to be effective.

17.08 ***Tenant's Obligations May Be Assigned*** Tenant acknowledges that its covenants and obligations under Article 17.00 are intended in whole or in part to operate for the benefit of any and all Mortgagees and Purchasers and that in obtaining such covenants and obligations Landlord is acting not only for itself, but also as trustee or agent for all such persons. Without limiting the foregoing, Landlord may assign the benefit of such covenants and obligations to any and all Mortgagees or Purchasers who request same, as security or otherwise, and Tenant agrees that any such Mortgagee or Purchaser will be entitled on receiving such assignment and giving due notice thereof to Tenant, to enforce such covenant or obligation against Tenant to the same extent as if it were a party to this Lease directly entitled to the benefit of such covenants and obligations.

17.09 ***Execution of Instruments*** Except as otherwise provided in Article 17.00, the subordination and attornment provisions herein will be self-operating and no further instrument will be required. Nevertheless Tenant, on request by and without cost to Landlord, any Mortgagee, Purchaser or successor in interest, will execute and deliver any and all instruments further evidencing such subordination and/or attornment when applicable.

17.10 ***Intentionally deleted.***

17.11 ***Intentionally deleted.***

17.12 ***Notice of Lease*** Tenant may register at its sole cost and expense (including, without limitation, payment of all registration fees, land transfer and similar taxes or charges, costs of plan preparation and registration and all legal fees and disbursements related to such registration) a notice, caveat

or short form of this Lease (the “Registration Document”) to give notice of Tenant’s interest created by this Lease, provided and subject to the following:

- (a) the Registration Document will be prepared by Tenant at its sole cost in a form acceptable to Landlord, and same will be approved in writing by Landlord prior to its registration;
 - (b) the Registration Document will only disclose the names of the parties to this Lease, the Premises, and the Commencement Date and the expiry date of the Term, and any right of renewal. The Registration Document will not disclose any information concerning the rent or rental rates to be paid, nor any other financial provisions of this Lease;
 - (c) the Registration Document will only indicate and be registered against title to that portion or those parcels of the Site or Shopping Centre as Landlord may designate in its sole discretion. Further, in the event any portion of the Land ceases to form part of the Shopping Centre, Tenant will, forthwith upon request from Landlord, cause its registration to be discharged, vacated or otherwise removed from the title to such portion all at its own expense;
 - (d) in the event that, in order to effect registration, the Registration Document must be executed by any party other than Landlord and Tenant, Landlord will request such consent or execution of that party, but the sole cost of obtaining same will be borne by Tenant and Landlord will not be liable to Tenant in the event that such consent or execution is not obtained;
 - (e) Tenant will provide Landlord with a copy of the Registration Document and registration particulars thereof, once registration has been effected; and
 - (f) Upon the expiry or early termination of this Lease, Tenant will, at its sole expense, cause the Registration Document to be discharged, vacated or otherwise removed from title to the Site and Shopping Centre and to provide proof of such action to Landlord, within 15 days of such expiry or early termination, failing which Landlord may following the expiry of a further 15 days after notice to Tenant, at its option, register a release or discharge immediately and Tenant hereby appoints Landlord as its agent with respect to executing such documents. The costs of preparing and/or registering a surrender of this Lease or a discharge of caveat, caution or other document or instrument will be paid by Tenant.
- 17.13 ***Easements and Rights-of-Way*** Tenant acknowledges and agrees that Landlord has granted or otherwise created and may in the future grant or otherwise create licence(s), easement(s), statutory right(s) of way, Operating Agreements and restrictive covenant(s) over, through, upon or otherwise affecting portions of the Common Areas and Facilities. Tenant hereby consents to the granting or other creation of such licence(s), easement(s), statutory right(s) of way, Operating Agreements and restrictive covenant(s).
- 17.14 ***Severance of Land*** In addition to and upon the same basis, mutatis mutandis, as set out in Article 6.04, Landlord will have the right from time to time to subdivide and to transfer, lease or otherwise dispose of any portion or portions of the Land. Any such subdivision may be accomplished by any means Landlord may consider desirable and the description of the Land will be changed accordingly.

ARTICLE 18.00 NOTICES, ACKNOWLEDGMENTS, AUTHORITIES FOR ACTION

- 18.01 ***Notices*** Any notice from one party to the other under this Lease will be in writing and will be deemed duly given, if delivered personally, by an authorized representative of Tenant or Landlord or by courier, or bailiff to the party being given such notice or to a responsible employee of the party being given such notice, or if mailed in Canada by registered or certified mail addressed to Tenant at the address described in Article 1.01, or to Landlord at the address described in Article 1.01 of this Lease. Any notice will be deemed to have been given at the time of personal delivery, or if mailed, on the third (3rd) postal delivery date after the date of mailing thereof or the date of refusal thereof. Either party will have the right to designate by notice, in the manner above set forth, a different address to which notices are to be given. If it is reasonably anticipated that, due to mail service being disrupted, such notice, if mailed, will not be received by the third (3rd) postal delivery day following mailing, then such notice must be personally delivered as provided in this Article 18.01 or, in lieu of mailing, sent by the most reasonably expeditious means of delivery available to the address for mailing and will be deemed duly given upon such delivery. Notwithstanding any law or agreement to the contrary, notices shall not be sufficiently given if delivered or transmitted by facsimile or other electronic means.
- 18.02 ***Acknowledgments*** Within ten (10) business days after written request therefor by Landlord, Tenant shall deliver an Estoppel Certificate addressed to any Person (other than the Landlord)

designated by Landlord, in the form annexed as Exhibit F or such other substantially similar form which Landlord may submit to Tenant.

- 18.03 ***Authorities for Action*** Landlord may act in any matter provided for herein by its property manager, Management Company or any other person who will from time to time be designated by Landlord by notice to Tenant. Tenant will designate in writing one or more persons to act on its behalf in any matter provided for herein and may from time to time change, by notice to Landlord, such designation. In the absence of any such designation, the person or persons executing this Lease for Tenant will be deemed to be authorized to act on behalf of Tenant in any matter provided for in this Lease.

ARTICLE 19.00 DEFAULT

- 19.01 ***Interest and Costs*** Tenant will pay to Landlord the Interest Rate upon all Rent required to be paid under this Lease from the due date for payment thereof until the same is fully paid and satisfied. Tenant will indemnify Landlord against all costs and charges (including legal fees) reasonably incurred in enforcing payment thereof, and in obtaining possession of the Premises after default of Tenant or upon expiration of the Term or earlier termination of this Lease, or in enforcing any covenant, proviso or agreement of Tenant contained in this Lease.
- 19.02 ***Right of Landlord to Perform Covenants*** All covenants and agreements to be performed by Tenant under any of the terms of this Lease shall be performed by Tenant, at Tenant's sole cost and expense, and without abatement of Rent. If Tenant fails to perform any act on its part to be performed under this Lease, and such failure continues for ten (10) days after notice thereof from Landlord, Landlord may (but will not be obligated so to do) perform such act without waiving or releasing Tenant from any of its obligations relative thereto. All sums paid or costs incurred by Landlord in so performing such acts under this Article 19.02, together with interest thereon at the rate set out in Article 19.01 from the date each such payment was made or each such cost was incurred by Landlord, plus 20% of such costs for Landlord's administration and overhead, will be payable by Tenant to Landlord on demand.
- 19.03 ***Events of Default*** If and whenever:
- (a) part or all of the Rent hereby reserved is not paid when due, whether lawfully demanded or not, and such default continues fifteen (15) days after notice by Landlord; or
 - (b) Tenant fails to observe, perform and keep each and every of the covenants, agreements, provisions, stipulations and conditions herein contained to be observed, performed and kept by Tenant (other than payment of Rent) and persists in such failure after thirty (30) days notice by Landlord specifying with reasonable particularity the nature of such failure and requiring that Tenant remedy, correct, desist or comply (or if any such breach would reasonably require more than thirty (30) days to rectify, unless Tenant commences rectification within the thirty (30) day notice period and thereafter promptly, effectively and continuously proceeds with the rectification of the breach to completion of rectification); or
 - (c) any goods, chattels or equipment of Tenant is taken or exigible in execution or in attachment or if a writ of execution is issued against Tenant; or
 - (d) Tenant becomes insolvent or commits an act of bankruptcy or becomes bankrupt or takes the benefit of any statute that may be in force for bankrupt or insolvent debtors or becomes involved in voluntary or involuntary winding-up or dissolution or liquidation proceedings or if a receiver will be appointed for the business, property, affairs or revenues of Tenant; **Tenant covenants and agrees that it shall provide Landlord with: (i) 30-day prior written notice of Tenant's intention to seek any form of relief pursuant to any bankruptcy or insolvency legislation in Canada and/or in the United States, (ii) notwithstanding subparagraph (i) hereof, to the extent Tenant should decide to seek such relief on a more immediate basis, Tenant shall provide written notice within 24 hours of any resolution approving such action, (iii) immediate (and no more than 24 hours) notice of any creditor or other party serving or proving notice of any proceeding against or in respect of the Tenant pursuant to any bankruptcy or insolvency legislation in Canada and/or in the United States, (iv) 5 business day prior written notice of the Tenant signing of a forbearance agreement with one or more creditor(s); or**
 - (e) any person other than Tenant or a Transferee permitted under this Lease has or exercises the right to manage or control the Premises, any part thereof or any business carried on in the Premises, other than subject to the actual, direct and full supervision and control of Tenant; or

- (f) Tenant makes a bulk sale of its goods or moves or commences, attempts or threatens to move its goods, chattels or equipment out of the Premises (other than in the normal course of its business) or Tenant ceases to conduct business from the Premises or the Premises are not open for business to the public on any three (3) consecutive days that Tenant is required to conduct its business in the Premises or on more than five (5) days that Tenant is required to conduct its business in the Premises in any twelve (12) month period; or
- (g) a Transfer is effected or any Tenant Security is granted in any manner other than as permitted by this Lease; or

then and in any of such cases, at the option of Landlord, the full amount of the current month's and the next ensuing three (3) months instalments of Rent will immediately become due and payable together with all tenant allowance monies paid to Tenant or the value of other inducements given to Tenant (such as, but not limited to, rent-free periods) in accordance with the provisions of this Lease or any other agreement between Landlord and Tenant relating to the Premises (such allowances and inducements hereinafter referred to as "**Tenant Inducements**") and Landlord may immediately take legal proceedings for the same, together with any arrears then unpaid; and Landlord may without notice or any form of legal process forthwith re-enter upon and take possession of the Premises or any part thereof in the name of the whole and expel all Persons from the Premises and remove and sell or dispose of Tenant's goods, personal property and trade fixtures therefrom as Landlord sees fit, or store property such at the cost of Tenant, any rule of law or equity to the contrary notwithstanding all without liability and loss or damage and wholly without prejudice to the rights of Landlord to recover arrears of Rent or damages for any antecedent default by Tenant of its obligations or agreements under this Lease or of any term or condition of this Lease, and wholly without prejudice to the rights of Landlord to recover from Tenant damages for loss of Rent suffered by reason of this Lease having been prematurely terminated. Any such sale may be effected in the discretion of Landlord by public auction or otherwise, and either in bulk or by individual item, or partly by one means and partly by another, all as Landlord in its entire discretion may decide. If any of Tenant's property is disposed of as provided in this Article 19.03, ten (10) days prior notice to Tenant of disposition will be deemed to be commercially reasonable.

19.04 ***Waiver of Exemption and Redemption*** Notwithstanding anything contained in any statute now or hereafter in force limiting or abrogating the right of distress, none of Tenant's goods, chattels or trade fixtures on the Premises at any time during the continuance of the Term will be exempt from levy by distress for Rent in arrears and upon any claim being made for such exemption by Tenant or on distress being made by Landlord this agreement may be pleaded as an estoppel against Tenant in any action brought to test the right to the levying upon any such goods as are named as exempted in any such statute, Tenant hereby waiving all and every benefit that could or might have accrued to Tenant under and by virtue of any such statute but for this Lease. Tenant hereby expressly waives any and all rights of redemption granted by or under any present or future laws in the event of Tenant being evicted or dispossessed for any cause, or in the event of Landlord obtaining possession of the Premises, by reason of the violation by Tenant of any terms and conditions of this Lease or otherwise.

19.05 ***Surrender*** If and whenever Landlord is entitled to or does re-enter, Landlord may terminate this Lease by giving notice thereof, and in such event Tenant will forthwith vacate and surrender the Premises.

19.06 ***Payments*** If Landlord re-enters or if this Lease is terminated, Tenant will pay to Landlord on demand:

- (a) Rent up to the time of re-entry or termination, whichever will be the later, plus three (3) months' accelerated rent as herein provided; and
- (b) all expenses incurred by Landlord in performing any of Tenant's obligations under this Lease, re-entering or terminating and re-letting, collecting sums due or payable by Tenant, realizing upon assets seized (including brokerage, legal fees and disbursements), and the expense of keeping the Premises in good order, repairing the same and preparing them for re-letting; and
- (c) as damages (subject to the Landlord's obligation to mitigate at law) for the loss of income of Landlord expected to be derived from the Premises, the amounts (if any) by which the Rent which would have been payable under this Lease exceeds the payments (if any) received by Landlord from other tenants in the Premises, payable on the first (1st) day of each month during the period which would have constituted the unexpired portion of the Term had it not been terminated, or if elected by Landlord by notice to Tenant at or after re-entry or termination, a lump sum amount equal to the Rent which would have been payable under this Lease from the date of such election during the period which would have constituted the unexpired portion of the Term, had it not been terminated, reduced by the rental value of the Premises for the same period, established by reference to the terms and conditions upon which Landlord re-lets them if such re-letting is accomplished within a reasonable period after termination, and otherwise established by reference to all market and other relevant circumstances; Rent and rental value being reduced to present worth at an assumed interest rate of ten percent (10%) on the basis of Landlord's estimates and assumptions of fact which will govern unless shown to be erroneous; and
- (d) all Tenant Inducements given by Landlord to Tenant in respect of the Premises.

19.07 ***Remedies Cumulative*** No reference to nor exercise of any specific right or remedy by Landlord will prejudice or preclude Landlord from exercising or invoking any other remedy in respect thereof, whether allowed at law or expressly provided for in this Lease. No such remedy will be exclusive or dependent upon any other such remedy, but Landlord may from time to time exercise any one or more of such remedies independently or in combination.

19.08 ***Waiver*** In the event Tenant is in default in performing any of its obligations (including without limitation, the payment of any Rent), and Landlord shall have instituted proceedings to cancel, terminate or to confirm its cancellation or termination of this Lease, Tenant shall not have any right

to prevent such cancellation or termination by remedying its default or defaults subsequent to the institution of such legal proceedings.

19.09 ***Intentionally deleted.***

19.10 ***Additional Recourses*** If Tenant is in default to fulfill any of its obligations under this Lease and in particular its obligations pursuant to Articles 5.03, 5.10 and 18.02 of this Lease, then in addition to and without prejudice to any other rights or recourses of Landlord hereunder, Landlord may, at its option, obtain injunctive relief to enforce the fulfillment of any obligation to do or not to do, Tenant hereby expressly acknowledging and agreeing that this Article 19.10 constitutes a waiver against any defense to Landlord's application for injunctive relief made to enforce the fulfillment of any obligation to do or not to do.

19.11 ***Non-Waiver*** No condoning, excusing or over-looking by either party of any default by the other at any time in respect of any of its obligations shall operate as a waiver of Landlord's or Tenant's rights hereunder in respect of any such default or any subsequent default or so as to defeat or affect in any way the rights of Landlord or Tenant in respect of any such default or subsequent default. No waiver shall be inferred from or implied by anything done or omitted to be done by Landlord or Tenant save only where such waiver is expressed in writing.

Without limiting the general application hereof, the acceptance of any sums of money, statements of account or reports that Tenant or Landlord must pay or provide pursuant to this Lease, shall not constitute a renunciation of the rights of Landlord or Tenant in virtue of theses presents.

19.12 ***Shopping Centre Assets*** Only the Shopping Centre assets and any property exclusively related thereto shall serve to satisfy the obligations of Landlord under this Lease or in virtue of any responsibility of Landlord resulting from its fault. Tenant recognizes and declares, without reserve, that any recourse by Tenant against Landlord based on, or in virtue of, this Lease or resulting from any fault of Landlord, shall be restricted and can only be executed against the Shopping Centre, to the exclusion of all other property belonging to Landlord.

19.13 ***Real Estate Investment Trust*** In the event that a real estate investment trust (a "REIT") should be at any time bound by the covenants of Landlord hereunder or incur any liability as Landlord hereunder, then notwithstanding anything contained in this Lease or at law, such covenants and liability hereunder and under all other agreements entered into pursuant hereto, if any, shall not be personally binding upon and resort shall not be had to, nor shall recourse of satisfaction be sought from, the private property of any of the trustees of the REIT, unitholders of the REIT, annuitants under a plan of which the REIT or any unitholder acts as a trustee or carrier, or officers, employees or agents of the REIT or directors or officers of any of its nominees, although this provision shall not constitute a bar to any action against the REIT for specific performance of this Lease or performance of any obligation of the REIT arising from or in connection with its obligations, if any, under this Lease or other agreements entered into pursuant hereto.

ARTICLE 20.00 ***Intentionally deleted.***

ARTICLE 21.00 **MISCELLANEOUS**

21.01 ***Relationship of Parties*** Nothing contained in this Lease will create any relationship between parties to this Lease other than that of landlord and tenant, and it is acknowledged and agreed that Landlord does not in any way or for any purpose become a partner of Tenant in the conduct of its business, or a joint venturer or a member of a joint or common enterprise with Tenant.

21.02 ***Consent Not Unreasonably Withheld*** Except as otherwise specifically provided, whenever consent or approval of Landlord or Tenant is required under the terms of this Lease, such consent or approval will not be unreasonably withheld or delayed. Tenant's sole remedy if Landlord unreasonably withholds or delays consent or approval will be an action for specific performance, and Landlord will not be liable for damages. If either party withholds any consent or approval, such party will on written request deliver to the other party a written statement giving the reasons therefor.

21.03 ***Applicable Law and Interpretation*** This Lease will be governed by and interpreted under the laws of the jurisdiction in which the Shopping Centre is located, and its provisions will be interpreted as a whole according to their common meaning and not strictly for or against Landlord or Tenant. The words "Landlord" and "Tenant" will include the plural as well as the singular. If this Lease is executed by more than one party as Tenant, Tenant's obligations under this Lease will be joint and several obligations of such executing parties. Time is of the essence of this Lease and each of its

provisions. The captions of the Articles are included for convenience only, and will have no effect upon the interpretation of this Lease.

Certain text in this Lease has been bolded and underlined and certain text has been deleted by way of a line through applicable text. Such bolding and underlining and lines through the applicable text have been used to identify changes to Landlord's standard form of lease for the Shopping Centre. All bolded and underlined text will be read as if not bolded and underlined and all text deleted by way of a line will be deemed not to exist.

- 21.04 ***Entire Agreement*** This Lease (together with any other agreement entered into by the Landlord, the Tenant and/or its or their affiliates in connection with this Lease) contains the entire agreement between the parties hereto with respect to the subject matter of this Lease and except as otherwise expressly set forth in this Lease, this Lease supersedes and revokes all previous negotiations, arrangements, letters of intent, offers to lease, lease proposals, brochures, agreements, representations, promises, warranties, understandings, and information conveyed, whether oral or in writing, between the parties hereto or their respective representatives or any other person purporting to represent Landlord or Tenant. Tenant acknowledges and agrees that it has not relied upon any statement, representation, agreement or warranty except such as are expressly set out in this Lease.
- 21.05 ***Amendment or Modification*** Unless otherwise specifically provided in this Lease, no amendment, modification, or supplement to this Lease will be valid or binding unless set out in writing and executed by the parties hereto in the same manner as the execution of this Lease.
- 21.06 ***Construed Covenants and Severability*** All of the provisions of this Lease are to be construed as covenants and agreements as though the words importing such covenants and agreements were used in each separate Article hereof. If any term, proviso, covenant or condition of this Lease or the application thereof to any person or circumstance is to any extent held or rendered invalid, void, unenforceable or illegal it or its application will be considered separate and severable from this Lease to such extent and the remainder of this Lease or the application of such term, proviso, covenant or condition to persons or circumstances other than those with respect to which it is held invalid, void, unenforceable or illegal will not be affected thereby and will continue to be applicable and enforceable to the fullest extent permitted by law.
- 21.07 ***No Implied Surrender or Waiver*** No provisions of this Lease will be deemed to have been waived by Landlord unless such waiver is in writing signed by Landlord. Landlord's waiver of a breach of any term or condition of this Lease will not prevent a subsequent act, which would have originally constituted a breach, from having all the force and effect of any original breach. Landlord's receipt of Rent with knowledge of a breach by Tenant of any term or condition of this Lease will not be deemed a waiver of such breach. Landlord's failure to enforce against Tenant or any other tenant in the Shopping Centre any of the Rules and Regulations made under Article 14.00 will not be deemed a waiver of such Rules and Regulations. No act or thing done by Landlord, its agents or employees during the Term will be deemed an acceptance of a surrender of the Premises, and no agreement to accept a surrender of the Premises will be valid, unless in writing signed by Landlord. The delivery of keys to any of Landlord's agents or employees will not operate as a termination of this Lease or a surrender of the Premises. No payment by Tenant, or receipt by Landlord, of a lesser amount than the Rent due under this Lease will be deemed to be other than on account of the earliest stipulated Rent, nor will any endorsement or statement on any cheque or any letter accompanying any cheque, or payment as Rent, be deemed an accord and satisfaction, and Landlord may accept such cheque or payment without prejudice to Landlord's right to recover the balance of such Rent or pursue any other remedy available to Landlord.
- 21.08 ***Additional Costs*** Tenant agrees to pay to Landlord as Rent, upon written request therefore, any and all costs, including without limitation, costs of additional security, cleaning and legal costs, incurred by Landlord as a result of picketing, demonstration or other activity within the Shopping Centre which is initiated by members of any organization, including, without limitation, a trade union, and which is directed at Tenant, its contractors, subcontractors, suppliers or employees or at Tenant's operations in the Shopping Centre.
- 21.09 ***Successors Bound*** Except as otherwise specifically provided, the covenants terms and conditions contained in this Lease will apply to and bind the heirs, successors, executors, administrators and permitted assigns of the parties hereto.
- 21.10 ***Brokerage Commission*** Any brokerage commissions with respect to the present transaction shall be borne exclusively by Tenant and Tenant shall indemnify and hold Landlord harmless from any and all claims for payment of commission with respect thereto, unless Landlord has given a specific written mandate to any broker or agent for the present transaction.
- 21.11 ***Confidentiality*** Tenant agrees to keep the terms and conditions of this Lease confidential. Any information pertaining to this Lease cannot be communicated or revealed to a third party without

the written consent of Landlord whose refusal will be deemed reasonable if the information that would be communicated or revealed is of a financial nature. Tenant's failure to respect this Article 21.11 is acknowledged by Tenant to constitute a major prejudice to Landlord and also a default according to the terms and conditions of this Lease.

- 21.12 ***No Offer by Landlord*** Landlord will not be deemed to have made an offer to Tenant by preparing this Lease. No agreement respecting the Premises will arise or exist between the parties hereto except through the due execution of this Lease by both Tenant and Landlord. Upon execution and delivery by Tenant to Landlord, this Lease will be irrevocable by Tenant and open for acceptance by Landlord until 5:00 P.M. on the 60th day thereafter, and if not accepted by Landlord by then, may be withdrawn by Tenant by notice to Landlord at any time prior to its later acceptance by Landlord.
- 21.13 ***Time of Essence*** Time shall be of the essence of this Lease in respect to all of the agreements and obligations of Tenant and/or Landlord contained herein.
- 21.14 ***Force Majeure*** If any party hereto is bona fide delayed or hindered in or prevented from the performance of any term, obligation or act required hereunder by reason of Force Majeure, then performance of such term, obligation or act is excused for the period during which the cause of the Force Majeure persists. Once the cause of this Force Majeure has ceased, the party so delayed shall perform such terms, obligations or acts within the time period stipulated in the Lease, without regard for such period of time during which the cause of the Force Majeure persisted.
- 21.15 ***Non-Smoking Shopping Centre*** The Shopping Centre is a non-smoking facility. Tenant, its employees, invitees, customers, and anyone for whom Tenant is responsible at law are strictly prohibited from smoking in any interior or exterior areas of the Shopping Centre, except those exterior areas designated by Landlord as designated smoking areas (if any). Tenant agrees that it will comply with the foregoing restriction as well as any applicable legislation regulating smoking in shopping centres.
- 21.16 ***Counterpart Execution*** This Lease may be executed in one or more counterparts all of which, taken together, shall constitute one and the same agreement, effective when all counterparts have been signed. The parties hereto agree that this Lease may be signed either by paper signature or by electronic signature and may be delivered electronically (in .pdf format) or otherwise, and the parties accept any such electronic signatures as original signatures of the parties.

ARTICLE 22.00

INTENTIONALLY DELETED

IN WITNESS WHEREOF the parties hereto have executed this indenture by their authorized officers in that behalf, or by Tenant’s signature hereto if Tenant is not incorporated, as of the first date above written.

LANDLORD **GUILDFORD TOWN CENTRE LIMITED PARTNERSHIP AND LASALLE CANADA CORE REAL PROPERTY, L.P. by its Manager, Jones Lang LaSalle Real Estate Services, Inc.**

By: 
Julie Bourgon (Jan 31, 2024 11:23 EST)
Name: Julie Bourgon
Title: Head of Retail

By: 
Maria Concetta Giampa (Jan 31, 2024 11:01 EST)
Name: Maria Concetta Giampa
Title: Director, Legal Affairs, Investments

We have the authority to bind the company.

TENANT **HUDSON’S BAY COMPANY ULC**

By: _____
Name:
Title:

IN WITNESS WHEREOF the parties hereto have executed this indenture by their authorized officers in that behalf, or by Tenant’s signature hereto if Tenant is not incorporated, as of the first date above written.

LANDLORD GUILDFORD TOWN CENTRE LIMITED PARTNERSHIP AND LASALLE CANADA CORE REAL PROPERTY, L.P. by its Manager, Jones Lang LaSalle Real Estate Services, Inc.

By: _____
Name: ●
Title: ●
By: _____
Name: ●
Title: ●

We have the authority to bind the company.

TENANT HUDSON’S BAY COMPANY ULC


By:  _____
Name: Ian Putnam
Title: President & Chief Executive Officer
HBC Properties & Investments

EXHIBIT A
FLOOR PLAN

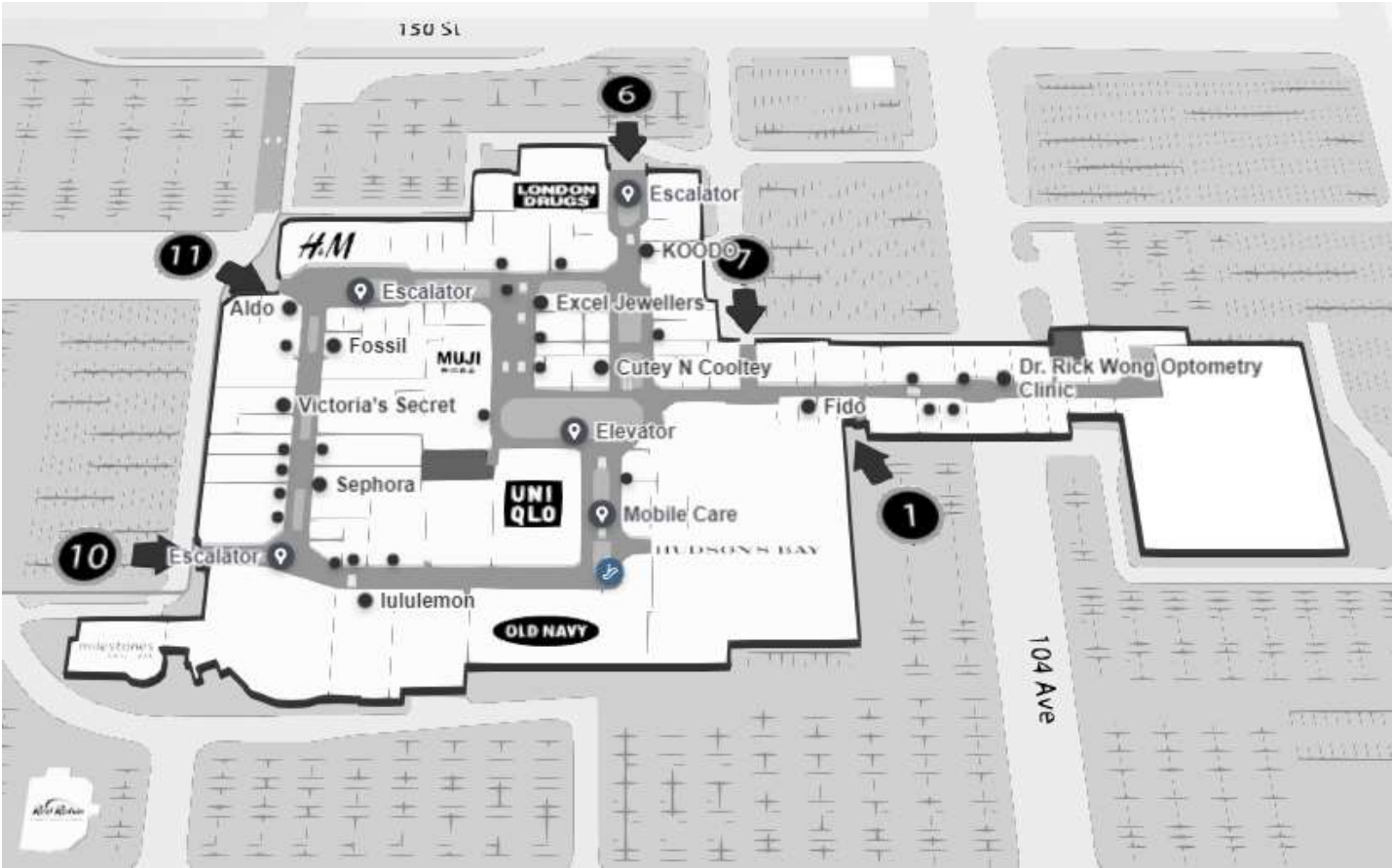


EXHIBIT B
LEGAL DESCRIPTION

No.	Municipal Address	PID	Legal Description
1.	1250 Guilford Town Centre	006-599-761	LOT 54 SECTION 20 BLOCK 5 NORTH RANGE 1 WEST NEW WESTMINSTER DISTRICT PLAN 31513 EXCEPT PLAN EPP23346
2.	1250 Guilford Town Centre	006-750-796	LOT 48 SECTION 20 BLOCK 5 NORTH RANGE 1 WEST NEW WESTMINSTER DISTRICT PLAN 30380 EXCEPT PLANS 42258 AND BCP49413
3.	10433 152 Street & 10455 152 Street & 1250 Guilford Town Centre	006-370-802	LOT 65 SECTION 20 BLOCK 5 NORTH RANGE 1 WEST NEW WESTMINSTER DISTRICT PLAN 42258 EXCEPT PLAN BCP49413
4.	1250 Guilford Town Centre	025-002-228	LOT 2 SECTION 20 BLOCK 5 NORTH RANGE 1 WEST NEW WESTMINSTER DISTRICT PLAN LMP49621 EXCEPT PLAN BCP49413
5.	1250 Guilford Town Centre	009-604-073	LOT 1 SECTION 29 BLOCK 5 NORTH RANGE 1 WEST NEW WESTMINSTER DISTRICT PLAN 75756
6.	1250 Guilford Town Centre	009-604-103	LOT 2 SECTION 29 BLOCK 5 NORTH RANGE 1 WEST NEW WESTMINSTER DISTRICT PLAN 75756
7.	1250 Guilford Town Centre	009-068-899	LOT 73 SECTION 29 BLOCK 5 NORTH RANGE 1 WEST NEW WESTMINSTER DISTRICT PLAN 29202
8.	10355 152 Street & 1250 Guilford Town Centre	009-068-872	LOT 71 SECTION 29 BLOCK 5 NORTH RANGE 1 WEST NEW WESTMINSTER DISTRICT PLAN 29202
9.	1250 Guilford Town Centre	028-382-609	LOT 1 SECTION 29 BLOCK 5 NORTH RANGE 1 WEST NEW WESTMINSTER DISTRICT PLAN BCP45069 EXCEPT PLAN BCP45070
10.	15051 101 Ave	024-244-589	LOT B SECTION 29 BLOCK 5 NORTH RANGE 1 WEST NEW WESTMINSTER DISTRICT PLAN LMP39024

EXHIBIT C
INTENTIONALLY DELETED

EXHIBIT D RULES AND REGULATIONS

1. **Security** Landlord may from time to time adopt appropriate systems and procedures for the security or safety of the Shopping Centre, any persons occupying, using or entering the same, or any equipment, finishings or contents thereof, and Tenant will comply with Landlord's reasonable requirements relative thereto.
2. **Return of Keys** At the end of the Term, Tenant will promptly return to Landlord all keys for the Shopping Centre and Premises which are in possession of Tenant.
3. **Repair, Maintenance, Alterations and Improvements** Tenant will carry out Tenant's repair, maintenance, alterations and improvements in the Premises only during times agreed to in advance by Landlord and in a manner which will not interfere with the rights of other tenants in the Shopping Centre.
4. **Water Fixtures** Tenant will not use water fixtures for any purpose for which they are not intended, nor will water be wasted by tampering with such fixtures. Any cost or damage resulting from such misuse by Tenant will be paid for by Tenant.
5. **Personal Use of Premises** The Premises will not be used or permitted to be used for residential, lodging or sleeping purposes or for the storage of personal effects or property not required for business purposes.
6. **Heavy Articles and Overloading Services** Tenant will not place in or move about the Premises, without Landlord's prior written consent, any safe or other heavy article which in Landlord's reasonable opinion may damage the Shopping Centre, and Landlord may designate the location of any heavy articles in the Premises. Tenant will not overload any utility or service in or serving the Premises or any part of the Shopping Centre.
7. **Animals, Bicycles, Shopping Carts** Tenant will not bring any animals or birds into the Shopping Centre, and will not permit bicycles or other vehicles inside or on the sidewalks outside the Shopping Centre except in areas designated from time to time by Landlord for such purposes. Tenant shall not permit shopping carts in the Common Areas and Facilities and shall be fully responsible for their removal and indemnify Landlord from any claim, loss, expense, damages or injuries caused by the shopping carts.
8. **Deliveries** Tenant will ensure that deliveries or shipments of supplies, fixtures, equipment, furnishings, wares and merchandise to or from the Premises are made only through such Delivery Facilities, entrances, elevators and corridors and at such times as may from time to time be designated by Landlord, and will promptly pay or cause to be paid to Landlord the cost of repairing any damage in the Shopping Centre caused by any person making such deliveries or shipments.
9. **Solicitations** Landlord reserves the right to restrict or prohibit canvassing, soliciting or peddling in the Shopping Centre.
10. **Food, Beverages and Entertainment** Only persons approved from time to time by Landlord may prepare, solicit orders for, sell, serve or distribute foods or beverages in the Shopping Centre, or use the elevators, corridors or Common Areas and Facilities for any such purposes. Except with Landlord's prior written consent and in accordance with arrangements approved in writing by Landlord, Tenant will not permit on the Premises the use of equipment for dispensing food or beverages or for the preparation, solicitation of orders for, sale, serving or distribution of food or beverages or for the selling or providing of any form of entertainment, including vending machines or other machines operated by coins or other devices.
11. **Refuse** Tenant will separate and place all refuse in proper receptacles provided by Tenant at its expense in the Premises or in receptacles in recycling stations (if any) provided for the Shopping Centre, and will keep sidewalks and driveways outside the Shopping Centre, and lobbies, corridors, stairwells, ducts and shafts of the Shopping Centre, free of all refuse.
12. **Obstructions** Tenant will not obstruct or place anything in or on the sidewalks or driveways outside the Shopping Centre or in the lobbies, corridors, stairwells or other Common Areas and Facilities of the Shopping Centre, or use such locations for any purpose except access to and exit from the Premises without Landlord's prior written consent. Landlord may remove at Tenant's expense any such obstruction or thing (unauthorized by Landlord) without notice or obligation to Tenant.
13. **Dangerous, Immoral or Hazardous Activities** Tenant will not make any use of the Premises which involves the danger of injury to any person, nor will same be used for any immoral purpose or to commit any act of waste or damage to any part of the Premises or to use any part of the Premises so as to constitute a hazard.

14. ***Proper Conduct*** Tenant will not conduct itself in any manner which is inconsistent with the character of the Shopping Centre as being of first quality or which will impair the comfort and convenience of other tenants in the Shopping Centre. Such prohibited conduct will include the playing of loud music and the placing of merchandise racks in the Common Areas and Facilities.
15. ***Parking*** Landlord, from time to time, may prohibit Tenant, Tenant's employees and Tenant's suppliers and others making deliveries to or receiving shipments from the Premises from parking anywhere within the Shopping Centre. If Landlord designates Tenant parking areas in the Shopping Centre, Tenant will park its vehicles and will cause its employees to park their vehicles only in such designated parking areas. Tenant will furnish Landlord, upon request, with the current licence numbers of all vehicles owned or used by Tenant or its employees and Tenant thereafter will notify Landlord of any changes in such numbers within five (5) days after the occurrence thereof. In the event of failure of Tenant or its employees to park their vehicles in such designated parking areas, Tenant will forthwith on demand pay to Landlord, as additional rent, the sum of \$20.00 per day per each car so parked. Landlord reserves the right to impose reasonable charges upon any person (including the general public) for the use of any parking facilities which may from time to time form a part of the Shopping Centre.
16. ***Sustainability*** Tenant shall implement energy-efficient practices within the Premises, including closing all window shades, turning off any unnecessary lights and equipment after the close of business day.

Tenant will keep any exterior doors and windows to the Premises closed during the periods where there is a variation of three (3) degrees Celsius or more between indoor and outdoor temperatures.

Tenant will turn off interior mall signage and display window lighting half-an-hour after closing until half-an-hour before opening time the next day (the "After-Hours Period"), or as Landlord deems appropriate.

Tenant will limit After-Hours Period interior lighting to emergency lighting, when the Premises are not occupied.

Where Tenant has the ability to control its HVAC for the Premises, Tenant will adjust the HVAC temperature settings so as to limit the Premises' energy consumption during the After-Hours Period by setting back the temperature of the Premises by six (6) degrees Celsius from the daytime temperature setting.

Tenant will not use space heaters in or for the Premises, unless Tenant first obtains Landlord's written consent.

If Landlord leak tests for Tenant's plumbing fixtures reveal water leaks or other defects, Landlord will notify Tenant of such defects and Tenant will take all necessary actions to diligently remedy said effects.

Tenant will comply with Landlord's waste minimization and diversion rules and regulations, as established from time to time.

Tenant will make available an appropriate staff representative to attend Landlord's information and training sessions relating to Landlord's initiatives for improving the Shopping Centre's operational sustainability.

EXHIBIT E
INTENTIONALLY DELETED

EXHIBIT F
ESTOPPEL CERTIFICATE

PREMISES :

LANDLORD :

TENANT :

LEASE PARTICULARS:

TO: [Any named Person who is or may become or contemplates to become a Mortgagee as well as to any named prospective purchaser of the Shopping Centre or any part thereof.]

THE UNDERSIGNED, Tenant under the above Lease, hereby certifies and represents that:

- (i) Tenant has accepted and is in possession and in occupation of the Premises having an Area of approximately square feet.
- (ii) The Lease has been validly executed and delivered by Tenant (and the Indemnifier, if any) and is in force since pursuant to due corporate action properly taken by Tenant (and the Indemnifier, if any).
- (iii) The Lease is presently in full force and effect and unmodified.
- (iv) All Rent is now accruing under the Lease, and all the Rent under the Lease have been paid to this date.

Minimum Rent is: \$
- (v) There is no existing default by either Tenant or Landlord pursuant to the Lease for which a notice of default has been given.
- (vi) To date, Tenant has no defenses, counter claims, or claims of offset, deduction or compensation under this Lease or otherwise against Rents or other charges due under the Lease and no event or fact has occurred which would give Tenant the right or the option to terminate the Lease prior to the expiry of the Term;
- (vii) No Rent under the Lease has been paid more than 30 days in advance of its due date.
- (viii) The Premises are free from any construction deficiencies.
- (ix) All Landlord’s Work has been completed to the satisfaction of Tenant.
- (x) Tenant has received all amounts, if any, which could be payable under the Lease, to Tenant by Landlord.

Tenant hereby certifies and represents that the above statements including any exceptions which may have been added thereto are true and complete and may be relied and acted upon.

DATED AT _____ THIS _____ DAY OF _____, 20____.

TENANT HUDSON’S BAY COMPANY ULC

By: _____
Name: ●
Title: ●

I have the authority to bind the company

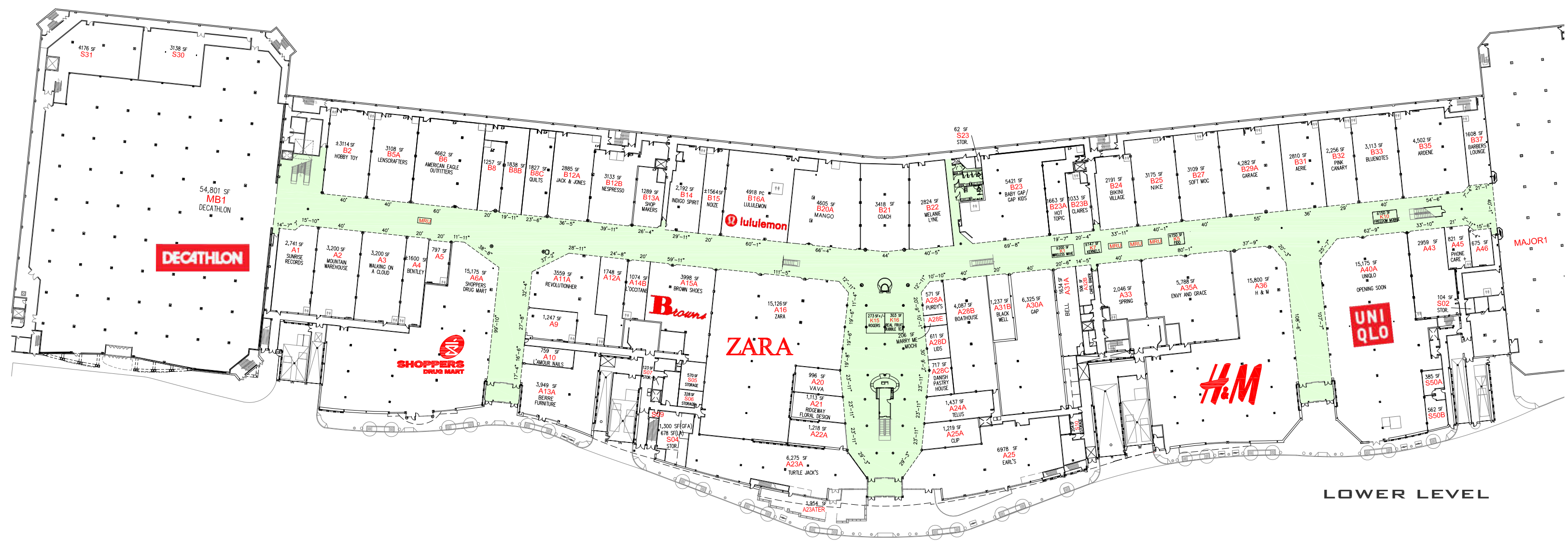
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Title: ●

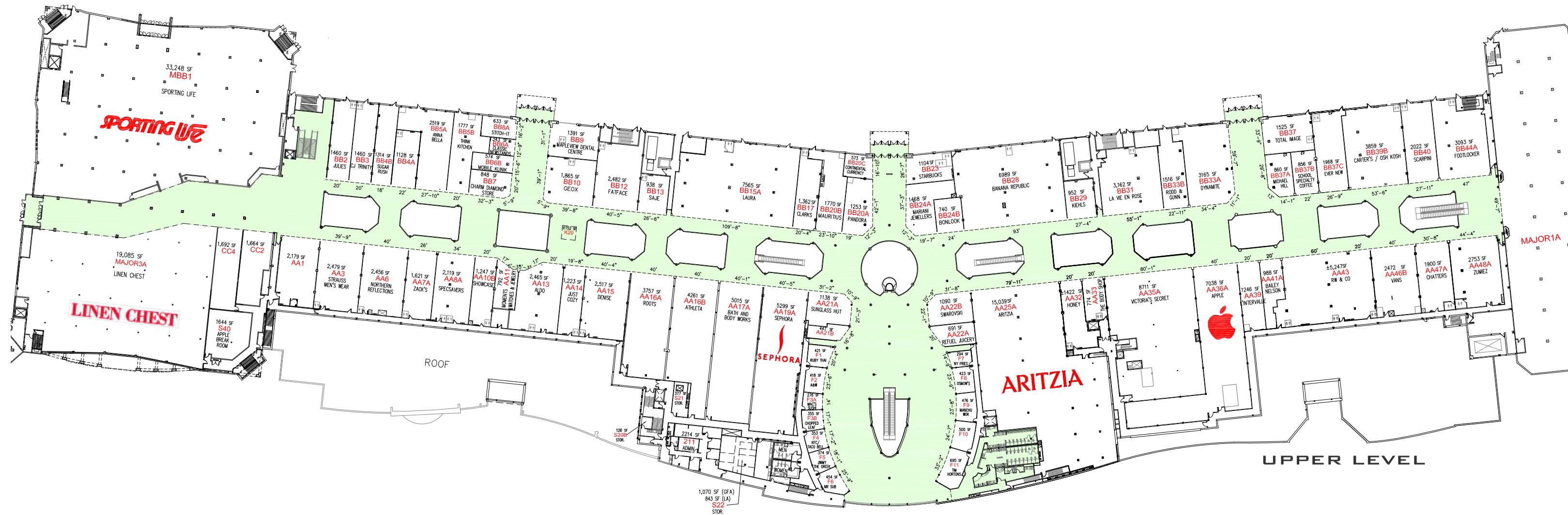
I have the authority to bind the company.

**THIS IS EXHIBIT "C" TO THE
AFFIDAVIT OF RUBY PAOLA
SWORN REMOTELY BEFORE ME AT
THE CITY OF TORONTO,
ON THIS 8TH DAY OF AUGUST, 2025**



Commissioner for Taking Affidavits
Linda Galessiere





**THIS IS EXHIBIT "D" TO THE
AFFIDAVIT OF RUBY PAOLA
SWORN REMOTELY BEFORE ME AT
THE CITY OF TORONTO,
ON THIS 8TH DAY OF AUGUST, 2025**



Commissioner for Taking Affidavits
Linda Galessiere

LEASE OF RETAIL SPACE

BETWEEN:
(address)

CANAPEN (HALTON) LTD and IVANHOE CAMBRIDGE II INC.
c/o Jones Lang LaSalle Real Estate Services, Inc.
6365 Halcyon Way, Suite 970
Alpharetta, Georgia
U.S.A. 30005

(“Landlord”)

AND:
(address)

HUDSON’S BAY COMPANY ULC
401 Bay Street, Suite 2302 (Attention: Real Estate Department)
Toronto, Ontario
M5H 2Y4

(“Tenant”)

CENTRE: MAPLEVIEW CENTRE, BURLINGTON, ONTARIO

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LEASE OF RETAIL SPACE

DATE: February 1, 2024

BETWEEN:
(address)

CANAPEN (HALTON) LTD and IVANHOE CAMBRIDGE II INC.
c/o Jones Lang LaSalle Real Estate Services, Inc.
6365 Halcyon Way, Suite 970
Alpharetta, Georgia
U.S.A. 30005

(“Landlord”)

AND:
(address)

HUDSON’S BAY COMPANY ULC
401 Bay Street, Suite 2302 (Attention: Real Estate Department)
Toronto, Ontario
M5H 2Y4

(“Tenant”)

FOR PREMISES IN: MAPLEVIEW CENTRE, BURLINGTON, ONTARIO

LANDLORD AND TENANT, in consideration of the covenants herein contained, hereby agree as follows:

ARTICLE 1.00 PRINCIPAL PROVISIONS AND DEFINITIONS

1.01 Addresses for Purposes of Notice:

Landlord: c/o Jones Lang LaSalle Real Estate Services, Inc.
6365 Halcyon Way, Suite 970
Alpharetta, Georgia
U.S.A. 30005
Attention: Retail Documents

With a copy to: Ivanhoe Cambridge Inc.
1001, rue du Square-Victoria, bureau C-500
Montréal, Québec
H2Z 2B5
Attention: Legal Affairs Department

Tenant: 401 Bay Street, Suite 2302 (Attention: Real Estate Department)
Toronto, Ontario
M5H 2Y4

1.02 Location of Premises: Premises No. MAJOR1, MAJOR1A and Tenant Shop Unit F5

1.03 Shopping Centre: Mapleview Centre

1.04 Area: 129,066 square feet and 360 square feet for the Tenant Shop

1.05 Term: A period of ten (10) years, beginning on the 3rd day of February, 2024, and expiring on the 2nd day of February, 2034, unless (a) extended by the Landlord pursuant to Section 3.01 hereof; or (b) terminated earlier as provided in this Lease.

1.06 Intentionally deleted.

- 1.07 **Permitted Use of Premises:** The Premises shall be used for the purposes of a department store operated in a manner consistent with the standards of other department stores operated by the Tenant that are located in the greater Toronto area and shall not be used for any other purpose whatsoever.
- 1.08 **Tenant's Store Name:** HUDSON'S BAY COMPANY, HUDSON'S BAY, THE BAY or any other trade name used by the Tenant in a majority of its department stores in the greater Toronto area. Tenant shall not operate its business under any other name or trade name without having first obtained Landlord's prior written consent.
- 1.09 **Minimum Rent:** An annual amount equal to (i) \$4.30 per square foot of the Area (less the Tenant Shop) per annum and (ii) \$3.94 per square foot of the Tenant Shop per annum, payable pursuant to Article 4.00.
- 1.10 **Intentionally deleted.**
- 1.11 **Proportionate Share of Operating Costs:** Tenant's Proportionate Share of Operating Costs shall for the 2024 Fiscal Year of the Term be (i) \$1.98 per square foot of the Area (less the Tenant Shop) per annum and (ii) \$2.62 per square foot of the Tenant Shop per annum. Said amount shall be payable and increased annually pursuant to Article 4.19.
- 1.11.1 **Intentionally deleted.**
- 1.12 **Promotion Charge:** For each Fiscal Year of the Term, a charge of \$NIL per square foot of the Area per annum.
- 1.13 **Tenant's Share of Taxes:** Tenant shall pay the Tenant's Taxes contribution to the Landlord as Additional Rent hereunder in an amount equal to the actual Taxes levied specifically against the Premises by the taxing Authority, as further detailed herein.
- 1.14 **Demised Utilities:** Tenant shall pay utilities in accordance with the terms and conditions of Article 7.00.
- 1.15 **HVAC Costs/Charge for the Tenant:** For the 2024 Fiscal Year, an initial amount estimated to be \$2.62 per square foot of the Tenant Shop per annum. Said amount shall be payable and may be increased by the Landlord pursuant to Articles 4.19 and 7.02.
- 1.16 **Intentionally deleted.**
- 1.17 **Intentionally deleted.**
- 1.18 **Definitions:** In this Lease:
- 1.18.1 **"Additional Rent"** means all amounts (other than Minimum Rent) that Tenant is required to pay to Landlord pursuant to this Lease.
- 1.18.2 **Intentionally deleted.**
- 1.18.3 **"Area"** means the area expressed in square feet of all floors of the Premises measured from the exterior face of all exterior walls, doors and windows or those separating the Premises from any Common Areas and Facilities, and the centre line of all interior walls separating the Premises from adjoining leasable premises. The Area includes all interior space whether or not occupied by projections, structures or columns, openings, shafts, structural or non-structural. If a store front, show window or other part of the Premises is recessed from or protrudes beyond the lease line shown on Exhibit A (whether such recess or protrusion is located at or above ground level), the area of such recess or protrusion will be included in the Area. The parties acknowledge and agree that the Area of the Premises as of the date hereof is the Area set out in Article 1.04 hereof.
- 1.18.4 **"Architect"** means the architect, engineer, land surveyor, designer or technician that Landlord names, as the case may be.
- 1.18.5 **"Article"** means an article of this Lease.
- 1.18.6 **"Authority" or "Authorities"** means the federal, provincial, and municipal governments, the courts, administrative and quasi-judicial boards and tribunals and any other organizations or entities with the lawful authority to regulate, or having a power or right conferred at law or by or under a statute over Landlord, Tenant, the Premises or the Shopping Centre, including the business carried on therein.

- 1.18.7 *Intentionally deleted.*
- 1.18.8 **“Commencement Date”** means the first day of the Term (effective as of 12:00am).
- 1.18.9 **“Common Areas and Facilities”** means all areas, services and facilities not installed or intended for the exclusive use or benefit of any individual tenant, including without limitation, all non-leasable areas, service and administrative areas (including, without limitation, administrative offices, janitorial rooms and storage rooms not reserved to any tenant exclusively), all parking areas, parking decks, roofs, roadways, sidewalks, landscaped areas, floor slabs, exterior walls and exterior and interior structural portions of any open or enclosed malls or other common means of access to leasable premises (excluding any structural mezzanines within any leasable premises), public lavatories, truck courts, common loading areas, driveways, music and public address systems, electrical, plumbing and drainage, fire protection, fire detection, heating, ventilation and/or air-conditioning systems or equipment servicing the Shopping Centre and/or more than one tenant, mall decorative or promotional installations, customer and service stairways, mall directories and directional signs, information booths, elevators, escalators and all other areas, services and facilities which Landlord provides or designates from time to time to be part of Common Areas and Facilities.
- 1.18.10 **“Consumer Price Index”** or **“C.P.I.”** means the Consumer Price Index for all items in the City of Toronto as issued by Statistics Canada or its successor, provided that if such Consumer Price Index is not available from Statistics Canada or its successor, Landlord may utilize for the purposes of this Lease any reasonable measure of changes in consumer price levels.
- 1.18.11 **“Delivery Facilities”** means those portions of the Common Areas and Facilities which are, from time to time, designated by Landlord as facilities to be used in common by Landlord, tenants of the Shopping Centre, and others, for purposes of loading, unloading, delivery, dispatch and holding of merchandise, goods and materials entering or leaving the Shopping Centre, and those portions of the Shopping Centre giving vehicular access to the said facilities.
- 1.18.12 *Intentionally deleted.*
- 1.18.13 **“Environmental Law”** means the statutes, regulations, policies, directives, orders, approvals and other legal requirements of an Authority or of the common law which affect the Premises or Tenant’s business, and which impose any obligations relating to the protection, conservation or restoration of the natural environment or to any contaminant, pollutant, dangerous substance, potentially dangerous substance, noxious substance, toxic substance, hazardous waste, flammable, explosive or radioactive material or any other substances or materials that are declared or defined to be hazardous, toxic, contaminants or pollutants in or pursuant to any applicable federal, provincial or municipal statutes, regulations, policies, directives, orders, approvals and other legal requirements of an Authority.
- 1.18.14 **“Fiscal Year”** means a twelve (12) month period (all or part of which falls within the Term) from time to time determined by Landlord with the concurrence of the appropriate taxation authorities, at the end of which Landlord’s books are balanced for auditing and/or taxation purposes.
- 1.18.15 *Intentionally deleted.*
- 1.18.16 *Intentionally deleted.*
- 1.18.17 **“Force Majeure”** means, if during the Term either party to this Lease will be unable to perform any of the terms, obligations, or conditions contained in this Lease due to strikes, walkouts (except for strikes or walkouts directly involving employees of Tenant), civil commotion, warlike operations, governmental regulations or controls, acts of God, pandemics, inability to procure materials or services, otherwise beyond the reasonable control of such party. Notwithstanding anything contained in this Lease to the contrary, nothing in this Force Majeure provision will relieve Tenant from payment of Rent as required in this Lease and insolvency or lack of funds will not relieve any party to this Lease from fulfillment of any obligation arising from any part of this Lease.
- 1.18.18 *Intentionally deleted.*
- 1.18.19 **“Goods and Services Tax”** or **“GST”** means all goods and services tax, value-added tax, or any other similar tax (such as by way of example GST, HST, QST or any other similar tax) howsoever characterized, which any taxing Authority imposes on Landlord and/or requires Landlord to collect on behalf of said taxing Authority, on any amount received or receivable by Landlord from Tenant under the terms of this Lease.

- 1.18.20 **“Gross Leasable Area”** means the total of all floor areas (measured in the manner stipulated in the definition of “Area”) of all premises in the Shopping Centre intended for leasing from time to time, whether said premises directly access an enclosed mall or court or not, but excluding basement areas, mezzanines, storage areas, elevator and escalator shafts, areas of the Common Areas and Facilities leased or occupied on a temporary basis, areas not used for retail purposes such as, by way of example only, areas leased or occupied for non-retail purposes or promotional purposes and areas occupied by the Shopping Centre manager and any support staff.
- 1.18.21 *Intentionally deleted.*
- 1.18.22 **“Hazardous Substance”** means, whether or not controlled or regulated by Environmental Law, any solid, liquid, gas, odour, heat, sound, vibration or combination of them resulting directly or indirectly from human activities that may, if released into the environment, have an adverse effect on the natural environment or on people, property or the normal conduct of business, including without limitation, harmful moulds or other harmful airborne substances, flammables, explosives, radioactive materials, urea formaldehyde foam, asbestos, polychlorinated biphenyls (PCBs), pollutants, contaminants, hazardous wastes, toxic substances or related materials, petroleum or petroleum products and substances declared to be hazardous or toxic under any law, by-law, regulation or ordinance now or hereafter enacted.
- 1.18.23 **“HVAC Cost”** means all the costs, charges and expenses in any Fiscal Year for the operation, repair, replacement and maintenance of the systems for heating, ventilating, and air conditioning the Shopping Centre and/or premises including the Premises as established by Landlord, from time to time, on a fair and equitable basis which reflects load and hours of operation provided, however, where Tenant pays an HVAC Charge for the Premises, or where Tenant maintains, repairs and replaces HVAC for the Premises at its cost, HVAC costs shall exclude the Premises.
- 1.18.24 **“Interest Rate”** means the Prime Rate in force when an amount becomes due, plus three (3) percentage points.
- 1.18.25 **“Land”** means all of the lands described in Exhibit B.
- 1.18.26 **“Landlord”** means the party first herein above described and includes its successors and assigns, and in articles that contain a release or other exculpatory provisions or an indemnity in favour of Landlord, including the officers, directors, employees and agents and contractors of Landlord, as well as any Person under Landlord’s exclusive control.
- 1.18.27 *Intentionally deleted.*
- 1.18.28 **“Lease”** means this Lease, and the Exhibits annexed to this Lease described in Article 1.18.56 and every properly executed instrument which by its term amends, modifies or supplements this Lease.
- 1.18.29 **“Lease Year”** means a period of twelve (12) calendar months except the first Lease Year of the Term which will begin on the Commencement Date and end on the last day of the calendar month in which the first (1st) anniversary of the day immediately preceding the Commencement Date occurs and succeeding Lease Years will comprise successive periods of twelve (12) calendar months (and the last Lease Year in the Term may contain less than twelve (12) calendar months), but if Landlord deems it expedient, it may by written notice to Tenant specify an annual date upon which any Lease Year will terminate, in which event the appropriate adjustments will be made between the parties.
- 1.18.30 *Intentionally deleted.*
- 1.18.31 *Intentionally deleted.*
- 1.18.32 **“Management Company”** means a company or other entity, if any, retained by Landlord from time to time to operate or manage the Shopping Centre.
- 1.18.33 *Intentionally deleted.*
- 1.18.34 **“Minimum Rent”** means the amount payable by Tenant to Landlord pursuant to Article 1.09 in respect of each year of the Term under Article 4.01.
- 1.18.35 **“Mortgagee”** shall have the meaning given to the term in Article 17.03.
- 1.18.36 **“Operating Agreement(s)”** means any agreement or agreements between Landlord and the owner(s) of lands neighbouring or contiguous to the Land, pursuant to which the developments

and improvements on the Land and the developments and improvements on such neighbouring or contiguous lands are operated on a coordinated basis (if any).

1.18.37 **“Operating Costs”** means:

- (a) all costs, expenses and charges which are attributable to the insuring, operation, repair, replacement, administration and maintenance of the Shopping Centre or incurred to reduce Operating Costs, including, without limiting the generality of the foregoing, any tax, rate, charge, levy, duty, fee, tariff or assessment however imposed, assessed or charged in relation to the consumption and/or emissions of any fuel of whatsoever nature for the Shopping Centre and/or the Premises or from any part of the foregoing, or levied or charged in lieu thereof, the costs to Landlord of purchasing in compliance with all applicable laws of any Authority tradable units of greenhouse producing gases including without limitation carbon dioxide, HVAC Cost, plus energy costs in relation thereto, depreciation or amortization allocable to the Fiscal Year on equipment and fixtures, energy conservation and security costs, cleaning, snow removal, landscaping, garbage collection and disposal, recycling, painting, decorations, parking lot repairs, maintenance, replacements and stripping, roof repairs, maintenance and replacements, utilities including water, gas, and electricity, security and security equipment and technology, energy efficiency, energy sub-metering and recycling technology and equipment, rental of equipment and hiring of services, remuneration of all or any on-site Shopping Centre staff and supervisory personnel, including but not limited to managers, supervisors and support staff, including wages, bonuses and benefits, employment related costs, including the foregoing costs of off-site personnel involved in the administration and management of Taxes and insurance for the Shopping Centre, general overhead expenses including office supplies and equipment, postage and courier costs, the fair market rentable value and any business taxes associated with any office space in the Shopping Centre used by Landlord or Management Company to operate and administer the Shopping Centre, interest calculated at the rate of two percent (2%) per annum in excess of the Prime Rate upon the undepreciated or unamortized portion of the cost and expense of items being depreciated or amortized from time to time and capital replacement of the systems for heating, ventilating and air conditioning the Shopping Centre, and repairs and replacement of the roofs and parking facilities of the Shopping Centre;
- (b) all expenses after the date any space in the Shopping Centre was first occupied by any tenant and properly allocable to the Fiscal Year for any capital improvement or structural repair to the Shopping Centre, or required by any change in the laws, rules, regulations, or orders of any governmental or quasi-governmental authority having jurisdiction, or incurred to reduce Operating Costs, which expenses will be amortized in accordance with reputable shopping centre management and operation practices, and interest calculated at the rate of two percent (2%) per annum in excess of the Prime Rate upon the unamortized portion of the total costs of the foregoing;
- (c) all costs, charges and expenses which are directly attributable to the operation, management, repair, replacement and maintenance of the Shopping Centre or incurred to reduce Operating Costs but which are not attributable solely to the operation, management, repair, replacement and maintenance of any leasable area of the Shopping Centre; and
- (d) an administration fee equal to fifteen percent (15%) of the total of the items set out in Article 1.001.18.37(a), (b) and (c) above.

1.18.38 ***Intentionally deleted.***

1.18.38.1 **“Original Lease”** means that certain lease dated November 18, 1988 (as amended, supplemented, renewed and extended from time to time, including pursuant to the amending agreements dated March 15, 1995, September 10, 2007 and July 31, 2008 and the omnibus agreements dated November 17, 2015 and December 29, 2020, collectively, the **“Original Lease”**), entered into by Landlord and the Tenant (by them or which apply to them as successors to the original parties thereto) for the Premises which Original Lease has been surrendered immediately prior to the Commencement Date.

1.18.39 **“Owners”** means the owner or owners or co-owners from time to time (other than Landlord) of the freehold or leasehold title of the Shopping Centre.

1.18.40 **“Person”** where the context allows, includes any physical person, corporation, partnership or association, or any groups or combinations of same.

1.18.41 **“Premises”** means the premises described in Article 1.02, the approximate location of which is shown on Exhibit A. If the Premises are entirely self-enclosed, the boundaries shall extend

to the exterior face of all exterior walls, doors and windows, or those separating the Premises from Common Areas and Facilities, the centre line of all interior walls separating the Premises from adjoining leasable premises, and from the top surface of the structural sub-floor to the underside of the roof or any structural floor slab situated immediately above the ceiling of the Premises. Premises shall exclude any Common Areas and Facilities located within them, and if the Premises are open to the ceiling of the Shopping Centre, the boundaries of the Premises will extend from the top surface of the structural sub-floor to the top of its permanent structures. The “Premises” include the structure slab for the lowest floor level and all fixed improvements located below the slab or on the roof which are for the exclusive use of the Tenant and which are comprised of any mechanical, electrical, plumbing and other services and any insulation, and all elevators and escalators therein (including connecting the Premises to the parking garage), and all elevator shafts, cabs and lobbies.

- 1.18.42 **“Prime Rate”** means the annual rate of interest announced from time to time by Royal Bank of Canada at its main branch in Toronto, Ontario, as a reference rate then in effect for determining interest rates on Canadian dollar commercial loans in Canada.
- 1.18.43 **“Promotion Fund”** means the fund for promotion of the Shopping Centre, if any, described in Article 4.11.
- 1.18.44 **“Proportionate Share”** means, a fraction, the numerator of which is the Area, and the denominator of which is the Gross Leasable Area. **For certainty, the Tenant’s Proportionate Share for the purposes of this Lease shall be determined in a manner consistent with the Tenant’s Proportionate Share figure used by the parties under the Original Lease as at the Termination Date.**
- 1.18.45 **“Released Persons”** means collectively and individually, Landlord, Owners, Mortgagee and any Management Company and partners of the Owners or Landlord. In articles that contain a release or other exculpatory provision or an indemnity in favour of any Released Persons, “Released Persons” includes the officers, directors, employees and agents of the Released Persons, and Landlord acting as agent for, or as trustee for, the benefit of the Released Persons so that each such release, indemnity and/or other exculpatory provision is fully enforceable by the Released Persons.
- 1.18.46 **“Rent”** means the Minimum Rent and the Additional Rent.
- 1.18.47 **“Shopping Centre”** means the Site and all buildings and Common Areas and Facilities on the Site as each of the foregoing exists from time to time, as may be varied from time to time by adding or subtracting or altering or reconfiguring or by such other means as Landlord considers necessary or advisable.
- 1.18.48 **“Site”** means the Land indicated on Exhibit B as may be varied from time to time by adding or subtracting land or by such other means as Landlord considers necessary or advisable (and even if parts of the Site may be separated from other parts of same by lanes, streets, highways or any other means of passage in or to which others may have rights).
- 1.18.49 **“Taxes”** means the aggregate of all taxes, rates, charges (including local improvement charges), levies, assessments, licence fees, excise and other charges, or any other taxes, rates or charges levied, charged or assessed in lieu thereof, imposed by any competent authority upon or in respect of the Shopping Centre, upon or in respect of all adjoining or neighbouring lands from time to time owned or made available to Landlord and used in connection with the Shopping Centre, or upon or in respect of both, and upon or in respect of all developments and improvements on the Shopping Centre and on such adjoining or neighbouring lands (including, without limitation, parking lot/transit support taxes, rates charges, levies and assessments), such taxes, rates, charges, levies and assessments being established by such competent authority based upon the Shopping Centre, in its various stages of development, assessed as a completed, fully occupied Shopping Centre. Subject to the foregoing, in determining Taxes, any corporate income, profits, excess profits, and business tax imposed upon the income of Landlord, and any other impost of a personal nature charged or levied against Landlord will be excluded, except to the extent that it is levied in lieu of Taxes. Landlord’s reasonable expenditures for consultation, negotiation and contestation, to the extent that they are incurred in an attempt to minimize or reduce Taxes, shall be included in the definition of Taxes.
- 1.18.50 ***Intentionally deleted.***
- 1.18.51 **“Tenant”** means the Person executing this Lease as Tenant. Where the context permits, Tenant will also include all servants, employees, agents and contractors of Tenant, as well as any Person under Tenant’s exclusive control.

other right to acquire any interest or real property right in all or any part of the Shopping Centre or the Premises.

- 3.04 ***Limitation on Length of Term*** This Lease is entered into subject to the express condition that it is to be effective to create any interest in land only if the provisions of any statute are complied with relating to the severance of land or interests in land by conveyance or otherwise (as it may from time to time be amended). Landlord and Tenant agree, as a separate and distinct agreement, that if pursuant to any statute consent is requisite to the validity of this Lease, either party may apply for such consent and until unconditional consent has been obtained, the Term of this Lease or any renewal thereof will not extend beyond the period permitted without consent pursuant to any such statute, with no further right on the part of Tenant to extend the term, notwithstanding any other provision of this Lease.
- 3.05 ***Termination of Original Lease*** Tenant and Landlord hereby agree that the Original Lease is surrendered and terminated effective on 11:59pm on the date immediately preceding the Commencement Date (the “**Termination Date**”). The respective rights and obligations of Landlord and Tenant with respect to the Premises and the Original Lease will be preserved and will survive the Termination Date, as to all matters arising or accruing prior to the Termination Date, but no such rights or obligations will arise or accrue to either of them with respect to the Original Lease on or after the Termination Date. Any breach of the Original Lease which has not been cured will, after the Termination Date, be enforceable in accordance with all applicable provisions of the Original Lease. Tenant represents, warrants and covenants with Landlord that Tenant has the absolute right, full power and authority to agree to the termination of the Original Lease as provided herein.

3.05(A) *Reinstatement of Original Lease.*

Tenant and Landlord hereby agree that if at November 13, 2028 (the “**Original Lease Reinstatement Date**”) no Event (as such term is hereinafter defined) has occurred or is continuing, and there is not then any default occurring of the Tenant’s obligations under this Lease, failing which this provision shall not apply and be null and void (and this Lease shall remain in full force and effect without any obligation to enter into the Reinstated Original Lease), then the parties shall execute and deliver to one another the Reinstated Original Lease (as defined below) which shall provide and confirm that effective upon the Original Lease Reinstatement Date: (1) this Lease shall be resolved, cancelled, surrendered and rescinded; and (2) the termination of the Original Lease shall be deemed to have been revoked and, except as expressly modified pursuant to this provision, the Original Lease shall be reinstated in its entirety effective as of the Original Lease Reinstatement Date and shall again be in full force and effect as if the same had never been terminated. However, the respective rights and obligations of Landlord and Tenant as to the Premises under this Lease will be preserved and will survive the termination of this Lease on the Original Lease Reinstatement Date as to all matters arising or accruing prior to the Original Lease Reinstatement Date, but no such rights or obligations will arise or accrue to either of them with respect to this Lease on or after the Original Lease Reinstatement Date (given the Reinstated Original Lease will thereafter govern this tenancy). Any breach of this Lease which has not been cured will, after the Original Lease Reinstatement Date, be enforceable in accordance with all applicable provisions of this Lease.

“Event” means the occurrence of any of the following:

- (1) Tenant (or any of its affiliates) defaulting under any of its monetary obligations (beyond any applicable cure period) under this Lease or any HBC IC Lease (as hereinafter defined); or
- (2) Tenant (a) is insolvent, (b) has committed an act of bankruptcy, and/or (c) has become bankrupt.

“HBC IC Lease” means any lease of premises entered into by the Tenant or any of its affiliates (in its or their capacity as tenant), in respect of premises located in any of the following shopping centres that are within Ivanhoe Cambridge’s owned or managed portfolio of properties:

- (i) Galeries D’Anjou;
- (ii) Metropolis at Metrotown;
- (iii) Outlet Collection at Niagara on the Lake;
- (iv) Southgate;
- (v) Guildford;
- (vi) Oshawa;

- (vii) CrossIron Mills;
- (viii) St. Foy;
- (ix) Outlet collection Winnipeg; or
- (x) Vaughan Mills.

“Reinstated Original Lease” means the Original Lease but reinstated and amended only to provide that the Term of the reinstated Original Lease shall commence on the Original Lease Reinstatement Date and end upon the expiry of the remaining unexpired Term of this Lease as at the Original Lease Reinstatement Date, Tenant, subject to the following sentence shall have the unexpired rights, if any, to renew or extend the said Term as set out in the Original Lease on the terms and conditions set out therein (inclusive of the calculation of minimum rent). Notwithstanding the foregoing, the expiry of the Term (taking into consideration all options to extend in favour of the Tenant) of the Reinstated Original Lease shall not exceed the date on which the Original Lease would have expired (taking into consideration all options to extend in favour of the Tenant thereunder). For greater certainty, and as an illustrative example only to further clarify the parties’ intent, if the expiry of the term of the Original Lease was December 31, 2030, taking into consideration all options to extend in favour of the Tenant, and the Reinstated Original Lease was executed by the parties, the Term of the Reinstated Original Lease, taking into consideration all options to renew or extend in favour of the Tenant, shall not exceed December 31, 2030. Landlord shall prepare the form of Reinstated Original Lease and the parties shall forthwith thereafter execute and deliver same to the other, each at its sole expense. In addition, Tenant shall execute such other documents contemplated in Section 3.05 hereof for the discharge of any registered documents relating to this Lease for which Section 3.05 shall equally apply in this context, mutatis mutandis.

ARTICLE 4.00 RENT

- 4.01 **Minimum Rent** Tenant will pay to Landlord a Minimum Rent for the Premises described in Article 1.09 of this Lease, payable in advance in equal and consecutive monthly instalments and without notice on the Commencement Date and on the first day of each calendar month thereafter during the Term.
- 4.02 *Intentionally deleted.*
- 4.03 *Intentionally deleted.*
- 4.04 *Intentionally deleted.*
- 4.05 **Net Lease** It is the stated purpose and intent of Landlord and Tenant that, **except as otherwise expressly provided herein**, this Lease will be fully net to Landlord. Tenant will pay to Landlord, at the times and in the manner provided in Articles 4.07 and 4.09, its Proportionate Share of Operating Costs and Taxes.
- 4.06 **Calculation and Payment of Operating Costs**
 - (a) Tenant will pay the amounts stipulated in Article 1.11 to Landlord in monthly instalments one-twelfth of such estimate simultaneously with Tenant’s payments of Minimum Rent during such Fiscal Year.
 - (b) If the Term commences after the beginning of or terminates before the end of a Fiscal Year, the amount of Operating Costs payable by Tenant for such Fiscal Year will be adjusted proportionately.
- 4.07 *Intentionally deleted.*
- 4.08 **Taxes Payable by Tenant** The Tenant shall be responsible for the payment of all Taxes imposed from time to time during the Term in respect of the Premises, including in each case the value of any Common Areas and Facilities which is included by the assessing authorities in the value of the Premises and the business operated therefrom and all the improvements constructed thereon and all the fixtures and equipment constructed and used by Tenant and its assignees, sublicensees and concessionaires. For certainty, Tenant shall pay the Tenant’s Taxes contribution to the Landlord as Additional Rent hereunder in an amount equal to the actual Taxes levied specifically against the Premises by the taxing Authority, provided that if the Premises are not taxed on a separate basis, then in an amount determined by the Landlord, acting reasonably and equitably, on the basis of the notes and working papers of the assessment Authority (or its successor) made readily available to the Landlord, and provided further that if such notes and working papers are not readily available to the Landlord or they do not contain sufficient information to determine the Taxes applicable specifically to the Premises, then Tenant shall pay its Proportionate Share of all Taxes payable in

respect of the Shopping Centre. The parties acknowledge and agree that as of the Commencement Date, the notes and working papers of the assessment authority are readily available to the Landlord and contain sufficient information to determine the Taxes applicable specifically to the Premises.

Tenant shall reimburse Landlord that part of any increase in Taxes for the Shopping Centre, which is reasonably attributable to any change, addition or improvement or special equipment identified by an assessment Authority made on or in the Premises by Tenant. In such event, Tenant shall pay to Landlord the total amount of said Tax increase attributable to Tenant within 30 days of receipt of an invoice from Landlord, said amount to be deemed Additional Rent.

For greater certainty, Tenant shall pay to Landlord an amount equal to any and all goods and services tax, value added tax, or any other similar tax (such as by way of example GST, HST or any other similar tax) ("**Value Added Taxes**"), it being the intention of the parties that Landlord shall collect from Tenant all Value Added Taxes collectable by Landlord on the Rent and any other amounts payable by Tenant under this Lease. The amount of such Value Added Taxes so payable by Tenant shall be calculated by Landlord in accordance with the applicable legislation and shall be paid to Landlord at the same time as the amount to which such Value Added Taxes apply are payable to Landlord under the terms of this Lease. The amount payable by Tenant under this provision shall be deemed not to be additional rent, but Landlord shall have all of the same remedies for and rights of recovery of such amount as it has for recovery of Rent under this Lease.

The Landlord may appeal any official assessment or the amount of any Taxes or business taxes (including other taxes capable of constituting a lien) relating to the Shopping Centre including the improvements (including fixtures and equipment) thereon, and the Tenant may appeal any official assessment or any Taxes or business taxes relating to the Premises including the improvements thereon or, where the Tenant's obligations are directly or indirectly affected thereby, relating to any other portion of the Shopping Centre including the Common Area and Facilities. Neither the Landlord nor the Tenant shall institute any appeal without notice to the other and, where their interests do not conflict and in particular where the appeal is being made in order to achieve a re-assessment which is consistent with the basis contemplated by this Lease, each shall extend its co-operation and assistance to the other in respect to such appeal.

- 4.09 ***Changes in Taxes*** If the system of real estate taxation is altered or varied from that in force on the Commencement Date and any new tax shall be levied or imposed on all or part of the Shopping Centre and/or the revenues therefrom and/or on Landlord in substitution for or in addition to previously existing Taxes by any taxing Authority, whether or not the taxing Authority has previously charged any Taxes, then any such new tax or levy shall be included in Taxes, or if by law, regulation or otherwise all or any part of any Taxes, is made payable by Landlord or if the mode of collecting such tax, assessment, local improvement, licence fee, excise or other charge is so altered so as to make Landlord liable in whole or in part therefor instead of Tenant or if all or any part of Tenant's Taxes under Article 8.01 is imposed, levied, assessed or charged upon or on account of the Shopping Centre, Tenant will pay to Landlord, from time to time, within 30 days after demand, the amount payable by Landlord, from time to time, as a result of such change as determined by Landlord in the same manner as the Proportionate Share of Taxes is payable under the terms of this Lease and Tenant will indemnify and save Landlord harmless from any cost or expense in respect thereof. For greater certainty, to the extent that the new tax or levy is fully recoverable by Tenant as an input tax credit or refund, such Tax shall be fully payable by Tenant notwithstanding the proportionate sharing of other Taxes hereunder.

- 4.10 ***Intentionally deleted.***

- 4.11 ~~***Promotion Fund*** Landlord may establish and maintain a common Promotion Fund for the Shopping Centre or continue to maintain any Promotion Fund in existence as of the Commencement Date of this Lease. Landlord will use the Promotion Fund for the promotion or benefit of the Shopping Centre in such a manner and as Landlord may, from time to time, decide and, without limiting the generality of the foregoing, Landlord may utilize the Promotion Fund for payment of a full time or part time marketing director, the employment of other promotional staff and customer service, the purchase of advertising space and time, materials or equipment for decorating and promotional events and activities similar to those undertaken by other shopping centres. Any surplus in the Promotion Fund at the end of a Fiscal Year of the Promotion Fund will be carried forward for like purposes in the next year, without any reduction in the amount payable by Tenant pursuant to this Article 4.11. Landlord may, at its sole discretion, establish a Promotion Fund advisory committee comprised of representatives of the tenants of the Shopping Centre chosen by Landlord to advise Landlord on the application of the Promotion Fund contributions.~~

~~If there is a Promotion Fund for the Shopping Centre, Tenant will pay to Landlord in equal monthly instalments, the amount stipulated in Articles 1.12, towards the Promotion Fund, and may include the development of a mall video network, offering a program of information, entertainment and advertisements, and for the promotion of the Shopping Centre.~~

~~Landlord will have the right at its discretion to change the Fiscal Year of the Promotion Fund as it may deem appropriate, from time to time. In the event of any such change, Tenant's required contributions to the Promotion Fund for any fiscal year thereof, which is either greater or lesser than twelve (12) calendar months, will be adjusted by Landlord in a reasonable manner.~~

4.12 *Intentionally deleted.*

- 4.13 **Landlord's Promotions** Landlord may promote and advertise the Shopping Centre in a manner and to the extent that would a diligent and prudent owner of a similar shopping centre, taking into account the nature, size, age, character and location of the Shopping Centre as well as the general image that Landlord is attempting to project for the Shopping Centre from time to time. Tenant agrees that Landlord will never be obliged to spend more than the total amount paid to the Promotion Fund described in Article 1.12 by the tenants of the Shopping Centre in any Fiscal Year in order to fulfill its obligations hereunder. Landlord shall alone administer the Promotion Fund.

Landlord's promotional activities may include, without limiting the generality of the foregoing, the production and distribution of written advertising or promotional materials and/or audio and/or audio visual promotions by the various media (radio and television) and/or internet and/or seasonal decorations and/or all other forms of promotion or publicity in relation to the Shopping Centre alone or on a joint basis with one or more other shopping centres or properties of which Landlord is owner or manager. Tenant agrees to give its complete support and cooperation to all of Landlord's promotional activities. Without limitation, Tenant will honour any discount coupons, gift certificates, gift cards, electronic gift cards or other incentives given to customers as part of any promotional activity.

Landlord may designate an agent to promote and/or advertise on its behalf, to enter into any agreements with third parties for promotion and/or advertising purposes, and may use all or any part of the Promotion Fund contributions to pay or remunerate its agent.

4.14 *Intentionally deleted.*

4.15 *Intentionally deleted.*

- 4.16 **Tenant's Support** Tenant will support all promotional events, functions and activities sponsored or participated in by either the Promotion Fund, if any. In order to comply with this obligation, however, Tenant will not be required to make any additional financial contributions toward the promotion of the Shopping Centre other than those set out in Article 4.11.

- 4.17 **Payment of Rent – General** During the Term of this Lease, Tenant shall pay Minimum Rent and Additional Rent to Landlord in the manner provided in this Lease or if not so provided, as reasonably required by Landlord. All amounts payable by Tenant to Landlord under this Lease will be deemed to be Rent and will be payable and recoverable as Rent in the manner herein provided, and Landlord will have all rights and recourses against Tenant for default in any such payment as in the case of arrears of Rent. Rent will be paid to Landlord, without deduction or set-off, in legal tender of the jurisdiction in which the Shopping Centre is located. If and to the extent Landlord so requires, Rent will be paid to Landlord, at Tenant's expense, by electronic funds transfer system or similar system whereby Tenant will authorize its bank, trust company, credit union or other financial institution to credit Landlord's bank account each month in an amount equal to the monthly Rent payable pursuant to the provisions of this Lease, otherwise, Rent will be paid to Landlord at the address of Landlord as set forth in the beginning of this Lease, or to such other Person or at such other address as Landlord may from time to time designate in writing.

Where Tenant makes payments of Rent by an electronic funds transfer system, Tenant shall notify Landlord by e-mail of the date of said electronic payment.

- 4.18 **Rent – Adjustment for Partial Months** If the Commencement Date is not the first day of a calendar month, the instalment of Rent payable on the Commencement Date will be that proportion of the Rent which the number of days from the Commencement Date to the last day of the calendar month in which the Commencement Date occurs (both the Commencement Date and the last day being inclusive) bears to 365. If the Term ends on a day other than the last day of a calendar month, the instalment of Rent payable on the first (1st) day of the last calendar month of the Term will be that proportion of the Rent which the number of days from the first (1st) day of such last calendar month to the last day of the Term (both the first (1st) and the last day being inclusive) bears to 365.

- 4.19 **Charge Adjustment** Wherever it is mentioned in this Lease that Landlord may increase any amount or charge, the following rules may apply if required by the Landlord: (a) each permitted increase of any such amount or charge shall come into force as of the date indicated in Landlord's notice and shall remain in effect until the subsequent increase comes into effect; (b) each permitted increase of any such amount or charge may, at Landlord's option, be charged retroactively; (c) each time any such amount or charge increases, the amount or charge shall be deemed to be replaced by

the increased amount or increased charge; (d) ~~any such amount or charge that may be payable during any Fiscal Year shall never be less than the amount or charge so payable during the immediately preceding Fiscal Year~~; (e) the fact that no annual increase was imposed for any preceding Fiscal Year or such other period, or the fact that an amount less than the full amount of any permitted increase was charged, shall not prevent Landlord, in any manner whatsoever, from imposing the full amount of any annual increase, or any part thereof, during any subsequent Fiscal Year; and (f) the annual amount that Landlord shall be permitted to charge for Operating Costs shall be increased or decreased by a percentage equal to the lesser of: (i) the actual percentage increase or decrease in Operating Costs during the immediately preceding fiscal year, and (ii) the percentage increase or decrease in the C.P.I. during such immediately preceding fiscal year.

ARTICLE 5.00

USE OF PREMISES

- 5.01 ***Use and Business Name*** The Premises will be used and occupied only for the purposes described in Article 1.07; nothing in this Article 5.01 shall create or be deemed to create an exclusivity in favour of Tenant.

The business of Tenant in the Premises will be carried on under the name and style described in Article 1.08 and under no other name and style unless approved by Landlord in writing.

- 5.02 ***Hours of Business*** During the Term of this Lease, Tenant will conduct its business in the Premises on such days and during such hours as is required, from time to time, by Landlord unless prevented from so doing by any Authority, however, nothing herein shall require the Premises or portions thereof to be open during hours other than those which have been generally established by the Tenant for the operation of its similar stores in the greater Toronto area. Tenant shall abide by all rules and regulations now or subsequently in force to the extent that they do not conflict with the terms of this Lease and are applied to Tenant in a non-discriminatory manner.

In the event Tenant fails to conduct its business in accordance with this Article 5.02 then Landlord will have the right, without prejudice to any other rights which it may have under this Lease or at law, to obtain an injunction requiring Tenant to comply with the provisions of this Article 5.02.

- 5.03 ***Continuous Operations*** Tenant acknowledges that it forms part of an over-all merchandising mix designed to enhance the character, quality, image and reputation of the Shopping Centre, and that its continuous operation of the Premises is essential to Landlord to maintain that character, quality, image, nature and reputation and to facilitate the leasing of vacant space and renewing leases of existing tenants. Tenant therefore, provided the Landlord is operating the Shopping Centre in accordance with this Lease in all material respects, covenants and agrees that throughout the Term it will continuously occupy and operate in the entire Premises, comply strictly with the provisions of Article 5.02 and not vacate or abandon the Premises at any time during the Term. Tenant acknowledges that Landlord is executing this Lease in reliance thereupon and that the same is a material element inducing Landlord to execute this Lease. Tenant further agrees that if it vacates or abandons the Premises or it fails to so conduct its business therein, or uses or permits or suffers the use of the Premises for any purpose not specifically herein authorized and allowed, Tenant will be in breach of Tenant's obligations under this Lease and shall have caused Landlord a grave and serious prejudice, and then, without constituting a waiver of Tenant's obligations or limiting Landlord's remedies under this Lease and at law, all Rent reserved in this Lease will immediately become due and payable to Landlord unless guaranteed to the satisfaction of Landlord. Landlord will have the right, without prejudice to any other rights which it may have under this Lease or at law, to obtain an injunction requiring Tenant to comply with the provisions of this Article 5.03.

- 5.04 ***Restrictions on Use & Occupancy***

- (a) Tenant will carry on its business on the Premises in a reputable manner and in compliance with all the provisions of this Lease, and in particular Tenant will not advertise, do, omit, permit or suffer to be done or exist upon the Premises anything which will be or result in or bring about a breach of any provision of this Lease.
- (b) Tenant shall not, at any time during the Term, conduct or carry on in the Premises any of the following activities or enterprises: (i) any manufacturing operation; (ii) any mail order or catalogue enterprise; (iii) any enterprise for the purpose of taking telephone orders; (iv) a store conducted principally or in part for the sale of second hand goods or apparel, war surplus articles, insurance salvage stock, or fire sale stock; (v) the sale of merchandise damaged by fire except in the event of a fire taking place on the Premises and then only for the sale of merchandise damaged by such fire, and only for a period of 30 days immediately following the reopening after such fire; (vi) a store conducted, promoted and/or represented in whole or substantially as a discount operation or in part as a discount operation so as to give the impression that it is being conducted principally as a discount operation; (vii) a

pawn shop; (viii) any operation in any line or merchandise in which operation Tenant is making a practice of fraudulent or deceptive advertising or selling procedures including without limitation the sale of counterfeit brands; (ix) an auction sale; and (x) any other enterprise, activity or practice which because of the merchandise likely to be sold or the merchandising or pricing methods likely to be used would tend to lower the character of the Shopping Centre.

- (c) Tenant shall not conduct on the Premises any “distress sale”, “bankruptcy sale”, “going out of business sale”, “liquidation sale” or “fire sale” except as expressly provided above nor any other type of sale designed to convey to the public that business operations are to be discontinued or that the store shall close, Tenant shall only sell merchandise in the regular course of trade as a retailer operating the Premises for the purpose for which the Premises are leased. Notwithstanding the foregoing, within the last six (6) months of the Term, the Tenant shall have the right to conduct clearance and other sales promotions in the Premises and the Tenant shall be permitted to erect, install and maintain within the Premises during such period any clearance and/or store closing signage (or other signage of a similar nature), provided that (i) any such signage on the exterior of the Premises or which faces any Common Areas and Facilities, shall be subject to the Tenant obtaining all required municipal approvals as well as the Landlord’s prior written approval for the nature, size, type and location thereof; and (ii) all clearance and other sales otherwise comply with the requirements of sub-paragraph (b) above and this Lease and are undertaken in a reputable and prudent manner that does not interfere with the typical use and operation of the Shopping Centre or the occupants thereof. Landlord’s approval of such signage shall not be unreasonably withheld, conditioned or delayed provided it complies with this provision.

- (d) *Intentionally deleted.*

- (e) Tenant shall not use the Common Areas and Facilities for any reason whatsoever without the prior written approval of Landlord. Tenant will not place or keep any merchandise or other thing beyond the permanent floor mounted storefront or closure of the Premises or in the Common Areas and Facilities.

- (f) *Intentionally deleted.*

5.05 *Intentionally deleted.*

5.06 **Display Windows** Tenant will keep display windows (if any) neatly dressed. Display windows and lighted signs (if any) will be kept illuminated by Tenant on all business days until at least one half hour after the Shopping Centre closes for business.

5.07 **Compliance with Laws** The Premises will be used and occupied in a safe, careful and proper manner so as not to contravene any present or future governmental or quasi-governmental laws in force or regulations or orders including, without limitation, all Environmental Law. If, due solely to Tenant’s use of the Premises, improvements are necessary to comply with any of the foregoing or with the requirements of insurance carriers, Tenant shall execute same and will pay the entire cost thereof. Unless otherwise directed by Landlord, Tenant will obtain and comply with the terms of all licences, certificates of approval, permits and other approvals necessary or appropriate under applicable laws (inclusive of Environmental Law) for the safe and lawful conduct of its business at or from the Premises.

5.08 **Nuisance** Tenant will not cause or maintain any nuisance or hazard in or about the Premises and will keep the Premises free of debris, trash, rodents, vermin and anything of a dangerous, noxious or offensive nature or which could create a fire hazard (through undue load on electrical circuits or otherwise) or undue vibration, heat or any unusual or objectionable noises or odours or anything which may disturb the enjoyment of the Shopping Centre and all the Common Areas and Facilities thereof by customers and other tenants of the Shopping Centre, nor will Tenant allow any noise, sound or music in the Premises to be heard in the Common Areas and Facilities or neighbouring premises.

5.09 **Advertising, Trade Names and Restricted Marks**

- (a) In its advertising, Tenant will use the name of the Shopping Centre, such trade names, symbols and slogans as may be designated by Landlord but Tenant will not indulge in any advertising or sales promotion which is undignified or not in conformity with the highest standards of practice among stores dealing in similar merchandise or might harm or tend to harm the business reputation of Landlord or reflect unfavourably on the Shopping Centre, or might confuse or mislead or tend to confuse or mislead the public. Tenant will not sell, advertise, conduct or solicit business anywhere within the Shopping Centre other than in the Premises.

- (b) The name for the Shopping Centre which Landlord may from time to time adopt and every name or mark adopted by Landlord in connection with the Shopping Centre will be used by Tenant only in association with sales made at or from and the business carried on in the Premises during the Term and Tenant's use thereof will be subject to such regulations as Landlord may from time to time impose. Tenant will not acquire any rights in any such restricted name or mark, and upon the termination of this Lease all its interest herein will be deemed to have been surrendered to Landlord and Tenant will thereafter cease and abandon all use thereof. If Landlord so requests, Tenant will execute registered user applications or agreements or both to protect Landlord's trade mark rights.

5.10 ***Intentionally deleted.***

- 5.11 ***Loading and Delivery*** The delivery and shipping of merchandise, supplies, fixtures, and other materials or goods of whatsoever nature to or from the Premises and all loading, unloading, and handling of it will be done only at the times, in the areas, by the means, and through the elevators, entrances, malls, and corridors as are designated by Landlord. Without limiting the generality of the foregoing, Tenant will not use or permit any elevators, entrances, malls, corridors or other parts of the Common Areas and Facilities to be used as temporary storage area or areas by Tenant, any of Tenant's employees or suppliers or others when making deliveries to or shipments from the Premises or any permitted storage area of Tenant.

Landlord accepts no liability and is hereby relieved and released by Tenant in respect of the operation of the Delivery Facilities, or the adequacy of them, or of the acts or omissions of any Person or Persons engaged in the operation of them, or in the acceptance, holding, handling, delivery or dispatch of any goods for or on behalf of Tenant, or for any claim of Tenant by reason of damage, loss, theft, or acceptance, holding, handling, delivery or dispatch, failure of any acceptance, holding, handling or dispatch, or any error, negligence or delay.

Landlord may, from time to time, make and amend regulations for the orderly and efficient operation of the Delivery Facilities, and may require the payment of reasonable and equitable charges for delivery services and removal provided by Landlord.

For certainty, the premises include the loading dock and unloading areas, which exclusively serve the Premises.

ARTICLE 6.00

**SERVICES, MAINTENANCE, REPAIRS AND ALTERATIONS
BY LANDLORD**

- 6.01 ***Operation of Shopping Centre*** Landlord shall operate the Shopping Centre and maintain the Common Areas and Facilities as would a prudent and diligent owner of a similar shopping centre, having regard to the Shopping Centre's size, age, nature, location and region where the Shopping Centre is situated, as well as the type of clientele the Shopping Centre services and the general image Landlord is attempting to project for the Shopping Centre, all as determined by the Landlord in its sole discretion.
- 6.02 ***Services*** Landlord will provide in the Shopping Centre except where Tenant shall do so pursuant to this Lease:
- (a) domestic hot (or tempered) and cold running water and necessary supplies in common washrooms sufficient for the normal use thereof; and
 - (b) heat, ventilation, air conditioning, lighting, electric power, domestic hot (or tempered) and cold running water, steam, natural gas and chilled water, in the Common Areas and Facilities (where appropriate).
- 6.03 ***Maintenance, Repair and Replacement*** Subject to the provisions of Article 7.01(b), Landlord will operate, maintain, repair and replace the systems, facilities and equipment necessary for the proper operation of the Shopping Centre and for provision of Landlord's services under Article 6.02 except as such may be installed by or be the property of Tenant or others (excluding Landlord) or both and except for the heating, ventilating and air conditioning equipment, elevators, escalators and other systems, facilities, machinery and equipment installed within or for the Premises, and will expeditiously maintain and repair the foundations, structure and roof of the Shopping Centre (excluding the Premises), provided that:
- (a) if all or part of such systems, facilities and equipment are destroyed, damaged or impaired, Landlord will have a reasonable time in which to complete the necessary repair or replacement, and during that time will be required only to maintain such services as are reasonably possible in the circumstances;

- (b) Landlord may temporarily discontinue such services or any of them at such times as may be necessary due to causes (except lack of funds) beyond the reasonable control of Landlord;
- (c) Landlord will use reasonable diligence in carrying out its obligations under this Article 6.03, but will not be liable under any circumstances for any consequential damage to any Person (including without limitation, Tenant) or any property for any failure to do so;
- (d) no reduction or discontinuance of such services under clauses (a) or (b) of this Article 6.03 will constitute as an eviction of Tenant or (except as specifically provided in this Lease) release Tenant from any obligation of Tenant under this Lease; and
- (e) nothing contained herein will derogate from the provisions of Articles 7.02, 7.03, 10.01, 16.01, 16.02, 16.03, or 16.04 and in no event shall Landlord be required to make any repairs or replacements which are necessary as a result of Tenant's default, negligence or willful misconduct..

6.04 ***Alterations by Landlord*** Landlord may, at any time prior to or during the Term, subject to Article 6.06: (i) change the area, level, location, arrangement or use of any portion of the Shopping Centre; (ii) construct on the Site or on adjacent lands, other buildings, structures or improvements and make alterations, additions, subtractions or rearrangements; (iii) modify, alter, expand, reduce or eliminate any interior or exterior Common Areas and Facilities; (iv) close off all or any part of the Shopping Centre and/or temporarily suspend services for the purpose of maintenance, repair, alteration or construction; (v) place any installations within or on any interior or exterior Common Areas and Facilities including without limitation, kiosks, planters, benches, promotional displays or activities and any other installations; (vi) close all or part of the Shopping Centre to the public outside of regular business hours, Sundays and holidays included; (vii) restrict areas on the Site available for employee parking, and/or prohibit employees from parking anywhere on the Site; (viii) impose reasonable charges for parking, and impose restrictions on refunds or compensations by Tenant to Persons using the parking areas; (ix) modify tenant mix, both with respect to kinds of uses which may be made of premises, as well as to changes in the physical location of any one or more tenants; (x) do and perform such other acts in relation to the Shopping Centre for the more efficient and proper operation of the Shopping Centre as Landlord determines to be advisable; (xi) change the name of the Shopping Centre; (xii) do all work required to install new, and/or maintain, adapt, repair or replace existing utility lines, pipes, roof drainage pipes, conduits, wires, duct work, columns and other matters through any part of the Premises if necessary and do any other work in the Premises to preserve, support or reinforce any structural walls or foundations of the Premises or the Shopping Centre, and do such work as may be required for an expansion or an alteration of all or part of the Shopping Centre.

Notwithstanding anything contained in this Lease, it is understood and agreed that if the Shopping Centre, the Site and/or the Common Areas and Facilities are diminished or altered in any manner whatsoever as a result of the exercise by Landlord of its rights set out in this Article 6.04, Landlord is not subject to any liability nor is Tenant entitled to any compensation or diminution or abatement of Rent, nor is any alteration or diminution thereof deemed to constitute constructive or actual eviction, or a breach of any covenant for quiet enjoyment contained in this Lease. Landlord and Tenant further agree that the exercise by Landlord of its rights under this Article 6.04 will not relieve Tenant of Tenant's obligations under Article 5.03 of this Lease.

The Tenant acknowledges, agrees and confirms that the Landlord has not granted to the Tenant and neither the Tenant or the Premises has the benefit of any merchandising controls, exclusivity rights, use restrictions, no-build zones, minimum parking ratio requirements, or minimum stall number requirements, or any other restrictions, restrictive covenants or approval rights applicable to the Site; the Shopping Centre or any part(s) thereof or any other lands abutting thereto or in the vicinity thereof ("Additional Lands") which the Landlord or any of its affiliates may have an interest in, including without limitation and for certainty anything that would otherwise restrict, limit, delay or otherwise interfere with the Landlord's (or its affiliate's) ability to lease, use, convey, alter, develop and/or redevelop all or any part of the Shopping Centre, the Site or any such Additional Lands. The Tenant hereby confirms that any of the forgoing that the Tenant was entitled to or that were granted in or in connection with the Original Lease, its occupancy of the Premises or otherwise have been expressly waived by the Tenant, have terminated and have ceased to have any force or effect. The Tenant covenants and agrees: (a) not to oppose (and hereby irrevocably waives all rights to oppose) the exercise of the Landlord's rights under this Section 6.04 or otherwise pursuant to this Lease in this regard, including, in respect of any rezoning matters, variance applications, restrictive covenants, site plans, subdivisions, easements, transfers, dedications, permits or approvals and other similar requirements in connection therewith (hereinafter "Rezoning Matters"); and (b) agrees to cooperate with Landlord (at no cost or expense to the Tenant) to the extent reasonably required, including, without limitation, granting any partial

discharges of its notice of lease and executing any consents, documents and instruments reasonably requested by the Landlord in furtherance of any Rezoning Matters.

- 6.05 ***Intentionally deleted.Access by Landlord*** Tenant will permit Landlord to enter the Premises outside of normal business hours, and during normal business hours where such will not unreasonably disturb or interfere with Tenant's use of the Premises and operation of its business, to examine, inspect and show the Premises to persons wishing to lease them, to provide services or make repairs, replacements, changes or alterations as set out in this Lease, and to take such steps as Landlord may deem necessary for the safety, improvement or preservation of the Premises or the Shopping Centre. Landlord will whenever possible, save in the event of emergency, consult with or give reasonable notice to Tenant prior to such entry, but no such entry will constitute an eviction or entitle Tenant to any abatement of Rent.
- 6.07 ***Energy, Conservation and Security Policies*** Landlord will be deemed to have observed and performed the terms and conditions to be performed by Landlord under this Lease, including those relating to the provision of utilities and services, if in so doing it acts in accordance with a directive, policy or request of a governmental or quasi-governmental authority serving the public interest in the fields of energy, conservation or security.
- 6.08 ***Sustainable Operation of Shopping Centre*** Tenant acknowledges Landlord's intention, to operate its Shopping Centre in a manner so as to provide for:
- (a) reduced energy and water consumption;
 - (b) the use of renewable energy and recycled water;
 - (c) the facilitation of alternate transportation for customers of the Shopping Centre;
 - (d) the use of non-toxic, low-impact cleaning and pest control and other products in the operation and maintenance of the Shopping Centre;
 - (e) a healthy indoor environment;
 - (f) installation and use of sustainable materials, furniture, equipment and improvements within the Shopping Centre; and
 - (g) the recycling and diversion of operational waste from landfill generated from the activities of tenants, licensees, and customers of the Shopping Centre,

and Landlord intends to operate, manage and maintain the Shopping Centre so as to obtain and/or maintain any green building certifications, accreditations or ratings.

ARTICLE 7.00 DEMISED UTILITIES, SERVICES, MAINTENANCE AND ALTERATIONS BY TENANT

7.01 *Demised Utilities*

- (a) Subject to Article 7.01(b), during the Term, Tenant will provide in the Premises at its own expense heat, ventilation, air-conditioning, water, gas, electricity, steam and other utilities and services. Tenant shall be solely responsible for and shall promptly pay (but in any event no later than the due date) the cost of water consumption, electricity, gas, steam, telephone, and other utilities used or consumed in or from the Premises directly to the supplier of such services where separately metered or as Landlord may direct.
- (b) If heat, ventilation, air conditioning, water, gas, electricity, steam or any other utility or service is provided by Landlord, but is not metered or is supplied to the Premises through meters common to a group of tenants in the Shopping Centre, Landlord will pay the cost thereof and apportion such cost as may reasonably be determined by Landlord among the tenants utilizing the utility or service or supplied through such common meters, (provided that if Landlord will from time to time reasonably determine that the use of any such utility or service in the Premises is disproportionate to the use of other tenants, Landlord may adjust Tenant's share of the cost thereof from a date reasonably determined by Landlord to take equitable account of the disproportionate use) and Tenant will reimburse Landlord the amount of its share of such cost.
- (c) ***Intentionally deleted.***
- (d) If a separate or a check meter exists, Tenant shall then pay for its consumption to Landlord as measured by the Premises check meter and in accordance with the rates of Landlord's supplier.

- (e) If at any time, any utility serving the Premises, whose consumption rate was measured by separate or check meter, ceases to be measured by separate or check meter for any reason whatsoever, Tenant shall pay to Landlord a charge calculated in accordance with paragraph (b) above.
- (f) Notwithstanding Article 7.00 of this Lease, at Landlord's option, Landlord may, at any time or times during the Term, purchase in bulk from the utility supplier the aggregate electrical energy requirements of the Shopping Centre or any portion thereof, in which event Landlord may arrange for the supply of electricity to the Premises for the general electrical purposes of Tenant. In such case, Tenant will pay to Landlord on a monthly basis, in advance, with annual adjustment at the end of each Fiscal Year, a charge for supplying electricity to the Premises as determined by Landlord on the basis of Tenant's consumption.
- (g) Where the Premises are metered directly by a utility company or supplier for electricity, gas, water, or steam consumption, Tenant will provide Landlord, at Tenant's cost, with all consumption data for the Premises, in the manner, at such frequency and in the format as required by Landlord so as to comply with its obligations relating to governmental or quasi-governmental authority reporting regulations, to meet green building certifications or standards including, without limitation, LEED, BOMA BEST or ENERGY STAR or to improve the environmental performance of the Shopping Centre.

7.02 ***Demised Heating, Ventilation, and Air-Conditioning (HVAC)*** Without limiting the generality of the foregoing, Tenant will at its sole cost and expense be responsible for maintaining, repairing and replacing of the heating, ventilating and air-conditioning equipment (the "**Tenant HVAC System**") installed for the Premises where such equipment is not part of a shared or central system.

7.03 ***Condition of Premises*** During the Term, Tenant will keep the Premises in a clean and tidy condition, and will provide at its own expense therein janitor services in accordance with this Lease and the rules and regulations of Landlord from time to time, removal of debris and garbage, and cleaning of all windows, doors, walls, ceiling, tiles, floors, grease traps and grease guard systems in the Premises and on the roof of the Shopping Centre where applicable and the exterior of the Premises, subject to Article 7.04(f).

Subject to the foregoing and except to the extent that Landlord is specifically responsible therefor under this Lease, Tenant will at its sole cost and expense maintain the Premises and all improvements therein in good order and condition, subject to reasonable wear and tear, including, without limiting the generality of the foregoing:

- (a) intentionally deleted;
- (b) making repairs and replacements as needed to glass, plate glass, store windows and storefronts, signs, mouldings, doors, hardware, partitions, walls, fixtures, lighting, finishes, plumbing, wiring, ductwork and piping (including that portion which is contiguous to the Premises), ceilings, floors and thresholds in the Premises;
- (c) maintaining, repairing and replacing as needed all Tenant HVAC Systems, elevators, escalators, mechanical, electrical and plumbing systems, facilities and equipment in the Premises;
- (d) making other repairs and replacements in the Premises as needed, except repairs and replacements to the Premises for which Landlord is specifically responsible under this Lease; and
- (e) keeping the Premises in such condition as to comply with the requirements of any governmental or quasi-governmental authority and insurers having jurisdiction and the rules and regulations of Landlord.

Notwithstanding any legislation to the contrary, the Tenant's repair obligations will include all those which are major as well as minor, or those which are customarily landlord's or tenant's, except as expressly provided otherwise in this Lease

7.04 ***Alterations by Tenant*** Tenant may from time to time at its own expense make changes, additions and improvements in the Premises to better adapt the same to its business, provided that any such change, addition or improvement will:

- (a) comply with the requirements of Landlord's insurer and any Authority having jurisdiction;
- (b) be made only with the prior written consent of Landlord;

- (c) equal the then current standard for the Shopping Centre;
- (d) be carried out only by persons selected by Tenant and approved in writing by Landlord, who will, if required by Landlord, deliver to Landlord before commencement of the work, performance and payment bonds as well as proof of worker's compensation and public liability and property damage insurance coverage as reasonably required by Landlord with Landlord, Owners and Management Company as additional insured parties in amounts, with companies and in form reasonably satisfactory to Landlord, which will remain in effect during the entire period in which the work will be carried out;
- (e) Tenant shall obtain all necessary construction and other permits before starting any work in the Premises;
- (f) Tenant shall not make any repairs, openings, or additions to any part of the exterior of the Premises, or to the Common Areas and Facilities nor place anything of whatsoever nature in or upon any part of the Common Areas and Facilities, including without limitation the roof and without having obtained the prior written consent of Landlord. In addition it is expressly forbidden for Tenant, its employees, agents, representatives or any Person for whom Tenant is in law responsible to go upon the roof of the Shopping Centre for any reason whatsoever without Landlord's prior written consent. Notwithstanding the prior granting of such consent, Tenant shall be fully responsible for all ensuing costs and damages whether to remove materials or to effect repairs needed as a result of such acts;
- (g) Tenant shall not make any change, alteration, addition, repair or improvement in or to the Premises which in any manner affects the structure, the roof, the perimeter walls, the bearing floors, structural slab or slab on grade, the storefront, the sprinkler system (whether it services the Premises exclusively or not), or any heating, ventilation or air-conditioning system or equipment or the electrical and plumbing services or systems (whether these serve the Premises exclusively or not), without in each case obtaining Landlord's prior written approval thereto. Tenant will accompany each request for Landlord's written approval by detailed plans and specifications for the intended work, and will ensure that the work is done according to the relevant provisions of this Lease.

Any increase in Taxes or insurance premiums for the Shopping Centre, or any part thereof, attributable to such change, addition or improvement will be borne by Tenant and Tenant will pay Landlord for the cost of such increase upon receipt of Landlord's invoices therefor.

7.05 Trade Fixtures and Personal Property Tenant may install in the Premises its usual trade fixtures and personal property in a proper manner, provided that no such installation will interfere with or damage the mechanical, plumbing, sprinkler or electrical systems or all or any part of the structure of the Shopping Centre. If Tenant is not then in default under this Lease, trade fixtures and personal property installed in but not affixed to the Premises by or on behalf of Tenant may be removed from the Premises:

- (a) from time to time in the ordinary course of Tenant's business or in the course of permitted reconstruction, renovation or alteration of the Premises by Tenant; and
- (b) during a reasonable period prior to the expiration of the Term,

provided that Tenant in all cases promptly repairs at its own expense any damage to the Premises resulting from such installation and removal. In no case will trade fixtures or personal property include the ceiling or ceiling panels, electric light fixtures, doors, floor coverings, storefront, plumbing fixtures and fittings or any affixed cabinets, shelves, hardware or decorative items in or upon the Premises which upon installation become the property of Landlord, provided, however, that if any of the foregoing shall contain any Hazardous Substance such installation shall remain the property of Tenant and Tenant will remove such items at its expense.

7.06 Liens Tenant will pay before delinquency all costs for work done or caused to be done by Tenant in the Premises which could result in any lien or encumbrance on Landlord's interest or Tenant's interest or both in the Site or the Shopping Centre or any part thereof, will keep the title to the Site and the Shopping Centre and every part thereof free and clear of any lien or encumbrance in respect of such work and will indemnify and hold harmless Landlord against any claim, loss, cost, demand and legal or other expense, whether in respect of any lien or otherwise, arising out of the supply of material, services or labour for such work. Tenant will immediately notify Landlord of any such lien, claim of lien or other action of which it has or reasonably should have knowledge and which affects the title to the Site and the Shopping Centre or any part thereof, and will cause the same to be removed within fifteen (15) days of written notice from Landlord (or such additional time as Landlord may consent to in writing), failing which Landlord may take action as Landlord deems necessary to remove the same and the entire cost thereof will be immediately due and payable by

Tenant to Landlord, including all legal fees, costs and disbursements on a substantial indemnity basis.

7.07 *Intentionally deleted.*

7.08 **Signs** Tenant shall not erect or place any sign, decal, decoration, lettering, design or advertisement of any nature whatsoever (“Sign”) on the exterior walls of the Premises or on the walls of the mall or elsewhere in the Shopping Centre or in the display windows without first obtaining Landlord’s written consent as to the specifications, design, location and method of installation. All Signs shall conform to all applicable rules and regulations and shall be of high quality. Furthermore, all Signs shall be suitably illuminated where applicable in the same manner as other signs in the Shopping Centre. Tenant shall not install or affix any Sign in the Premises or in the Shopping Centre which is visible from the exterior of the Shopping Centre. All Signs on Tenant’s storefront which Landlord allows Tenant to install must be so installed prior to the opening by Tenant of its Premises to the public.

No Sign(s) advertising an auction sale, going out of business sale, closing out sale, bankruptcy sale or any other similar sale other than one in the normal course of Tenant’s business, or any Sign indicating that Tenant is moving to another location, shall be permitted in the Shopping Centre.

For certainty, the Landlord confirms that the Tenant’s exterior Signs that exist as of the Commencement Date are compliant with this Section.

ARTICLE 8.00 TENANT’S TAXES

8.01 **Business Taxes and Other Taxes Payable by Tenant** Tenant shall pay promptly and directly to the Authorities responsible for collection all business and water taxes, charges or rates, garbage removal taxes, charges, rates, taxes, levies, fees, duties, tariffs or assessments for consumption and/or emissions of any fuel of whatsoever nature however imposed or assessed and/or for recycling and/or similar taxes, charges or rates imposed on or applicable to Tenant in connection with the activities, goods (including without limiting the generality thereof, Tenant’s movables, equipment and tools) or services of which Tenant benefits, or for Tenant’s use or occupation of the Premises, or for the nature of the enterprise that Tenant operates in the Premises, or any other matter determined by said authorities (hereinafter “Tenant’s Taxes”). It is understood that Tenant shall pay promptly and directly to Landlord any Tenant’s Taxes where Landlord shall be invoiced therefor or shall become liable for any such Tenant’s Taxes pursuant to any new, amended or modified law, regulation, policy and/or practice of any competent Authority. Tenant shall also be liable for the payment of any Tenant’s Taxes, Taxes and any other amount payable by Landlord, and any increases in one or all of the foregoing (even where such Tenant’s Taxes, Taxes or other amount or increases thereof are substantially greater than the amount payable therefor by Tenant in previous years) as a direct or indirect result of the abolition, modification and/or replacement of any Tenant’s Taxes by any competent Authority or due to any modification of any policy or practice thereof. Tenant will indemnify Landlord from and against all losses, costs of expenses occasioned by or arising from the foregoing.

ARTICLE 9.00 INSURANCE

9.01 **Landlord’s Insurance** Throughout the Term of this Lease, Landlord will carry the insurance for which Landlord is obligated under the Original Lease and such insurance provisions are deemed incorporated herein by reference. For certainty, during the Term, Landlord will maintain the Landlord’s insurance coverage currently in place as of the Commencement Date, which the Landlord and the Tenant acknowledge is satisfactory.

9.02 **Tenant’s Insurance** Throughout the Term of this Lease Tenant, at its sole cost and expense, will carry the insurance for which Tenant is obligated under the Original Lease and such provisions of the Original Lease are deemed incorporated herein by reference. For certainty, during the Term and any period Tenant is in possession of the Premises, the Tenant will maintain the Tenant’s insurance coverage currently in place as of the Commencement Date in accordance with the insurance certificate most recently provided to the Landlord by the Tenant, which the Landlord and the Tenant acknowledge is satisfactory.

Tenant agrees to deliver to Landlord, proof of above required insurance in force at such date, such proof to be in the form of certificates of insurance acceptable to Landlord. If the breach or non-performance of any of the covenants or agreements herein contained on the part of Tenant will immediately endanger or could reasonably lead to or result in future endangerment of the Premises or any other of the buildings or property in or on the Shopping Centre or result in the voiding, cancellation or threatened cancellation of any insurance policy affecting such buildings or property or part thereof Landlord may, either, at Landlord’s sole discretion, terminate this Lease effective upon written notice to Tenant, or without terminating this Lease and after giving such notice, if

any, as is reasonable in the circumstances, enter upon the Premises and take such action, including removing Tenant and any persons or property from the Shopping Centre, as is reasonable to remove or abate the cause of the danger or voiding or cancellation of the policy, and Landlord will not be liable for any damages of any kind howsoever caused arising out of such termination or such action, the whole without prejudice to Landlord's other rights and recourses.

ARTICLE 10.00

INJURY TO PERSON OR PROPERTY

- 10.01 ***Mutual Indemnity.*** Except to the extent released in Sections 10.02 and 10.03 below, each of the Landlord and the Tenant will defend, protect, indemnify and save harmless the other of and from all fines, suits, claims, demands and actions of any kind or nature to which the party being indemnified shall or may become liable or suffer by reason of any breach, violation or nonperformance by the party so indemnifying of any covenant, term or provision of this Lease or by reason of any damage, injury or death occasioned to or suffered by any person or persons including the Landlord or the Tenant, as the case may be, or any property, by reason of any wrongful act, neglect or default on the part of the party so indemnifying or any of its agents, employees, officers or contractors.
- 10.02 ***Release of Landlord.*** In respect of any insurance required by this Lease to be obtained by the Tenant, none of the Landlord, the mortgagees of the Shopping Centre, any manager retained from time to time by the Landlord to operate the Shopping Centre or other persons for whom the Landlord is responsible in law shall be liable to the Tenant in respect of any loss, injury or damage so required to be insured by the Tenant to the extent that insurance proceeds are recovered. For this purpose if the Tenant fails to utilize its reasonable efforts to recover or fails to comply with its obligations to insure under this Lease, recovered proceeds shall be deemed to include proceeds which would reasonably have been recoverable if the Tenant had so complied or so utilized its reasonable efforts to recover, as the case may be. In confirmation of the foregoing and in addition thereto, the Tenant shall obtain a waiver of subrogation from its insurers in favour of the Landlord, the mortgagees of the Shopping Centre, the manager retained by the Landlord from time to time to operate the Shopping Centre and those for whom the Landlord is responsible in law. With respect to the Tenant's fixtures, furniture, inventory and stock-in-trade including merchandise or other contents of the Premises, the Landlord, the mortgagees of the Shopping Centre, any manager retained from time to time by the Landlord to operate the Shopping Centre and others for whom the Landlord is responsible in law shall not be liable to the Tenant in respect of any loss, injury or damage.
- 10.03 ***Release of Tenant.*** In respect of any insurance required by this Lease to be obtained by the Landlord, none of the Tenant, its officers, employees, agents, invitees or other persons for whom the Tenant is responsible at law shall be liable in respect of any loss, injury or damage required to be so insured to the extent that insurance proceeds are recovered. For this purpose if the Landlord fails to utilize its reasonable efforts to recover or fails to comply with its obligations to insure under this Lease, recovered proceeds shall be deemed to include proceeds which would reasonably have been recoverable if the Landlord had so complied or so utilized its reasonable efforts to recover, as the case may be. In confirmation of the foregoing and in addition thereto, the Landlord shall obtain a waiver of subrogation from its insurers in favour of the Tenant, its officers, employees, agents, invitees and those for whom the Tenant is responsible in law.

ARTICLE 11.00

TRANSFERS

- 11.01 ***Transfers*** Except to an Eligible Corporation (which for the purpose of this Article 11.00 is a corporation or other legal entity (but not an individual) which controls or is controlled by or under common control with Tenant, where to control means to own beneficially either directly or indirectly more than 50% of the voting shares of a corporation or other legal entity) and subject to provisions of Article 11.03, Tenant will not, and will not permit a subtenant to, assign this Lease in whole or in part or sublet all or part of the Premises, or transfer this Lease in any other manner and will not permit the occupation or use of all or part of the Premises by others (any of which events are hereinafter referred to as a "Transfer"), without the prior written consent of Landlord in each case, which consent, despite any statutory provision to the contrary, may be arbitrarily or unreasonably withheld; provided, however, that Tenant may enter into a Transfer with an Eligible Corporation, with the prior written consent of Landlord which consent may not be arbitrarily or unreasonably withheld. Tenant will not, and will not permit subtenant or any other Person or entity to mortgage or encumber all or any part of the Tenant's rights resulting from this Lease or all or any part of the Premises. Under no circumstances will Tenant be entitled to effect a Transfer to any one prior to the Commencement Date, notwithstanding anything to the contrary in this Lease or at law. The consent by Landlord to a Transfer will not constitute a waiver of its consent to a subsequent Transfer. This prohibition against transferring includes a Transfer by operation of law. If a Transfer occurs without the consent of Landlord when required, Landlord may collect rent from the assignee, subtenant, mortgagee, encumbrancer, user or occupant as the case may be (hereinafter the "**Transferee**"), and apply the net amount collected to the rent herein reserved, but no such Transfer, occupancy or collection will be deemed a waiver of the covenant not to Transfer without Landlord's consent, nor an acceptance by Landlord of the Transfer or the Transferee.

notwithstanding any rule of law or equity to the contrary. Despite a Transfer, Tenant remains fully liable under this Lease. A permitted Transfer of all or part of this Lease or the Premises will be documented by Landlord or its solicitors, and the amounts stipulated in Article 11.02(b)(iv) shall be paid by Tenant and deemed to be Rent. Notwithstanding anything contained in this Lease to the contrary, Landlord may immediately terminate this Lease if Tenant effects a Transfer without Landlord's prior written consent thereto, whether or not Tenant gives prior written notice thereof.

11.02 **Conditions** Any Transfer referred to in Article 11.01 or elsewhere in this Lease will be subject to the following conditions:

- (a) that Tenant causes any Transferee to promptly execute an agreement in writing with Landlord agreeing to be bound by the terms, provisions and conditions contained in this Lease as if such Transferee had originally executed this Lease as Tenant (provided that such agreement will not in any way affect the rights of Landlord under this Lease); and
- (b) all requests for Landlord's consent to effect a Transfer shall be in writing and be accompanied by each of the following: (i) the name, address and telephone number of each proposed Transferee and if it is a corporation, the names of the directors and the majority shareholders (or in the case of a change of control, those Persons who would subsequently acquire effective control); (ii) details of the proposed Transferee's prior business experience (including experience in the enterprise for which the Premises are to be operated pursuant to this Lease); (iii) bank and other credit references, required by Landlord to assess the business or financial strength and standing of the proposed assignee, subtenant or occupant; (iv) a non-reimbursable fee (paid by certified cheque or draft of a Canadian chartered bank) for all charges associated with Landlord's administration and documentation of the Transfer; (v) if the proposed Transferee is a corporation or other legal entity (but not an individual), its constating documents (including any articles of incorporation, amendment or amalgamation, any declarations of trust or partnership agreements and the like); (vi) details of the transaction of Transfer between Tenant and the proposed Transferee and all relevant documents with respect thereto; (vii) a signed copy of Landlord's standard form of letter of consent authorizing Landlord to make inquiries regarding the personal affairs of the proposed Transferee or any principal thereof, and (viii) all other information or documentation which Landlord may reasonably require.

11.03 **Corporate Ownership** If after the date of execution of this Lease, securities not listed for sale on a recognized securities exchange in Canada either of Tenant or of an Eligible Corporation which controls Tenant are transferred by sale, assignment, bequest, inheritance, operation of law or other disposition, or issued by subscription or allotment or cancelled or redeemed, so as to result in a change in the effective voting or other control of Tenant or of an Eligible Corporation which controls Tenant by the Person or Persons holding control on the date of execution of this Lease or on the date when Tenant becomes a corporation, if later, or if other steps are taken to accomplish a change of the effective control of Tenant, Tenant will promptly notify Landlord in writing of the change which will be considered to be a Transfer of this Lease to which Articles 11.01 and 11.02 apply; and whether or not Tenant notifies Landlord, Landlord may terminate this Lease within 60 days after Landlord learns of the change unless Landlord previously had consented to the change in writing. Tenant will make available to Landlord or its lawful representatives all corporate books and records of Tenant and of any Eligible Corporation which controls Tenant for inspection at all reasonable times, to ascertain to the extent possible whether there has been a change of control.

11.04 **Insolvency of Transferee** In the event Transferee becomes insolvent or commits an act of bankruptcy and this Lease is disclaimed or terminated, or Transferee disclaims this Lease pursuant to any bankruptcy or insolvency legislation, or the terms of any insolvency-related Court order, then at Landlord's option to be exercised on written notice to the original Tenant named in this Lease or any Transferee (except the bankrupt or insolvent Transferee), such party will be deemed to have entered into a lease with Landlord for the remainder of the initial Term, on the terms and conditions of this Lease prevailing immediately prior to the date of such disclaimer, termination or repudiation (including without limitation, future Rent escalations (if any)) effective upon the effective date of such disclaimer, termination or repudiation.

11.05 **Permitted Transfers.** Notwithstanding the aforesaid, Tenant may, without the consent of Landlord, but on prior written notice to Landlord:

- (a) assign this Lease to, and may in any event permit the Premises to be used and occupied in whole or in part by, any affiliated corporation of Tenant (as such term "affiliated corporation" is defined by the Canada Business Corporations Act); or
- (b) assign this Lease to any corporation with which Tenant merges or consolidates that is an affiliated corporation of Tenant; or

- (c) grant concessions or licenses to use and occupy any part or parts of the Premises provided that: (i) the Premises continues to be carried on, and retains the appearance to the public of being carried on, as an integrated single department store operated in accordance with the requirements of this Lease, (ii) at least 80% (by number) of the concessions or licenses granted shall be to licensees or concessionaires which operate in a majority of the Tenant's other stores in the greater Toronto area; and (iii) any such concessionaire, licensee or other occupant within the Premises is subject to the day-to-day operational control of the Tenant in matters related to general standards of the business carried on so as to enable the Tenant to ensure that such standards shall conform to the general standards of business of the Tenant itself.

ARTICLE 12.00

SURRENDER

12.01 **Possession** Upon the expiration of the Term or other termination of this Lease and in addition to the provisions of Article 12.02, Tenant will immediately quit and peaceably surrender possession of the Premises to Landlord:

- (i) in a vacant, clean and broom-swept condition with all of Tenant's signage, inventory, trade fixtures, racking and personal property removed; and
- (ii) without any material damage to the structural and building system elements of the Premises (inclusive, for certainty, of walls, ceilings, windows and storefronts) and with such building systems (inclusive of elevators and escalators) servicing the Premises in a working order, subject to reasonable wear and tear ;

but otherwise in an "as is, where is" condition and without any obligation to: (A) return the Premises or any component thereof to an improved or better state of condition or operation than existing as of the Commencement Date; or (B) to remove any leasehold improvements in the Premises installed pursuant to Article 7.04 hereof. For greater clarity, it is the intention of the parties that Tenant shall have no obligation to make cosmetic or "wear and tear" type repairs to the Premises upon surrender (such as repainting or repairing holes in walls, floors or ceilings caused by the typical installation and removal of racking, trade fixtures etc.).

Notwithstanding the foregoing, if the Landlord's intention is to demolish and/or redevelop the Premises following the expiry of the Term and not to re-tenant same, the Landlord shall advise the Tenant thereof in which event sub-paragraph (ii) above shall not apply.

Upon surrender, all right, title and interest of Tenant in the Premises will cease. If Tenant has registered a caveat, caution, memorandum notice or other instrument relating to this lease against title to the Land, it will cause the same to be released and discharged no later than 15 days following the expiry or termination date, failing which Landlord may following the expiry of a further 15 days after notice to Tenant, at its option, register a release or discharge immediately and Tenant hereby appoints Landlord as its agent with respect to executing such documents. The costs of preparing and/or registering a release or discharge of a notice of this will be paid by Tenant.

12.02 **Trade Fixtures, Personal Property and Improvements**

- (a) Subject to Article 7.05, all alterations, additions and improvements made or to be made upon or to the Premises (save any movable trade fixtures used in Tenant's enterprise) which in any manner are attached in, to or under the floors, walls or ceilings, including, without limitation, walk-in vaults, large water features such as pools, water basins and fountains and landscaping features, any component of any heating, ventilating, air-conditioning, sprinkler, plumbing or electrical equipment or systems, presently or in the future installed within or servicing the Premises, all lighting installations and fixtures including, without limitation, all spot lights and tracks and all floor finishes of whatever nature placed upon the floor of the Premises, all storefronts, doors and/or partitions, shall become Landlord's property at the time they are installed, and will be surrendered to Landlord at the expiry of the Term or sooner termination of this Lease without any compensation or indemnity payable to Tenant whatsoever.
- (b) If Tenant leaves any property on the Premises following the expiry of the Term or earlier termination thereof which it is entitled to remove, then unless Landlord expressly notifies Tenant to remove such property, the ownership of such property will, at Landlord's option, be deemed to have been abandoned to Landlord, free and clear of all Tenant Security, notwithstanding any law or agreement to the contrary and whether or not Landlord chooses to become the owner of such items, they may be used, removed or disposed of by or on behalf of Landlord, as Landlord determines, without compensation payable to Tenant and without incurring any liability to Tenant.

- 12.03 **Merger** The voluntary or other surrender of this Lease by Tenant or the cancellation of this Lease by mutual agreement of Tenant and Landlord will not work a merger, and will, at Landlord’s option, either terminate all or any subleases and subtenancies or operate as an assignment to Landlord of all or any subleases and subtenancies. Landlord’s option hereunder will be exercised by notice to Tenant and all sublessees or subtenants in the Premises or any part thereof known to Landlord. If Landlord does not give notice within a reasonable period of time after such cancellation of this Lease, then all such subleases will be deemed to have been terminated on the date of such cancellation.
- 12.04 **Payments After Termination** No payment of money by Tenant to Landlord after the expiration of the Term or other termination of this Lease or after the giving of any notice by Landlord to Tenant, will reinstate, continue or extend the Term or make ineffective any notice given to Tenant prior to the payment of such money. After the service of notice or the commencement of a suit, or after final judgment granting Landlord possession of the Premises, Landlord may receive and collect any sums of Rent due under this Lease, and the payment thereof will not make ineffective any notice, or in any manner affect any pending suit or any judgment theretofore obtained.

ARTICLE 13.00 HOLDING OVER

- 13.01 **Month-to-Month Tenancy with Landlord Consent** If with Landlord’s written consent, Tenant remains in possession of the Premises after the expiration of the Term or other termination of this Lease, notwithstanding any legislation to the contrary, Tenant will be deemed to be occupying the Premises on a month-to month tenancy only, at a monthly rental equal to the Rent payable by Tenant during the last month immediately preceding the expiration of the Term or such other rental as is stated in such written consent, and such month-to-month tenancy may be terminated by Landlord or Tenant on the last day of any calendar month by delivery of at least one (1) month’s advance written notice of termination to the other.
- 13.02 **Tenancy at Sufferance** If without Landlord’s written consent Tenant remains in possession of the Premises after the expiration of the Term or other termination of this Lease, Tenant will be deemed to be occupying the Premises upon a tenancy at sufferance only, at a monthly rental equal to two (2) times the Rent payable during the last month preceding the expiration or termination. Such tenancy at sufferance may be immediately terminated by Landlord at any time by notice of termination to Tenant, and by Tenant on the last day of any calendar month by at least 30 days’ advance written notice of termination to Landlord.
- 13.03 **General** Any month-to-month tenancy or tenancy at sufferance hereunder will be subject to all other terms, provisions and conditions of this Lease except any right of renewal or extension and nothing contained in Article 13.00 will be construed to limit or impair any of Landlord’s rights of re-entry or eviction or constitute a waiver thereof.

ARTICLE 14.00 RULES AND REGULATIONS

- 14.01 **Purpose** The Rules and Regulations in Exhibit D (the “Rules and Regulations”) have been adopted by Landlord for the safety, benefit and convenience of all tenants and other persons in the Shopping Centre.
- 14.02 **Observance** Tenant will at all times comply with, and will cause its employees, servants, agents, licencees and invitees to comply with the Rules and Regulations from time to time in effect.
- 14.03 **Modification** Landlord may from time to time, for the purposes set out in Article 14.01, amend, delete from, or add to the Rules and Regulations, provided that any such modification:
- (a) will not be repugnant to or inconsistent with any other provision of this Lease;
 - (b) will be reasonable and have general application to tenants in the Shopping Centre; and
 - (c) will be effective only upon delivery of a copy thereof to Tenant at the Premises.
- 14.04 **Non-Compliance** Landlord will use reasonable efforts to secure compliance by all tenants and other persons in the Shopping Centre with the Rules and Regulations from time to time in effect, but will not be responsible to Tenant for failure of any person to comply with such Rules and Regulations.

ARTICLE 15.00 EXPROPRIATION

- 15.01 **Expropriation** Both Landlord and Tenant agree to cooperate with each other in respect of any expropriation of all or any part of the Premises or any other part of the Shopping Centre, so that each may receive from the Authority the maximum award to which each is respectively entitled by law. If any portion of the Shopping Centre other than the Premises is expropriated, then the

proceeds accruing therefrom shall belong solely to Landlord, and Tenant shall abandon to Landlord any rights which Tenant may have by operation of law to such proceeds or award. Tenant will execute such documents as required to give effect to the foregoing.

If at any time during the Term, any material part of the Shopping Centre is expropriated or if access to the Premises is materially affected by such expropriation, then Landlord may terminate this Lease on written notice to Tenant, which termination will take effect on the earlier of the date of the expropriation or the taking of prior possession.

Whether the Lease is terminated or not, Tenant shall have no claim against Landlord as a result of or arising from the expropriation of all or any part of the Shopping Centre or the Premises.

If Landlord exercises its right of termination hereunder, this Lease will terminate on the date stated in the notice, provided, however, that no termination pursuant to notice hereunder may occur later than 60 days after the date (hereinafter "Date of Such Taking") on which the Authority takes possession of that part of the Shopping Centre so taken.

- 15.02 ***Surrender*** On any such date of termination under Article 15.01, Tenant will immediately surrender to Landlord the Premises and all interests therein under this Lease. Landlord may re-enter and take possession of the Premises and remove Tenant therefrom, and the Rent will abate on the date of termination, except that if the Date of Such Taking differs from the date of termination, Rent will abate on the former date.
- 15.03 ***Partial Taking of Premises*** If any portion of the Premises (but less than the whole thereof) is so taken, and no rights of termination herein conferred are timely exercised, the Term of this Lease will expire with respect to the portion so taken on the Date of Such Taking. In such event the Rent payable hereunder with respect to such portion so taken will abate on such date, and the Rent thereafter payable with respect to the remainder not so taken will be adjusted pro rata by Landlord in order to account for the resulting reduction of the Area of the Premises. After such adjustment, and on notice from Landlord stating the Rent then owing, Tenant will immediately pay Landlord such Rent.

ARTICLE 16.00

DAMAGE BY FIRE OR OTHER CASUALTY

- 16.01 ***Limited Damage to Premises*** If all or part of the Premises are rendered untenable by damage from fire or other casualty which, in the reasonable opinion of the Architect, can be substantially repaired under applicable laws and governmental regulations within 180 days from the date of such casualty (employing normal construction methods without overtime or other premium), Landlord will immediately at its own expense repair such damage other than damage to improvements, furniture, chattels or trade fixtures which do not belong to Landlord or which have been installed by or on behalf of Tenant, which instead will be repaired immediately by Tenant at Tenant's own expense.
- 16.02 ***Major Damage to Premises*** If all or part of the Premises are rendered untenable by damage from fire or other casualty which, in the reasonable opinion of the Architect, cannot be substantially repaired under applicable laws and governmental regulations within 180 days from the date of such casualty (employing normal construction methods without overtime or other premium), then Landlord, or in the event that there is less than two (2) years remaining in the Term, Tenant, may elect to terminate this Lease as of the date of such casualty by written notice delivered to the other not more than 20 days after receipt of the Architect's opinion, failing which Landlord will forthwith at its own expense repair such damage other than damage to improvements, furniture, chattels or trade fixtures which do not belong to Landlord or which have been installed by or on the behalf of Tenant, which instead will be repaired forthwith by Tenant at Tenant's own expense.
- 16.03 ***Abatement*** If Landlord is required to repair damage to all or part of the Premises under Article 16.01 or 16.02, provided such damage is caused by a peril Landlord is required to insure against pursuant to Article 9.01, the Rent payable by Tenant under this Lease will be proportionately reduced to the extent that the Premises are thereby rendered untenable by Tenant in its business, from the date of such casualty until five (5) days after completion by Landlord of the repairs to the Premises (or the part thereof rendered untenable) or until Tenant again uses the Premises (or the part thereof rendered untenable) in its business, whichever first occurs.
- 16.04 ***Major Damage or Destruction of Shopping Centre*** Notwithstanding any contrary provision of this Lease and specifically, but without limitation, Article 16.01, if the Shopping Centre is totally or partially damaged or destroyed (whether the Premises are affected or not), and (i) in the Architect's opinion, the damaged or destroyed portions cannot reasonably be repaired, restored or rebuilt within one hundred and eighty (180) days following the occurrence of the damage or destruction (employing normal construction methods without overtime or other premium); or (ii) the cost as estimated by the Architect, of repairing, restoring or rebuilding the damaged or destroyed portions would exceed the proceeds of insurance available to Landlord for such purpose; or (iii)

the damage or destruction was caused by a peril for which Landlord was not insured and for which Landlord was not obliged to insure against; or (iv) intentionally deleted; ; or (v) less than two (2) years remains during the Term; or (vi) a Mortgagee will not consent to the use of insurance proceeds for repair or reconstruction; then in any of the above cases, Landlord may, at its option (to be exercised by written notice to Tenant within 30 days following any such occurrence) elect to terminate this Lease.

If Landlord elects to terminate this Lease, then the following provisions will apply:

- (a) If the Premises become totally unfit for the use for which they were leased, the termination will take effect from the date of the damage or destruction and the Rent will cease to be payable and will be adjusted as of that date.
- (b) If the Premises are partially damaged and Tenant has occupied any part of the Premises or any part of the Premises have been reasonably capable of being occupied from the date of the damage or destruction, this Lease will terminate ten (10) days from Landlord's notice stipulated in the first paragraph of this Article 16.04 and the Rent will cease to be paid by Tenant as of the date of termination, however, Minimum Rent and Additional Rent will abate from the date of the damage and destruction until the date of termination to the extent the Premises cannot reasonably be used for their intended purposes.
- (c) If the Premises were not damaged, this Lease will terminate ten (10) days from Landlord's notice stipulated in Article 16.00 and the Rent will cease to be paid from such date of termination.

If the Shopping Centre is totally or partially damaged or destroyed and Landlord does not elect to terminate this Lease, subject to the following, Landlord shall commence and proceed diligently to reconstruct or repair those portions of the Shopping Centre which have been so damaged or destroyed to the extent only of Landlord's responsibilities pursuant to the terms of the various leases for premises in the Shopping Centre and exclusive of any tenants' responsibilities. Furthermore, if the Premises are being repaired or reconstructed, the provisions of Article 16.01 will apply.

If Landlord does any reconstruction or repairing of the Shopping Centre, Landlord may do any one or more of the following: (i) use plans, specifications and working drawings which differ from those applicable to the Shopping Centre existing prior to the damage or destruction provided that the enjoyment Tenant may obtain from the Premises is of a similar or superior quality to that which existed prior to the damage or destruction; (ii) change the configuration, design and/or size of the Shopping Centre or any of its component parts including, without limitation, the location and size of any mall, court, entrance, parking facility or any of other Common Areas and Facilities provided that the enjoyment Tenant may obtain from the Premises is of a similar or superior quality to that which existed prior to the damage or destruction; and (iii) redesign the tenant mix, both with respect to the kinds of uses which will be included in the tenant mix, as well as the physical location of the types of uses being operated prior to the damage or destruction. Tenant agrees that none of the foregoing shall constitute a default of Landlord's obligation to provide peaceable enjoyment of the Premises, nor shall it constitute a change of form or destination of the Shopping Centre, nor shall the validity or enforceability of this Lease be affected in any manner by any of the foregoing.

ARTICLE 17.00

TRANSFERS AND MORTGAGES BY LANDLORD

- 17.01 ***Sales, Conveyance and Assignment*** Nothing in this Lease (which term for purpose of this Article 17.00 includes any extension, renewal or replacement of this Lease) will restrict the right of Landlord to sell, convey, assign, mortgage or otherwise deal with all or any part of the Shopping Centre, subject only to the rights of Tenant under this Lease.
- 17.02 ***Effect of Sale, Conveyance or Assignment*** A sale, conveyance or assignment of the Shopping Centre will operate to release Landlord from liability from and after the date thereof upon all the covenants, terms and conditions of this Lease, express or implied, except as such may relate to the period prior to such effective date, and Tenant will thereafter look solely to Landlord's successor in interest in and to this Lease. This Lease will not be affected by any such sale conveyance or assignment, and Tenant will attorn to Landlord's successor in interest thereunder.
- 17.03 ***Definition of Mortgage, Mortgagee and Mortgagee's Interest*** Each and every charge, mortgage, debenture or trust deed, now or hereafter registered against all or any part of the Shopping Centre is hereafter called a "Mortgage" which term includes all amounts advanced or to be advanced thereunder and all renewals, modifications, consolidations, replacements and extensions thereof. "Mortgagee" means a chargee or mortgagee named in a Mortgage, or the holder of a debenture or

the trustee under a trust deed constituting a Mortgage, as the case may be; and “Mortgagee’s Interest” means the estate or interest of the Mortgagee secured by a Mortgage.

17.04 ***Subordination of Mortgage to Lease*** If this Lease or the estate or interest of Tenant thereunder (the “Tenant’s Leasehold Interest”) is subordinate to a Mortgage or Mortgagee’s Interest now or at any time hereafter, then on written request of the Mortgagee or of Landlord on Mortgagee’s behalf, made concurrently with execution of this Lease or at any time thereafter, the Mortgage and the Mortgagee’s Interest will be postponed and made subordinate to this Lease and the Tenant’s Leasehold Interest as if such Mortgage had been executed, delivered, registered and fully advanced after the execution, delivery and registration of this Lease, by means of an instrument of postponement and subordination, which will be entered into between Tenant and the Mortgagee, provided that Tenant shall have the right to peacefully and quietly hold and enjoy the Premises pursuant to and provided that it complies with the terms and conditions of the Lease. Such instrument will be in such form as the Mortgagee may reasonably require, consistent with this Article 17.04 and Article 17.07 and will be effective between the Mortgagee and Tenant when executed by them, without necessity for registration against title to the Shopping Centre; but if desired by the Mortgagee or Tenant, either of them may register such agreement or notice thereof and for that purpose the Mortgagee and Tenant will enter into any further document required to effect registration.

17.05 ***Attornment*** If this Lease and Tenant’s Leasehold Interest now or at any time hereafter is subordinate to a Mortgage and Mortgagee’s Interest and the Mortgagee does not require a postponement and subordination instrument under Article 17.04, Tenant will on request of such Mortgagee or of Landlord on behalf of the Mortgagee, made concurrently with execution of this Lease or at any time thereafter, enter into an attornment agreement with such Mortgagee in such form as the Mortgagee may reasonably require, whereby Tenant will agree that if default occurs under the Mortgage, and:

- (a) the Mortgagee takes possession of the Premises, by obtaining and enforcing a court order to that effect or otherwise;
- (b) the Mortgagee forecloses or otherwise acquires the interest of Landlord in the Premises, but does not foreclose the Tenant’s Leasehold Interest; or
- (c) the Mortgagee sells, conveys or assigns the Premises to another party (hereinafter a “Purchaser”) pursuant to a power of sale or court order for sale which does not purport to sell the Premises free of the Tenant’s Leasehold Interest,

Tenant will, on written demand of the Mortgagee or Purchaser as the case may be, attorn to and become the tenant of that person from and including the date the demand is received, for the balance of the term of this Lease (and with rights of renewal if any as provided in this Lease), at the rents and otherwise on the terms of this Lease, subject as hereinafter provided in Article 17.06, provided that Tenant shall have the right to peacefully and quietly hold and enjoy the Premises pursuant to and provided that Tenant complies with, all the terms and conditions of the Lease.

17.06 ***Intentionally deleted.***

17.07 ***Effect of Subordination or Attornment*** No subordination effected under Article 17.04 and no attornment effected under Article 17.05 will render the Mortgagee or Purchaser, as the case may be:

- (a) liable for any act or omission of Landlord or a predecessor in title of Landlord; or
- (b) subject to any offsets or defenses which Tenant might have against Landlord or a predecessor in title of Landlord; or
- (c) bound by any prepayment by Tenant of more than one month’s instalment of Rent, or by any previous modification of this Lease, unless such prepayment or modification has been approved in writing by the Mortgagee or Purchaser or any predecessor in interest except Landlord.

Upon attornment occurring under Article 17.05, the relationship of landlord and tenant thereby created between the Mortgagee or Purchaser as the case may be, as Landlord, and Tenant as tenant, will supersede this Lease, but if the Mortgage is subsequently redeemed or put in good standing or the Mortgagee goes out of possession, the Mortgagee will be relieved of its obligations to Tenant as if a sale, conveyance or assignment had occurred to which Article 17.02 applied.

Any attornment by Tenant to a Mortgagee or Purchaser will be without prejudice to the right (when applicable) of any other mortgagee or purchaser that has priority to the Mortgagee or Purchaser to demand that Tenant attorn to the other mortgagee or purchaser pursuant to the rights if any, of the

other mortgagee or purchaser in that regard under Article 17.00. In case of such demand being lawfully made, and Tenant attorning to such other mortgagee or purchaser the attornment previously made to the Mortgagee or Purchaser will cease to be effective.

- 17.08 ***Tenant's Obligations May Be Assigned*** Tenant acknowledges that its covenants and obligations under Article 17.00 are intended in whole or in part to operate for the benefit of any and all Mortgagees and Purchasers and that in obtaining such covenants and obligations Landlord is acting not only for itself, but also as trustee or agent for all such persons. Without limiting the foregoing, Landlord may assign the benefit of such covenants and obligations to any and all Mortgagees or Purchasers who request same, as security or otherwise, and Tenant agrees that any such Mortgagee or Purchaser will be entitled on receiving such assignment and giving due notice thereof to Tenant, to enforce such covenant or obligation against Tenant to the same extent as if it were a party to this Lease directly entitled to the benefit of such covenants and obligations.
- 17.09 ***Execution of Instruments*** Except as otherwise provided in Article 17.00, the subordination and attornment provisions herein will be self-operating and no further instrument will be required. Nevertheless Tenant, on request by and without cost to Landlord, any Mortgagee, Purchaser or successor in interest, will execute and deliver any and all instruments further evidencing such subordination and/or attornment when applicable.
- 17.10 ***Intentionally deleted.***
- 17.11 ***Intentionally deleted.***
- 17.12 ***Notice of Lease*** Tenant may register at its sole cost and expense (including, without limitation, payment of all registration fees, land transfer and similar taxes or charges, costs of plan preparation and registration and all legal fees and disbursements related to such registration) a notice, caveat or short form of this Lease (the "Registration Document") to give notice of Tenant's interest created by this Lease, provided and subject to the following:
- (a) the Registration Document will be prepared by Tenant at its sole cost in a form acceptable to Landlord, and same will be approved in writing by Landlord prior to its registration;
 - (b) the Registration Document will only disclose the names of the parties to this Lease, the Premises, and the Commencement Date and the expiry date of the Term, and any right of renewal. The Registration Document will not disclose any information concerning the rent or rental rates to be paid, nor any other financial provisions of this Lease;
 - (c) the Registration Document will only indicate and be registered against title to that portion or those parcels of the Site or Shopping Centre as Landlord may designate in its sole discretion. Further, in the event any portion of the Land ceases to form part of the Shopping Centre, Tenant will, forthwith upon request from Landlord, cause its registration to be discharged, vacated or otherwise removed from the title to such portion all at its own expense;
 - (d) in the event that, in order to effect registration, the Registration Document must be executed by any party other than Landlord and Tenant, Landlord will request such consent or execution of that party, but the sole cost of obtaining same will be borne by Tenant and Landlord will not be liable to Tenant in the event that such consent or execution is not obtained;
 - (e) Tenant will provide Landlord with a copy of the Registration Document and registration particulars thereof, once registration has been effected; and
 - (f) Upon the expiry or early termination of this Lease, Tenant will, at its sole expense, cause the Registration Document to be discharged, vacated or otherwise removed from title to the Site and Shopping Centre and to provide proof of such action to Landlord, within 15 days of such expiry or early termination, failing which Landlord may following the expiry of a further 15 days after notice to Tenant, at its option, register a release or discharge immediately and Tenant hereby appoints Landlord as its agent with respect to executing such documents. The costs of preparing and/or registering a surrender of this Lease or a discharge of caveat, caution or other document or instrument will be paid by Tenant.
- 17.13 ***Easements and Rights-of-Way*** Tenant acknowledges and agrees that Landlord has granted or otherwise created and may in the future grant or otherwise create licence(s), easement(s), statutory right(s) of way, Operating Agreements and restrictive covenant(s) over, through, upon or otherwise affecting portions of the Common Areas and Facilities. Tenant hereby consents to the granting or

other creation of such licence(s), easement(s), statutory right(s) of way, Operating Agreements and restrictive covenant(s).

- 17.14 ***Severance of Land*** In addition to and upon the same basis, mutatis mutandis, as set out in Article 6.04, Landlord will have the right from time to time to subdivide and to transfer, lease or otherwise dispose of any portion or portions of the Land. Any such subdivision may be accomplished by any means Landlord may consider desirable and the description of the Land will be changed accordingly.

ARTICLE 18.00 NOTICES, ACKNOWLEDGMENTS, AUTHORITIES FOR ACTION

- 18.01 ***Notices*** Any notice from one party to the other under this Lease will be in writing and will be deemed duly given, if delivered personally, by an authorized representative of Tenant or Landlord or by courier, or bailiff to the party being given such notice or to a responsible employee of the party being given such notice, or if mailed in Canada by registered or certified mail addressed to Tenant at the address described in Article 1.01, or to Landlord at the address described in Article 1.01 of this Lease. Any notice will be deemed to have been given at the time of personal delivery, or if mailed, on the third (3rd) postal delivery date after the date of mailing thereof or the date of refusal thereof. Either party will have the right to designate by notice, in the manner above set forth, a different address to which notices are to be given. If it is reasonably anticipated that, due to mail service being disrupted, such notice, if mailed, will not be received by the third (3rd) postal delivery day following mailing, then such notice must be personally delivered as provided in this Article 18.01 or, in lieu of mailing, sent by the most reasonably expeditious means of delivery available to the address for mailing and will be deemed duly given upon such delivery. Notwithstanding any law or agreement to the contrary, notices shall not be sufficiently given if delivered or transmitted by facsimile or other electronic means.
- 18.02 ***Acknowledgments*** Within ten (10) business days after written request therefor by Landlord, Tenant shall deliver an Estoppel Certificate addressed to any Person (other than the Landlord) designated by Landlord, in the form annexed as Exhibit F or such other substantially similar form which Landlord may submit to Tenant.
- 18.03 ***Authorities for Action*** Landlord may act in any matter provided for herein by its property manager, Management Company or any other person who will from time to time be designated by Landlord by notice to Tenant. Tenant will designate in writing one or more persons to act on its behalf in any matter provided for herein and may from time to time change, by notice to Landlord, such designation. In the absence of any such designation, the person or persons executing this Lease for Tenant will be deemed to be authorized to act on behalf of Tenant in any matter provided for in this Lease.

ARTICLE 19.00 DEFAULT

- 19.01 ***Interest and Costs*** Tenant will pay to Landlord the Interest Rate upon all Rent required to be paid under this Lease from the due date for payment thereof until the same is fully paid and satisfied. Tenant will indemnify Landlord against all costs and charges (including legal fees) reasonably incurred in enforcing payment thereof, and in obtaining possession of the Premises after default of Tenant or upon expiration of the Term or earlier termination of this Lease, or in enforcing any covenant, proviso or agreement of Tenant contained in this Lease.
- 19.02 ***Right of Landlord to Perform Covenants*** All covenants and agreements to be performed by Tenant under any of the terms of this Lease shall be performed by Tenant, at Tenant's sole cost and expense, and without abatement of Rent. If Tenant fails to perform any act on its part to be performed under this Lease, and such failure continues for ten (10) days after notice thereof from Landlord, Landlord may (but will not be obligated so to do) perform such act without waiving or releasing Tenant from any of its obligations relative thereto. All sums paid or costs incurred by Landlord in so performing such acts under this Article 19.02, together with interest thereon at the rate set out in Article 19.01 from the date each such payment was made or each such cost was incurred by Landlord, plus 20% of such costs for Landlord's administration and overhead, will be payable by Tenant to Landlord on demand.
- 19.03 ***Events of Default*** If and whenever:
- (a) part or all of the Rent hereby reserved is not paid when due, whether lawfully demanded or not, and such default continues fifteen (15) days after notice by Landlord; or
 - (b) Tenant fails to observe, perform and keep each and every of the covenants, agreements, provisions, stipulations and conditions herein contained to be observed, performed and kept by Tenant (other than payment of Rent) and persists in such failure after thirty (30) days notice by Landlord specifying with reasonable particularity the nature of such failure and

- requiring that Tenant remedy, correct, desist or comply (or if any such breach would reasonably require more than thirty (30) days to rectify, unless Tenant commences rectification within the thirty (30) day notice period and thereafter promptly, effectively and continuously proceeds with the rectification of the breach to completion of rectification); or
- (c) any goods, chattels or equipment of Tenant is taken or exigible in execution or in attachment or if a writ of execution is issued against Tenant; or
 - (d) Tenant becomes insolvent or commits an act of bankruptcy or becomes bankrupt or takes the benefit of any statute that may be in force for bankrupt or insolvent debtors or becomes involved in voluntary or involuntary winding-up or dissolution or liquidation proceedings or if a receiver will be appointed for the business, property, affairs or revenues of Tenant; **Tenant covenants and agrees that it shall provide Landlord with: (i) 30-day prior written notice of Tenant's intention to seek any form of relief pursuant to any bankruptcy or insolvency legislation in Canada and/or in the United States, (ii) notwithstanding subparagraph (i) hereof, to the extent Tenant should decide to seek such relief on a more immediate basis, Tenant shall provide written notice within 24 hours of any resolution approving such action, (iii) immediate (and no more than 24 hours) notice of any creditor or other party serving or proving notice of any proceeding against or in respect of the Tenant pursuant to any bankruptcy or insolvency legislation in Canada and/or in the United States, (iv) 5 business day prior written notice of the Tenant signing of a forbearance agreement with one or more creditor(s);** or
 - (e) any person other than Tenant or a Transferee permitted under this Lease has or exercises the right to manage or control the Premises, any part thereof or any business carried on in the Premises, other than subject to the actual, direct and full supervision and control of Tenant; or
 - (f) Tenant makes a bulk sale of its goods or moves or commences, attempts or threatens to move its goods, chattels or equipment out of the Premises (other than in the normal course of its business) or Tenant ceases to conduct business from the Premises or the Premises are not open for business to the public on any three (3) consecutive days that Tenant is required to conduct its business in the Premises or on more than five (5) days that Tenant is required to conduct its business in the Premises in any twelve (12) month period; or
 - (g) a Transfer is effected or any Tenant Security is granted in any manner other than as permitted by this Lease;

then and in any of such cases, at the option of Landlord, the full amount of the current month's and the next ensuing three (3) months instalments of Rent will immediately become due and payable together with all tenant allowance monies paid to Tenant or the value of other inducements given to Tenant (such as, but not limited to, rent-free periods) in accordance with the provisions of this Lease or any other agreement between Landlord and Tenant relating to the Premises (such allowances and inducements hereinafter referred to as "**Tenant Inducements**") and Landlord may immediately take legal proceedings for the same, together with any arrears then unpaid; and Landlord may without notice or any form of legal process forthwith re-enter upon and take possession of the Premises or any part thereof in the name of the whole and expel all Persons from the Premises and remove and sell or dispose of Tenant's goods, personal property and trade fixtures therefrom as Landlord sees fit, or store property such at the cost of Tenant, any rule of law or equity to the contrary notwithstanding all without liability and loss or damage and wholly without prejudice to the rights of Landlord to recover arrears of Rent or damages for any antecedent default by Tenant of its obligations or agreements under this Lease or of any term or condition of this Lease, and wholly without prejudice to the rights of Landlord to recover from Tenant damages for loss of Rent suffered by reason of this Lease having been prematurely terminated. Any such sale may be effected in the discretion of Landlord by public auction or otherwise, and either in bulk or by individual item, or partly by one means and partly by another, all as Landlord in its entire discretion may decide. If any of Tenant's property is disposed of as provided in this Article 19.03, ten (10) days prior notice to Tenant of disposition will be deemed to be commercially reasonable.

- 19.04 ***Waiver of Exemption and Redemption*** Notwithstanding anything contained in any statute now or hereafter in force limiting or abrogating the right of distress, none of Tenant's goods, chattels or trade fixtures on the Premises at any time during the continuance of the Term will be exempt from levy by distress for Rent in arrears and upon any claim being made for such exemption by Tenant or on distress being made by Landlord this agreement may be pleaded as an estoppel against Tenant in any action brought to test the right to the levying upon any such goods as are named as exempted in any such statute, Tenant hereby waiving all and every benefit that could or might have accrued to Tenant under and by virtue of any such statute but for this Lease. Tenant hereby expressly waives any and all rights of redemption granted by or under any present or future laws in the event of Tenant being evicted or dispossessed for any cause, or in the event of Landlord obtaining possession of the Premises, by reason of the violation by Tenant of any terms and conditions of this Lease or otherwise.
- 19.05 ***Surrender*** If and whenever Landlord is entitled to or does re-enter, Landlord may terminate this Lease by giving notice thereof, and in such event Tenant will forthwith vacate and surrender the Premises.
- 19.06 ***Payments*** If Landlord re-enters or if this Lease is terminated, Tenant will pay to Landlord on demand:
- (a) Rent up to the time of re-entry or termination, whichever will be the later, plus three (3) months' accelerated rent as herein provided; and
 - (b) all expenses incurred by Landlord in performing any of Tenant's obligations under this Lease, re-entering or terminating and re-letting, collecting sums due or payable by Tenant, realizing upon assets seized (including brokerage, legal fees and disbursements), and the expense of keeping the Premises in good order, repairing the same and preparing them for re-letting; and

- (c) as damages (subject to the Landlord's obligation to mitigate at law) for the loss of income of Landlord expected to be derived from the Premises, the amounts (if any) by which the Rent which would have been payable under this Lease exceeds the payments (if any) received by Landlord from other tenants in the Premises, payable on the first (1st) day of each month during the period which would have constituted the unexpired portion of the Term had it not been terminated, or if elected by Landlord by notice to Tenant at or after re-entry or termination, a lump sum amount equal to the Rent which would have been payable under this Lease from the date of such election during the period which would have constituted the unexpired portion of the Term, had it not been terminated, reduced by the rental value of the Premises for the same period, established by reference to the terms and conditions upon which Landlord re-lets them if such re-letting is accomplished within a reasonable period after termination, and otherwise established by reference to all market and other relevant circumstances; Rent and rental value being reduced to present worth at an assumed interest rate of ten percent (10%) on the basis of Landlord's estimates and assumptions of fact which will govern unless shown to be erroneous; and
- (d) all Tenant Inducements given by Landlord to Tenant in respect of the Premises.
- 19.07 **Remedies Cumulative** No reference to nor exercise of any specific right or remedy by Landlord will prejudice or preclude Landlord from exercising or invoking any other remedy in respect thereof, whether allowed at law or expressly provided for in this Lease. No such remedy will be exclusive or dependent upon any other such remedy, but Landlord may from time to time exercise any one or more of such remedies independently or in combination.
- 19.08 **Waiver** In the event Tenant is in default in performing any of its obligations (including without limitation, the payment of any Rent), and Landlord shall have instituted proceedings to cancel, terminate or to confirm its cancellation or termination of this Lease, Tenant shall not have any right to prevent such cancellation or termination by remedying its default or defaults subsequent to the institution of such legal proceedings.
- 19.09 **Intentionally deleted.**
- 19.10 **Additional Recourses** If Tenant is in default to fulfill any of its obligations under this Lease and in particular its obligations pursuant to Articles 5.03, 5.10 and 18.02 of this Lease, then in addition to and without prejudice to any other rights or recourses of Landlord hereunder, Landlord may, at its option, obtain injunctive relief to enforce the fulfillment of any obligation to do or not to do, Tenant hereby expressly acknowledging and agreeing that this Article 19.10 constitutes a waiver against any defense to Landlord's application for injunctive relief made to enforce the fulfillment of any obligation to do or not to do.
- 19.11 **Non-Waiver** No condoning, excusing or over-looking by either party of any default by the other at any time in respect of any of its obligations shall operate as a waiver of Landlord's or Tenant's rights hereunder in respect of any such default or any subsequent default or so as to defeat or affect in any way the rights of Landlord or Tenant in respect of any such default or subsequent default. No waiver shall be inferred from or implied by anything done or omitted to be done by Landlord or Tenant save only where such waiver is expressed in writing.
- Without limiting the general application hereof, the acceptance of any sums of money, statements of account or reports that Tenant or Landlord must pay or provide pursuant to this Lease, shall not constitute a renunciation of the rights of Landlord or Tenant in virtue of theses presents.
- 19.12 **Shopping Centre Assets** Only the Shopping Centre assets and any property exclusively related thereto shall serve to satisfy the obligations of Landlord under this Lease or in virtue of any responsibility of Landlord resulting from its fault. Tenant recognizes and declares, without reserve, that any recourse by Tenant against Landlord based on, or in virtue of, this Lease or resulting from any fault of Landlord, shall be restricted and can only be executed against the Shopping Centre, to the exclusion of all other property belonging to Landlord.
- 19.13 **Real Estate Investment Trust** In the event that a real estate investment trust (a "REIT") should be at any time bound by the covenants of Landlord hereunder or incur any liability as Landlord hereunder, then notwithstanding anything contained in this Lease or at law, such covenants and liability hereunder and under all other agreements entered into pursuant hereto, if any, shall not be personally binding upon and resort shall not be had to, nor shall recourse of satisfaction be sought from, the private property of any of the trustees of the REIT, unitholders of the REIT, annuitants under a plan of which the REIT or any unitholder acts as a trustee or carrier, or officers, employees or agents of the REIT or directors or officers of any of its nominees, although this provision shall not constitute a bar to any action against the REIT for specific performance of this Lease or

performance of any obligation of the REIT arising from or in connection with its obligations, if any, under this Lease or other agreements entered into pursuant hereto.

ARTICLE 20.00 *Intentionally deleted.*

ARTICLE 21.00 **MISCELLANEOUS**

- 21.01 ***Relationship of Parties*** Nothing contained in this Lease will create any relationship between parties to this Lease other than that of landlord and tenant, and it is acknowledged and agreed that Landlord does not in any way or for any purpose become a partner of Tenant in the conduct of its business, or a joint venturer or a member of a joint or common enterprise with Tenant.
- 21.02 ***Consent Not Unreasonably Withheld*** Except as otherwise specifically provided, whenever consent or approval of Landlord or Tenant is required under the terms of this Lease, such consent or approval will not be unreasonably withheld or delayed. Tenant's sole remedy if Landlord unreasonably withholds or delays consent or approval will be an action for specific performance, and Landlord will not be liable for damages. If either party withholds any consent or approval, such party will on written request deliver to the other party a written statement giving the reasons therefor.
- 21.03 ***Applicable Law and Interpretation*** This Lease will be governed by and interpreted under the laws of the jurisdiction in which the Shopping Centre is located, and its provisions will be interpreted as a whole according to their common meaning and not strictly for or against Landlord or Tenant. The words "Landlord" and "Tenant" will include the plural as well as the singular. If this Lease is executed by more than one party as Tenant, Tenant's obligations under this Lease will be joint and several obligations of such executing parties. Time is of the essence of this Lease and each of its provisions. The captions of the Articles are included for convenience only, and will have no effect upon the interpretation of this Lease.

Certain text in this Lease has been bolded and underlined and certain text has been deleted by way of a line through applicable text. Such bolding and underlining and lines through the applicable text have been used to identify changes to Landlord's standard form of lease for the Shopping Centre. All bolded and underlined text will be read as if not bolded and underlined and all text deleted by way of a line will be deemed not to exist.

- 21.04 ***Entire Agreement*** This Lease (together with any other agreement entered into by the Landlord, the Tenant and/or its or their affiliates in connection with this Lease) contains the entire agreement between the parties hereto with respect to the subject matter of this Lease and except as otherwise expressly set forth in this Lease, this Lease supersedes and revokes all previous negotiations, arrangements, letters of intent, offers to lease, lease proposals, brochures, agreements, representations, promises, warranties, understandings, and information conveyed, whether oral or in writing, between the parties hereto or their respective representatives or any other person purporting to represent Landlord or Tenant. Tenant acknowledges and agrees that it has not relied upon any statement, representation, agreement or warranty except such as are expressly set out in this Lease.
- 21.05 ***Amendment or Modification*** Unless otherwise specifically provided in this Lease, no amendment, modification, or supplement to this Lease will be valid or binding unless set out in writing and executed by the parties hereto in the same manner as the execution of this Lease.
- 21.06 ***Construed Covenants and Severability*** All of the provisions of this Lease are to be construed as covenants and agreements as though the words importing such covenants and agreements were used in each separate Article hereof. If any term, proviso, covenant or condition of this Lease or the application thereof to any person or circumstance is to any extent held or rendered invalid, void, unenforceable or illegal it or its application will be considered separate and severable from this Lease to such extent and the remainder of this Lease or the application of such term, proviso, covenant or condition to persons or circumstances other than those with respect to which it is held invalid, void, unenforceable or illegal will not be affected thereby and will continue to be applicable and enforceable to the fullest extent permitted by law.
- 21.07 ***No Implied Surrender or Waiver*** No provisions of this Lease will be deemed to have been waived by Landlord unless such waiver is in writing signed by Landlord. Landlord's waiver of a breach of any term or condition of this Lease will not prevent a subsequent act, which would have originally constituted a breach, from having all the force and effect of any original breach. Landlord's receipt of Rent with knowledge of a breach by Tenant of any term or condition of this Lease will not be deemed a waiver of such breach. Landlord's failure to enforce against Tenant or any other tenant in the Shopping Centre any of the Rules and Regulations made under Article 14.00 will not be deemed a waiver of such Rules and Regulations. No act or thing done by Landlord, its agents or employees during the Term will be deemed an acceptance of a surrender of the Premises, and no agreement to accept a surrender of the Premises will be valid, unless in writing signed by

Landlord. The delivery of keys to any of Landlord's agents or employees will not operate as a termination of this Lease or a surrender of the Premises. No payment by Tenant, or receipt by Landlord, of a lesser amount than the Rent due under this Lease will be deemed to be other than on account of the earliest stipulated Rent, nor will any endorsement or statement on any cheque or any letter accompanying any cheque, or payment as Rent, be deemed an accord and satisfaction, and Landlord may accept such cheque or payment without prejudice to Landlord's right to recover the balance of such Rent or pursue any other remedy available to Landlord.

- 21.08 ***Additional Costs*** Tenant agrees to pay to Landlord as Rent, upon written request therefore, any and all costs, including without limitation, costs of additional security, cleaning and legal costs, incurred by Landlord as a result of picketing, demonstration or other activity within the Shopping Centre which is initiated by members of any organization, including, without limitation, a trade union, and which is directed at Tenant, its contractors, subcontractors, suppliers or employees or at Tenant's operations in the Shopping Centre.
- 21.09 ***Successors Bound*** Except as otherwise specifically provided, the covenants terms and conditions contained in this Lease will apply to and bind the heirs, successors, executors, administrators and permitted assigns of the parties hereto.
- 21.10 ***Brokerage Commission*** Any brokerage commissions with respect to the present transaction shall be borne exclusively by Tenant and Tenant shall indemnify and hold Landlord harmless from any and all claims for payment of commission with respect thereto, unless Landlord has given a specific written mandate to any broker or agent for the present transaction.
- 21.11 ***Confidentiality*** Tenant agrees to keep the terms and conditions of this Lease confidential. Any information pertaining to this Lease cannot be communicated or revealed to a third party without the written consent of Landlord whose refusal will be deemed reasonable if the information that would be communicated or revealed is of a financial nature. Tenant's failure to respect this Article 21.11 is acknowledged by Tenant to constitute a major prejudice to Landlord and also a default according to the terms and conditions of this Lease.
- 21.12 ***No Offer by Landlord*** Landlord will not be deemed to have made an offer to Tenant by preparing this Lease. No agreement respecting the Premises will arise or exist between the parties hereto except through the due execution of this Lease by both Tenant and Landlord. Upon execution and delivery by Tenant to Landlord, this Lease will be irrevocable by Tenant and open for acceptance by Landlord until 5:00 P.M. on the 60th day thereafter, and if not accepted by Landlord by then, may be withdrawn by Tenant by notice to Landlord at any time prior to its later acceptance by Landlord.
- 21.13 ***Time of Essence*** Time shall be of the essence of this Lease in respect to all of the agreements and obligations of Tenant and/or Landlord contained herein.
- 21.14 ***Force Majeure*** If any party hereto is bona fide delayed or hindered in or prevented from the performance of any term, obligation or act required hereunder by reason of Force Majeure, then performance of such term, obligation or act is excused for the period during which the cause of the Force Majeure persists. Once the cause of this Force Majeure has ceased, the party so delayed shall perform such terms, obligations or acts within the time period stipulated in the Lease, without regard for such period of time during which the cause of the Force Majeure persisted.
- 21.15 ***Non-Smoking Shopping Centre*** The Shopping Centre is a non-smoking facility. Tenant, its employees, invitees, customers, and anyone for whom Tenant is responsible at law are strictly prohibited from smoking in any interior or exterior areas of the Shopping Centre, except those exterior areas designated by Landlord as designated smoking areas (if any). Tenant agrees that it will comply with the foregoing restriction as well as any applicable legislation regulating smoking in shopping centres.
- 21.16 ***Counterpart Execution*** This Lease may be executed in one or more counterparts all of which, taken together, shall constitute one and the same agreement, effective when all counterparts have been signed. The parties hereto agree that this Lease may be signed either by paper signature or by electronic signature and may be delivered electronically (in .pdf format) or otherwise, and the parties accept any such electronic signatures as original signatures of the parties.

ARTICLE 22.00

INTENTIONALLY DELETED

IN WITNESS WHEREOF the parties hereto have executed this indenture by their authorized officers in that behalf, or by Tenant’s signature hereto if Tenant is not incorporated, as of the first date above written.

LANDLORD CANAPEN (HALTON) LTD and IVANHOE CAMBRIDGE II INC.
by its Manager, Jones Lang LaSalle Real Estate Services, Inc.

By: 
Julie Bourgon (Jan 31, 2024 11:23 EST)
Name: Julie Bourgon
Title: Head of Retail

By: 
Maria Concetta Giampa (Jan 31, 2024 11:01 EST)
Name: Maria Concetta Giampa
Title: Director, Legal Affairs, Investments

We have the authority to bind the company.

TENANT HUDSON’S BAY COMPANY ULC

By: _____
Name:
Title:

IN WITNESS WHEREOF the parties hereto have executed this indenture by their authorized officers in that behalf, or by Tenant’s signature hereto if Tenant is not incorporated, as of the first date above written.

LANDLORD CANAPEN (HALTON) LTD and IVANHOE CAMBRIDGE II INC.
by its Manager, Jones Lang LaSalle Real Estate Services, Inc.

By: _____
Name: ●
Title: ●
By: _____
Name: ●
Title: ●

We have the authority to bind the company.

TENANT HUDSON’S BAY COMPANY ULC

By:  _____
Name: Ian Putnam
Title: President & Chief Executive Officer
HBC Properties & Investments

EXHIBIT A
FLOOR PLAN

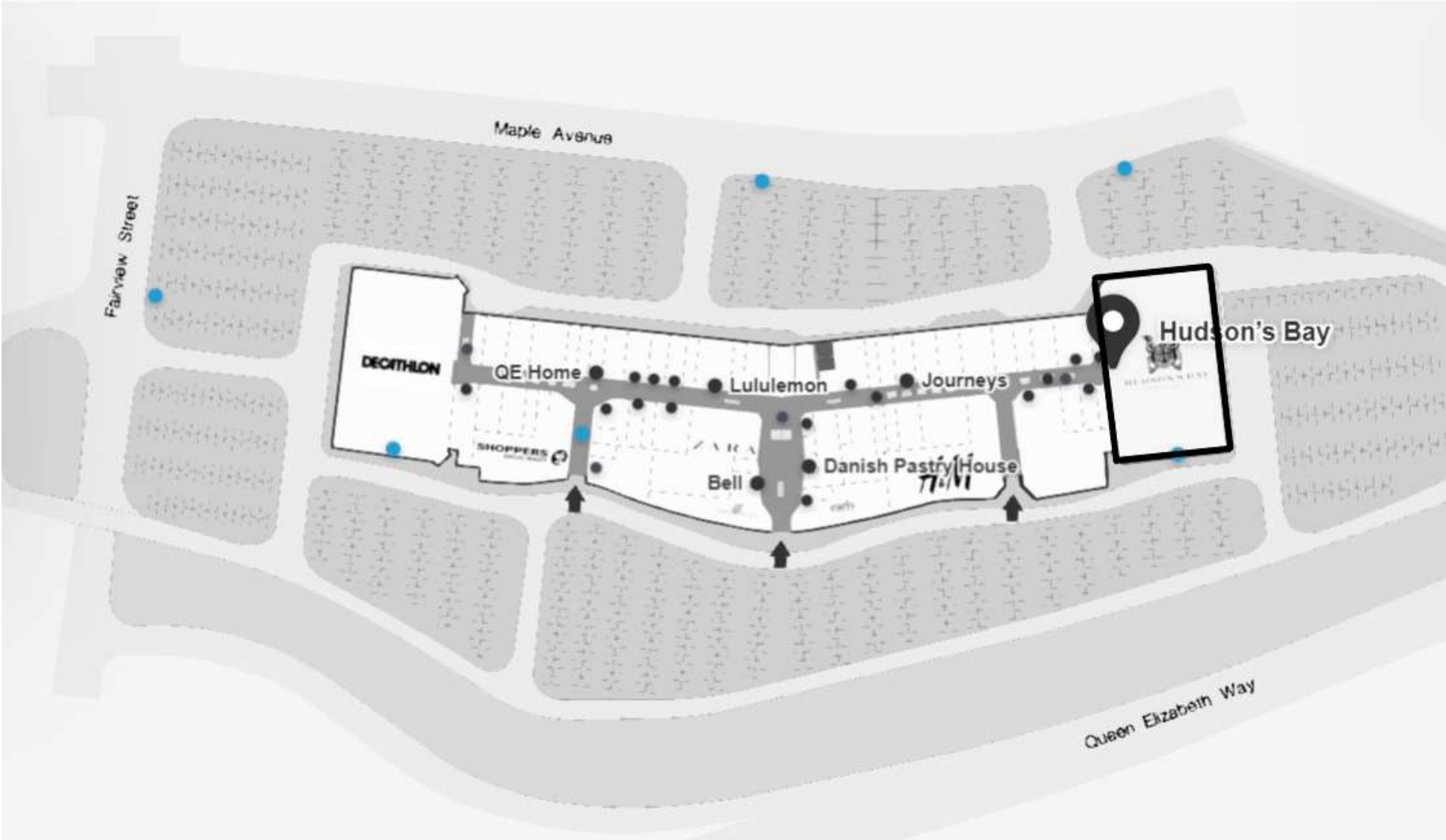


EXHIBIT B
LEGAL DESCRIPTION

PIN 07087-0082 (LT)

PCL BLOCK 7-1 , SEC 20M273 ; BLK 7, PL 20M273 ; PCL BLOCK 8-1 , SEC 20M273 ; BLK 8, PL 20M273 ; PCL 30-1 , SEC H99 ; PT LT 30 , RCP PL99 , PT 1, 20R5866 ; PCL 40-1 , SEC H99 ; PT MAPLE AV , RCP PL99 , CLOSED BY BYLAW 559766 ; PT LTS 40, 41 & 43 , RCP PL99 , PT 1, 20R9323 ; S/T H188475E,H421049,H520972 BURLINGTON

EXHIBIT C
INTENTIONALLY DELETED

EXHIBIT D
RULES AND REGULATIONS

1. **Security** Landlord may from time to time adopt appropriate systems and procedures for the security or safety of the Shopping Centre, any persons occupying, using or entering the same, or any equipment, finishings or contents thereof, and Tenant will comply with Landlord's reasonable requirements relative thereto.
2. **Return of Keys** At the end of the Term, Tenant will promptly return to Landlord all keys for the Shopping Centre and Premises which are in possession of Tenant.
3. **Repair, Maintenance, Alterations and Improvements** Tenant will carry out Tenant's repair, maintenance, alterations and improvements in the Premises only during times agreed to in advance by Landlord and in a manner which will not interfere with the rights of other tenants in the Shopping Centre.
4. **Water Fixtures** Tenant will not use water fixtures for any purpose for which they are not intended, nor will water be wasted by tampering with such fixtures. Any cost or damage resulting from such misuse by Tenant will be paid for by Tenant.
5. **Personal Use of Premises** The Premises will not be used or permitted to be used for residential, lodging or sleeping purposes or for the storage of personal effects or property not required for business purposes.
6. **Heavy Articles and Overloading Services** Tenant will not place in or move about the Premises, without Landlord's prior written consent, any safe or other heavy article which in Landlord's reasonable opinion may damage the Shopping Centre, and Landlord may designate the location of any heavy articles in the Premises. Tenant will not overload any utility or service in or serving the Premises or any part of the Shopping Centre.
7. **Animals, Bicycles, Shopping Carts** Tenant will not bring any animals or birds into the Shopping Centre, and will not permit bicycles or other vehicles inside or on the sidewalks outside the Shopping Centre except in areas designated from time to time by Landlord for such purposes. Tenant shall not permit shopping carts in the Common Areas and Facilities and shall be fully responsible for their removal and indemnify Landlord from any claim, loss, expense, damages or injuries caused by the shopping carts.
8. **Deliveries** Tenant will ensure that deliveries or shipments of supplies, fixtures, equipment, furnishings, wares and merchandise to or from the Premises are made only through such Delivery Facilities, entrances, elevators and corridors and at such times as may from time to time be designated by Landlord, and will promptly pay or cause to be paid to Landlord the cost of repairing any damage in the Shopping Centre caused by any person making such deliveries or shipments.
9. **Solicitations** Landlord reserves the right to restrict or prohibit canvassing, soliciting or peddling in the Shopping Centre.
10. **Food, Beverages and Entertainment** Only persons approved from time to time by Landlord may prepare, solicit orders for, sell, serve or distribute foods or beverages in the Shopping Centre, or use the elevators, corridors or Common Areas and Facilities for any such purposes. Except with Landlord's prior written consent and in accordance with arrangements approved in writing by Landlord, Tenant will not permit on the Premises the use of equipment for dispensing food or beverages or for the preparation, solicitation of orders for, sale, serving or distribution of food or beverages or for the selling or providing of any form of entertainment, including vending machines or other machines operated by coins or other devices.
11. **Refuse** Tenant will separate and place all refuse in proper receptacles provided by Tenant at its expense in the Premises or in receptacles in recycling stations (if any) provided for the Shopping Centre, and will keep sidewalks and driveways outside the Shopping Centre, and lobbies, corridors, stairwells, ducts and shafts of the Shopping Centre, free of all refuse.
12. **Obstructions** Tenant will not obstruct or place anything in or on the sidewalks or driveways outside the Shopping Centre or in the lobbies, corridors, stairwells or other Common Areas and Facilities of the Shopping Centre, or use such locations for any purpose except access to and exit from the Premises without Landlord's prior written consent. Landlord may remove at Tenant's expense any such obstruction or thing (unauthorized by Landlord) without notice or obligation to Tenant.
13. **Dangerous, Immoral or Hazardous Activities** Tenant will not make any use of the Premises which involves the danger of injury to any person, nor will same be used for any immoral purpose or to commit any act of waste or damage to any part of the Premises or to use any part of the Premises so as to constitute a hazard.

14. ***Proper Conduct*** Tenant will not conduct itself in any manner which is inconsistent with the character of the Shopping Centre as being of first quality or which will impair the comfort and convenience of other tenants in the Shopping Centre. Such prohibited conduct will include the playing of loud music and the placing of merchandise racks in the Common Areas and Facilities.
15. ***Parking*** Landlord, from time to time, may prohibit Tenant, Tenant's employees and Tenant's suppliers and others making deliveries to or receiving shipments from the Premises from parking anywhere within the Shopping Centre. If Landlord designates Tenant parking areas in the Shopping Centre, Tenant will park its vehicles and will cause its employees to park their vehicles only in such designated parking areas. Tenant will furnish Landlord, upon request, with the current licence numbers of all vehicles owned or used by Tenant or its employees and Tenant thereafter will notify Landlord of any changes in such numbers within five (5) days after the occurrence thereof. In the event of failure of Tenant or its employees to park their vehicles in such designated parking areas, Tenant will forthwith on demand pay to Landlord, as additional rent, the sum of \$20.00 per day per each car so parked. Landlord reserves the right to impose reasonable charges upon any person (including the general public) for the use of any parking facilities which may from time to time form a part of the Shopping Centre.
16. ***Sustainability*** Tenant shall implement energy-efficient practices within the Premises, including closing all window shades, turning off any unnecessary lights and equipment after the close of business day.

Tenant will keep any exterior doors and windows to the Premises closed during the periods where there is a variation of three (3) degrees Celsius or more between indoor and outdoor temperatures.

Tenant will turn off interior mall signage and display window lighting half-an-hour after closing until half-an-hour before opening time the next day (the "After-Hours Period"), or as Landlord deems appropriate.

Tenant will limit After-Hours Period interior lighting to emergency lighting, when the Premises are not occupied.

Where Tenant has the ability to control its HVAC for the Premises, Tenant will adjust the HVAC temperature settings so as to limit the Premises' energy consumption during the After-Hours Period by setting back the temperature of the Premises by six (6) degrees Celsius from the daytime temperature setting.

Tenant will not use space heaters in or for the Premises, unless Tenant first obtains Landlord's written consent.

If Landlord leak tests for Tenant's plumbing fixtures reveal water leaks or other defects, Landlord will notify Tenant of such defects and Tenant will take all necessary actions to diligently remedy said effects.

Tenant will comply with Landlord's waste minimization and diversion rules and regulations, as established from time to time.

Tenant will make available an appropriate staff representative to attend Landlord's information and training sessions relating to Landlord's initiatives for improving the Shopping Centre's operational sustainability.

EXHIBIT E
INTENTIONALLY DELETED

EXHIBIT F
ESTOPPEL CERTIFICATE

PREMISES :

LANDLORD :

TENANT :

LEASE PARTICULARS:

TO: [Any named Person who is or may become or contemplates to become a Mortgagee as well as to any named prospective purchaser of the Shopping Centre or any part thereof.]

THE UNDERSIGNED, Tenant under the above Lease, hereby certifies and represents that:

- (i) Tenant has accepted and is in possession and in occupation of the Premises having an Area of approximately square feet.
- (ii) The Lease has been validly executed and delivered by Tenant (and the Indemnifier, if any) and is in force since pursuant to due corporate action properly taken by Tenant (and the Indemnifier, if any).
- (iii) The Lease is presently in full force and effect and unmodified.
- (iv) All Rent is now accruing under the Lease, and all the Rent under the Lease have been paid to this date.

Minimum Rent is: \$
- (v) There is no existing default by either Tenant or Landlord pursuant to the Lease for which a notice of default has been given.
- (vi) To date, Tenant has no defenses, counter claims, or claims of offset, deduction or compensation under this Lease or otherwise against Rents or other charges due under the Lease and no event or fact has occurred which would give Tenant the right or the option to terminate the Lease prior to the expiry of the Term;
- (vii) No Rent under the Lease has been paid more than 30 days in advance of its due date.
- (viii) The Premises are free from any construction deficiencies.
- (ix) All Landlord’s Work has been completed to the satisfaction of Tenant.
- (x) Tenant has received all amounts, if any, which could be payable under the Lease, to Tenant by Landlord.

Tenant hereby certifies and represents that the above statements including any exceptions which may have been added thereto are true and complete and may be relied and acted upon.

DATED AT _____ THIS _____ DAY OF _____, 20 ____.

TENANT HUDSON’S BAY COMPANY ULC

By: _____
Name: ●
Title: ●

I have the authority to bind the company

By: _____
Name: ●
Title: ●

I have the authority to bind the company.

**THIS IS EXHIBIT "E" TO THE
AFFIDAVIT OF RUBY PAOLA
SWORN REMOTELY BEFORE ME AT
THE CITY OF TORONTO,
ON THIS 8TH DAY OF AUGUST, 2025**



Commissioner for Taking Affidavits
Linda Galessiere

Guildford Town Centre					
Item	Description (93179+81361 = 174540)	Estimated costs	Construction Budget	Notes	
	Building Assessment Report	\$ -	\$200,000.00	Full building assessment needs to occur to review current condition of systems, life safety, code compliance, hazardous materials	
Roof	nearing end of life. Estimate to replace: \$6 Million – photos attached.	\$ 5,000,000.00	\$3,661,245.00	Remove and Replace - \$45 per foot	
Roof	Repairs from roof leaks	\$ -	\$250,000.00	There may be associated repairs from water damage	
Vertical Transportation	2 escalators, 1 x elevator, 1x freight – all currently working. Second freight was decommissioned; using parts from it to repair other.		\$1,000,000.00	Schindler was responsible for their maintenance and HBC stopped paying their bills. Some VT may just need minor repairs, but high risk for major issues. \$250,000 for Escalator re-build \$600,000 for mod inside the existing Truss.	
104 Avenue Entrance	Broken glass door and non-functional accessibility door – photos attached. Notice to Repair sent in September 2024. No action taken by HBC. Estimate to repair: \$5K.	\$ 5,000.00	\$75,000.00	Typical new entry vestibule \$200,000. New sliders systems \$30000 per slider / \$5000 per door leaf	
Fire Panel /Sprinkler system deficiencies	Unknown		\$100,000.00	Code / Financial Risk Item	
Generator	they have not maintained, no load testing. Cost unknown.		\$750,000.00	Remove old -\$50,000 - Generator is \$350,000 - all new fire proof wiring, breakers etc..... \$250,000	
2x volcano Boilers	one decommissioned; one works (but end of life, needs repair) - Price Unknown - estimate \$250K - \$500K	\$ 500,000.00	\$1,000,000.00	Mechanical system at end of life - 2 x new boilers and related systems. Risk for full code review. Does not include modifications to distribution	
3 x chillers	one was decommissioned years ago (main mech room), two on roof (one not working/end of life, other is "limping along") -- cause of 2024 summer issue. Price Unknown - estimate \$250K - \$500K	\$ 500,000.00	\$2,250,000.00	500 tons of cooling required. Does not include related distribution	
Loading Facilities	Doors, Dock levellers, Accessories will all be in poor condition / need of repair		\$125,000.00	Service Dock levellers, doors, dock accessories	
Misc.	Washrooms		\$250,000.00	Will be poor condition / damaged equipment / damaged Finishes	
Utilities	Do not know if there are any unpaid bills with Hydro or any other suppliers		\$50,000.00		
TOTAL		\$ 6,005,000.00			
REVISED TOTAL					
		\$9,711,245.00	Subtotal		
		\$523,620.00	Design soft costs for engineering, inspections, testing for above		
		\$1,456,686.75	General Contractor GC's and Fees		
		\$11,691,551.75			
		If you perform any demolition - remove flooring, ceilings, walls, lights, sprinkler heads OR renovate the current building you will trigger a new series of costs - i.e. Separate the space for more than one tenant / Different use etc....			
			Guildford: Separate Prices (NIC finishes, overheads and fees)		
		\$872,700.00	Asbestos / Mold. If you find it you will have to remove it all.		
		\$100,000.00	Site Plan / DP Approval		
		\$250,000.00	Building Permit / BP Drawings		
		\$6,000,000.00	Seismic Upgrade - review local codes		
		\$50,000.00	Signage Permits		
		\$5,000,000.00	New Vertical Transportation		
		\$1,221,780.00	Revised Sprinkler Zones / Fire Alarm		
		\$2,094,480.00	Revised Mechanical Distribution		
		\$1,396,320.00	Revised lighting - shell condition		
		\$1,000,000.00	Revised Exiting paths / corridors / stairs		
		\$1,745,400.00	Finishes Demolition to expose Asbestos and Mold		

**THIS IS EXHIBIT "F" TO THE
AFFIDAVIT OF RUBY PAOLA
SWORN REMOTELY BEFORE ME AT
THE CITY OF TORONTO,
ON THIS 8TH DAY OF AUGUST, 2025**



Commissioner for Taking Affidavits
Linda Galessiere

Mapleview Shopping Centre

Item	Description (70308+70210 = 140516)	Estimated costs	Construction Budget	Notes
	Building Assessment Report		\$200,000.00	Full building assessment needs to occur to review current condition of systems, life safety, code compliance, hazardous materials
Roof	Roof membrane is end of life (\$40/sqft estimated for replacement)	\$40/sqft	\$3,159,450.00	Remove and Replace - \$45 per foot
Roof	Repairs from roof leaks	\$ -	\$250,000.00	There may be associated repairs from water damage
Exterior	(Building Façade) - Parapet walls damaged and need replacing (Permit issued with city by HBC). (price unknown as we don't know the extend of the damages) guessing between \$500k-\$1 million	\$ 1,000,000.00	\$2,000,000.00	Serious Risk for envelope failure. Scaffolding would be \$500,000. Need to confirm extent of issue
Vertical Transportation	Passenger elevator is not working – (price unknown as we don't know what's wrong)- But I would estimate at least \$20-\$30k. passenger escalators x2 – not working. (depending of the reason – I would estimate (\$10k ++ for each unit).	\$ 30,000.00	\$1,000,000.00	Schindler was responsible for their maintenance and HBC stopped paying their bills. Some VT may just need minor repairs, but high risk for major issues. \$250,000 for Escalator re-build \$600,000 for mod inside the existing Truss.
HVAC	HVAC Units end of life or not working (price unknown – (but likely in the \$250 - \$400K range to replace all units)	\$ 400,000.00	\$1,800,000.00	400 tons of heating / cooling. Does not include adjustments to distribution
Misc.	Active leaks from 2 nd floor into 1 st floor - \$5K-\$10k++	\$ 10,000.00	\$150,000.00	Repairs to finishes
Misc.	Mold remediation due to water incursion / Hazardous materials		\$0.00	See pricing below
	Several lights out - \$5k+	\$ 5,000.00	\$25,000.00	
Generator	Back up generator – Unknown if it's working		\$750,000.00	Remove old -\$50,000 - Generator is \$350,000 - all new fire proof wiring, breakers etc..... \$250,000
Fire Panel /Sprinkler system deficiencies	Needs to be reviewed / tested		\$100,000.00	Code / Financial Risk Item
Misc.	Skylight repairs required		\$125,000.00	
Utilities	Do not know if there are any unpaid bills with Hydro or any other suppliers		\$50,000.00	
Loading Facilities	Doors, Dock levellers, Accessories will all be in poor condition / need of repair		\$125,000.00	Service Dock levellers, doors, dock accessories
Misc.	Most toilets are functional. Bathroom sinks : ½ work : estimated cost : 20 k	\$ 20,000.00	\$250,000.00	Washrooms will be in poor condition / damaged equipment / damaged finishes
Entrances	Doors / Hardware will be in poor condition		\$75,000.00	Typical new entry vestibule \$200,000. New sliders systems \$30000 per slider / \$5000 per door leaf
TOTAL		\$ 1,445,000.00		
REVISED TOTAL				
			\$10,059,450.00	Subtotal
			\$523,620.00	Design soft costs for engineering, inspections, testing for above
			\$1,508,917.50	General Contractor GC's and Fees
			\$12,091,987.50	
			If you perform any demolition - remove flooring, ceilings, walls, lights, sprinkler heads OR renovate the current building you will trigger a new series of costs - i.e. Separate the space for more than one tenant / Different use etc.....	
				Separate Prices (NIC finishes, overheads and fees)
			\$702,590.00	Asbestos / Mold. If you find it you will have to remove it all.
			\$100,000.00	Site Plan / DP Approval
			\$250,000.00	Building Permit / BP Drawings
			\$0.00	Seismic Upgrade - review local codes
			\$50,000.00	Signage Permits
			\$2,500,000.00	New Vertical Transportation
			\$983,626.00	Revised Sprinkler Zones / Fire Alarm
			\$1,686,216.00	Revised Mechanical Distribution
			\$1,124,144.00	Revised lighting - shell condition
			\$1,000,000.00	Revised Exiting paths / corridors / stairs
			\$1,405,180.00	Finishes Demolition to expose Asbestos and Mold

**THIS IS EXHIBIT "G" TO THE
AFFIDAVIT OF RUBY PAOLA
SWORN REMOTELY BEFORE ME AT
THE CITY OF TORONTO,
ON THIS 8TH DAY OF AUGUST, 2025**



Commissioner for Taking Affidavits
Linda Galessiere



SISP AND LEASE MONETIZATION PROCESSES

Ms. Ruby Liu and Central Walk

Phase 2 Qualified Bid Supplemental Materials

MAY 1, 2025

Disclaimer

The information contained in this document (the “Supplemental Materials”) is intended to supplement the bid (the “Bid”) submitted by Ms. Ruby Liu or an affiliated company (the “Purchaser”) for certain assets of Hudson’s Bay Company and its affiliates (collectively, the “Company”). These Supplemental Materials should be read in conjunction with the Bid. These Supplemental Materials have been prepared solely for information purposes, based on information of Ms. Liu and the Central Walk group of companies (“Central Walk”), for confidential use by the Monitor, the Financial Advisor and the Broker, and should not be used for any other purpose.

The Supplemental Materials do not constitute an offer to purchase and do not otherwise form part of the Bid. In the event of any conflict between the Supplemental Materials and the Bid, the Bid shall prevail. These Supplemental Materials are provided solely for use by Monitor, the Financial Advisor and the Broker in connection with a discussion of the Bid pursuant to the ongoing sale processes. These parties should make their own evaluation of the Bid. The information contained herein does not purport to contain all the information that may be required to evaluate the Bid.

These Supplemental Materials include certain statements, estimates and projections regarding the Bid and the Purchaser’s intentions should the Bid be accepted, which reflect various assumptions made by the Purchaser concerning anticipated results which, by their nature, may or may not prove to be correct. Neither the Purchaser, nor Central Walk make any representation or warranty as to the accuracy of these statements, estimates or projections.

Use of these Supplemental Materials is restricted to parties to whom the Purchaser delivers the document. The Purchaser is delivering these materials on the basis that (i) the recipients and their representatives will keep confidential all information contained herein or otherwise in connection with the Bid until a definitive agreement is reached and (ii) no recipient will copy, reproduce or distribute the Supplemental Materials in whole or in part to others, at any time, without the prior written consent of the Purchaser.

None of the Purchaser, Central Walk, or their affiliated or related partnerships and corporations or their respective directors, officers, partners, employees or agents, makes any representation or warranty as to the accuracy or completeness of the Supplemental Materials and will assume no liability for any representation or warranty as to the accuracy or completeness of the Supplemental Materials and will assume no liability for any representations (express or implied) contained in, or for any omissions from, the Supplemental Materials, or for any other written or oral communications transmitted to the recipient in the course of their evaluation of the Bid. A vendor will only be entitled to rely on those representations and warranties contained in the definitive agreement or agreements which constitute the transaction.

All dollar amounts in these Supplemental Materials are expressed in Canadian Dollars, unless otherwise specified by the Purchaser.

The Purchaser will arrange all necessary contact for queries where considered appropriate. Recipients or their representatives should not directly contact Central Walk or its affiliates, shareholders, employees, customers, suppliers, or any other party associated with the Purchaser or Central Walk without prior written consent.

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Background on Ms. Ruby Liu and Central Walk

Ms. Liu and Central Walk are prominent players in the retail property asset class.



Central Walk

- Central Walk is a leading commercial real estate firm based in Vancouver with a proven track record of success in owning and managing large retail assets.
- Central Walk has been involved in the Canadian real estate sector since 2019 and has extensive experience in the retail property sector globally, particularly in acquiring, developing, and restructuring projects. The company focuses on enhancing property value and performance through successful project revitalization.
- Central Walk owns and manages a comprehensive portfolio of retail assets located in British Columbia, which has helped it to develop a strong understanding of Canadian consumers as well as local macroeconomic dynamics.
- Central Walk operates in a resilient structure and has expertise in navigating challenging market conditions, proven through our adept management through recessionary periods, including the COVID-19 pandemic.
- At Central Walk, we aim to foster deep strategic partnerships and embrace a tenant-first philosophy. We actively engage in community-building initiatives by hiring locally and dedicating our resources to providing a high-value, sustainable platform tailored to our tenants and consumers.

Ms. Ruby Liu

- Ms. Ruby Liu is the founder and majority shareholder of Central Walk and serves as its Chairwoman.
- Ruby is an internationally-respected leader in the commercial real estate industry, with over 30 years of experience and a strong track record of driving retail investment enterprises towards high-yield growth. With decades of experience and demonstrated operational efficiency, she has built a distinguished career as an entrepreneur, investor, developer, and philanthropist.
- Ruby has a strong business foundation in Southeast Asia and has dedicated a significant portion of her career to the North American real estate market, including her direct investments in several Canadian shopping malls. Ruby also nurtures strong relationships with her employees, as demonstrated through her previous retention rates on prior acquisitions.

Central Walk’s dedicated execution team for The New Bay

A dedicated execution team with decades of experience and proven expertise in managing and owning retail-focused properties in the Canadian and Chinese markets.

Execution team for The New Bay

The Purchaser will dedicate significant management resources to the acquisition and launch of the stores through an experienced team of experts within the retail properties sector under the strategic direction of Ms. Liu.

Remaining C-Suite Executive Team		Ruby Liu <i>Founder</i>	<ul style="list-style-type: none">Over 30 years of experience in the commercial real estate industry, including but not limited to large-scale urban commercial development, development of mixed-use shopping centres, etc.Since transitioning to Canada, Ruby has successfully led Central Walk in acquiring three major shopping centres in BC in 2020, overcoming the challenges posed by the global pandemic.Will be responsible for overseeing critical investment decisions and strategic direction of The New Bay.
		Linda Qin <i>CEO</i>	<ul style="list-style-type: none">15 years of Canadian real estate sales experience; extensive business management experience gained from working for UPS, ExxonMobil, and Macdonald Realty (one of the largest real estate corporations in Western Canada).A proven author with two published books on business transitions and technology implementation.Will be responsible for the overall strategic direction and management of The New Bay.
		Karen Liu <i>CFO</i>	<ul style="list-style-type: none">Finance and people management background, including diverse experience at a major Canadian bank and a wealth management company. Will be responsible for the financial direction of The New Bay.
		Andrew Grimley <i>CMO (Marketing)</i>	<ul style="list-style-type: none">Over a decade of leadership experience in manufacturing and international supply chain sectors; currently manages enterprise-level operational planning, team coordination, and performance improvement across Central Walk’s flagship assets. Will be responsible for overseeing the planning, development, and execution of all marketing and advertising initiatives at The New Bay.
		Charles Thurlow <i>COO</i>	<ul style="list-style-type: none">Over 20 years of leadership experience in operations management across various sectors (e.g., consulting, financial services). Will be responsible for overseeing the day-to-day operations of The New Bay, ensuring efficiency, effectiveness and alignment with the company’s strategic goals.
		Michael Zhang <i>CMO (Merchandising)</i>	<ul style="list-style-type: none">Decades of experience driving revenue growth through specialty leasing, strategic brand partnerships, and community initiatives; extensive senior leadership experience in launching and managing major commercial projects. Will be responsible for overseeing and driving the strategic direction of The New Bay’s retail offerings.
		Mae Wang <i>CHRO</i>	<ul style="list-style-type: none">Decades of human resources experience including as CHRO at Central Walk; oversees all HR functions at Central Walk across the portfolio. Will be responsible for overseeing all aspects of HR management and industrial relations policies at The New Bay.

Central Walk's Portfolio

Over the past decade, Central Walk has invested more than \$750 million in British Columbia recreational and commercial real estate assets. Central Walk employs over 120 employees, contributing to the growth of local economies. This investment was financed through the sale of Central Walk Shenzhen in 2019 for approximately C\$1.25 billion.

Arbutus Ridge Golf Club (Vancouver, BC)



6,152 yards


★★★★★
by Golf Digest

Award Winning

- Located in Cobble Hill, a 25-minute drive from the outskirts of Victoria and 15 minutes from Duncan
- 18-hole golf course rated Four Stars by Gold Digest, Best Destination Golf Course in British Columbia by Golf Nerve Magazine, and One of Canada's Ten Best Courses for Your Money by WestJet
- Achieved a Sustainability Award from Tourism Vancouver Island

Acquired 2019

Woodgrove Centre (Nanaimo, BC)



748k sq.ft.
(Island's largest shopping centre)

140+ stores & services

5.6mm visitors annually

- Home to a purposefully designed play space, Fly O'Land (9,925 sq.ft), and an arcadium (5,400 sq.ft)

Redevelopment Plans:

- Short-Term: Development of 100,000 sq.ft. outdoor park featuring performance stage & recreational areas
- Medium- to Long-Term: Addition of residential towers (incl. affordable housing) & potential retail expansion

* Location of HBC store #1118

Acquired Sept. 2020

Mayfair Shopping Centre (Victoria, BC)



~518k sq.ft.
4.1mm visitors annually

120+ stores & services

Highest sales / sq.ft. In Victoria

- Home to two children's playlands: Dreamland (4,676 sq.ft.) and Deerland (27,269 sq.ft.) (by Fly O'Land)


Redevelopment Plans:

- Long-Term: transforming the centre into a mixed-use destination with housing, retail, recreation, and educational components

* Location of HBC store #1108

Acquired June 2021

Tsawwassen Mills (Delta, BC)



1.2mm sq.ft.

200+ stores & services

Largest indoor outlet shopping centre in BC

Redevelopment Plans:

- Expansion of food services and enhancement of entertainment offerings
- Development of Asian-inspired cultural lane featuring restaurants, artificial sky ceiling and a performance stage

* Location of Saks Fifth Avenue store

Acquired May 2022

Situation Overview

Our understanding of the realization processes in the CCAA proceedings

Context	Three Key Processes Under CCAA
<ul style="list-style-type: none">On March 7, 2025, The Hudson's Bay Company ("HBC") and 13 affiliated companies (collectively, the "Applicants") sought and received protection under the <i>Companies' Creditors Arrangement Act</i> (CCAA). The Initial Order granted by the Ontario Superior Court of Justice (Commercial List), among other things, provided a stay of proceedings and enabled HBC to pursue a court-supervised restructuring, and appointed Alvarez & Marsal Canada Inc. as the Monitor in the proceedings.According to court materials, the filing was initiated in response to significant financial distress stemming from:<ul style="list-style-type: none">Ongoing operational losses in the retail segment;Rising lease obligations;Reduced consumer foot traffic post-pandemic and continued e-commerce disruption; andInability to meet immediate liquidity needs without creditor protection.Ultimately three key realization processes were approved by the Court in the proceedings.	<div><div>1. Liquidation of Retail Stores</div><ul style="list-style-type: none">Liquidation sales for 87 stores across multiple banners: Hudson's Bay, Saks Fifth Avenue, Saks OFF 5th; and6 key stores in downtown Toronto and Montreal were initially excluded from liquidation, and we understand they are now included.</div> <div><div>2. Lease Monetization Process</div><ul style="list-style-type: none">Extract residual market value from HBC's leasehold interests, primarily through assignments, subleases, or other transactions.Oberfeld Snowcap was appointed as the real estate consultant (the "Broker") in the lease monetization process.</div> <div><div>2. Sale and Investment Solicitation Process (SISP)</div><ul style="list-style-type: none">The Monitor, with the assistance of Reflect Advisors and in consultation with HBC management, is supervising the solicitation of the following potential transactions:<ul style="list-style-type: none">Offers to acquire all or part of HBC's business/assets;Recapitalization proposals; orStrategic investments or joint ventures.The SISP is a dual-track process that allows HBC to pursue a restructuring if viable offers emerge, or proceed with other realization alternatives.</div>

Situation Overview (Cont'd)

Lease Monetization Process

Process Overview

- We understand that HBC's Lease Monetization Process was designed to solicit proposals for the sale, assignment, surrender (subject to landlord consent), or other transactions involving its leasehold interests.
- The six stores were initially excluded from the liquidation process were as follows:
 - Downtown Toronto (Yonge Street)
 - Yorkdale Shopping Centre (Toronto)
 - Hillcrest Mall (Richmond Hill)
 - Downtown Montreal
 - CF Carrefour Laval
 - CF Fairview Pointe-Claire
- We understand that all of the stores are now subject to the liquidation process and the Applicants, under the supervision of the Monitor, are continuing the SISP and the Lease Monetization Process.

Timelines

- The following timeline has been set for the Lease Monetization Process:
 - **April 15, 2025:** Deadline for submission of non-binding Letters of Intent (LOIs) by interested parties (Phase 1)
 - **May 1, 2025:** Deadline for submission of binding offers from qualified bidders (Phase 2)
 - **May 15, 2025:** Target date for finalizing binding agreements
 - **June 17, 2025:** Outside date for execution of a definitive transaction
- The SISP timeline runs parallel to the Lease Monetization Process, but with an earlier anticipated deadline:
 - **April 30, 2025:** Binding Phase Bid Deadline
 - **May 16, 2024:** Auction Date, if necessary
 - **May 30, 2025:** Court hearing to approve successful SISP transactions
 - **July 15, 2025:** Current outside date for closing SISP transactions

Overview of the Purchaser's Involvement

The Purchaser's interest in the CCAA proceedings, and investment thesis and Phase 2 bid.

Ms. Liu and Central Walk's commitment to this investment

- Central Walk is the landlord of the following HBC store locations:
 - The Bay at Woodgrove Centre
 - The Bay at Mayfair Shopping Centre
 - Saks Fifth Avenue at Tsawwassen Mills
- Ms. Liu announced her interest in acquiring HBC's properties shortly after news of the filing, stating that it is a "once-in-a-lifetime" opportunity and aspiring to reinvigorate the retail industry in Canada and create thousands of job opportunities.
- Following the announcement of the Purchaser's intended participation in HBC's CCAA process, Central Walk listed its Woodgrove Centre for sale (listing managed by Colliers). The property was previously assessed at a value of ~\$230 million.

Investment Thesis & Bid

- Ms. Liu targets undervalued urban retail properties with long lease terms in strategic locations. Her strategy focuses on repositioning these assets as multi-functional lifestyle destinations that combine retail, technology, education, culture, modern food halls and family activities.
- The concept for The New Bay is the culmination of a long-held vision of Ms. Liu to improve the consumer experience in Canada. The transformation of Tsawwassen Mills and the success of Central Walk China provide a foundation for repositioning the former HBC stores.
- Ms. Liu has publicly shared her vision to revitalize the legacy retailer, emphasizing a commitment to preserving its historic significance and creating employment opportunities in the stores' local markets, while adapting to contemporary retail trends.
- ***Ms. Liu has submitted the Bid for certain of HBC's leases, and exclusive rights to certain of HBC's trademarks, names, logos and other intellectual property assets.***

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Lease Listing

The Purchaser intends to include the following leases in the Bid.

Centre	City	Province	GLA	Landlord	Assigned Lease Step-in Purchase Price
Orchard Park Shopping Centre	Kelowna	BC	127,290	Primaris	\$1,500,000
Guildford Town Centre	Surrey	BC	174,462	Ivanhoe Cambridge	\$3,500,000
Coquitlam Centre	Coquitlam	BC	120,086	Morguard	\$2,500,000
Willowbrook Shopping Centre	Langley	BC	131,146	Quadreal Property Group	\$3,000,000
Richmond Centre	Richmond	BC	169,692	Hudson's Bay Company Developments Ltd.	\$3,000,000
Woodgrove Centre	Nanaimo	BC	146,452	Central Walk	\$5,000,000
Mayfair Shopping Centre	Victoria	BC	166,073	Central Walk	\$7,000,000
CF Market Mall	Calgary	AB	200,000	Cadillac Fairview	\$5,000,000
Chinook Centre	Calgary	AB	206,514	Cadillac Fairview	\$5,000,000
West Edmonton Mall	Edmonton	AB	164,250	Triple Five	\$4,000,000
Southgate Shopping Centre	Edmonton	AB	236,551	Ivanhoe Cambridge	\$3,500,000
South Centre Mall	Calgary	AB	164,514	Centre 114 Company	\$2,000,000
Fairview Mall	Toronto	ON	152,420	Cadillac Fairview	\$3,000,000

Lease Listing (Cont'd)

Centre	City	Province	GLA	Landlord	Assigned Lease Step-in Purchase Price
Sherway Gardens	Toronto	ON	223,477	Cadillac Fairview	\$4,500,000
Centerpoint Mall	Toronto	ON	122,502	Morguard	\$4,000,000
Hillcrest Mall	Richmond Hill	ON	136,915	Oxford	\$4,500,000
Masonville Place	London	ON	84,928	Cadillac Fairview	\$800,000
Bayshore Shopping Centre	Ottawa	ON	180,696	Cushman & Wakefield	\$2,000,000
St. Laurent Shopping Centre	Ottawa	ON	145,074	Morguard	\$5,000,000
Mapleview Centre	Burlington	ON	129,066	Ivanhoe Cambridge	\$2,500,000
Oshawa Centre	Oshawa	ON	122,624	Ivanhoe Cambridge	\$2,000,000
Conestoga Mall	Waterloo	ON	130,580	Primaris	\$800,000
Bramalea City Centre	Brampton	ON	131,438	Morguard	\$3,000,000
Limeridge Mall	Hamilton	ON	125,307	Cadillac Fairview	\$1,000,000
Markville Shopping Centre	Markham	ON	140,094	Cadillac Fairview	\$3,000,000
Upper Canada Mall	Newmarket	ON	142,780	Upper Canada Mall Ltd.	\$1,000,000

Lease Listing (Cont'd)

Centre	City	Province	GLA	Landlord	Assigned Lease Step-in Purchase Price
Fairview Park Mall	Kitchener	ON	184,714	Cadillac Fairview	\$2,000,000
Devonshire Mall	Windsor	ON	165,584	Regional Shopping Centre Ltd.	\$1,000,000
Tsawwassen Mills	Tsawwassen	BC	32,733	Central Walk	\$2,000,000
Total					\$87,100,000

Business Strategy & Vision: The New Bay

1

Retail Space Revolution

The New Bay Team brings a successful track record of implementing its immersive and experiential retail principles at Central Walk retail properties to The New Bay.

- **Tailored Layered Operations:** Adapting offerings to meet the diverse needs of the community (e.g., weekday programs for seniors and dynamic, inclusive experiences for all ages on weekends, combining indoor and outdoor spaces).
- **Immersive Design:** Tech-enhanced spaces that blend interactive design with digital experiences, transforming common areas into engaging event hubs to enhance customer gathering experiences.
- **Natural Social Hub:** Fostering community interaction by hosting a diverse range of events, including educational and skills training workshops, fashion and cultural events, wellness and fitness classes, markets, and more.

2

Business Restructuring

- Leverage Canadian brands and introduce global brands to deliver dynamic 'store-in-store' retail comprising 6 key formats:

1	2	3	4	5	6
Retail (35%)	Boutique & Services (25%)	Tech Applications (10%)	Social Dining (20%)	Entertainment & Performance (5%)	Pet Friendly (5%)
Mass-market & light luxury	Beauty, esthetics etc.	VR, playgrounds, sports, etc.	Restaurants & grocery	Targeted customer group activities	Pet friendly shared areas

- Flagship store locations will undergo major renovations and feature all formats, while standard stores will offer a selection of formats tailored to the retail property, store characteristics, local community, population, purchasing patterns of each location. Store-by-store approach to be determined in collaboration with landlords.

3

Building Store-Level Traffic

- **High-Frequency Engagement:** Drive consistent traffic with regularly-scheduled themed events and access to experiences (e.g., exhibition and dialogue on technological innovations, local musicians, cultural sharing and participation events).
- **Amplify Consumer Reach:** Maximize visibility through a dynamic promotional mix – leveraging social media and short-form video content, endorsements from key opinion leaders (KOLs), and other marketing channels to generate excitement and broaden the consumer demographic.

1 Retail Space Revolution – Overview

Through the use of new immersive commercial, social, and community experiences, The New Bay aims to create an attractive and comfortable environment to stimulate shopping and encourage willingness to stay.

Technology-enabled



Exciting event spaces integrating technology

Immersive Consumer Experiences



Enhance customer gathering experiences through the creation of immersive spaces, such as new concept restaurants and boutique supermarkets

Dynamic Design



Using temporary displays and flexible layout to accommodate multi-purpose spaces

Calendar of Community Activities



Creating a focus on community interaction for groups of all ages and needs

① Retail Space Revolution – Tsawwassen Mills Example

Since acquiring Tsawwassen Mills, the team has introduced new elements to the retail space, including FlyO'Land, a purposefully designed play area, which has become a landmark for children in Vancouver.

Summary

- Tsawwassen Mills is located in Delta, BC and is the largest indoor outlet shopping centre in BC. Central Walk acquired the property in 2022, and manages and operates the mall.
- Central Walk has recalibrated the retail mix within the mall to accommodate new attractions, including a 5D cinema, an Asian food court, and various entertainment options which has drawn consumers to the property.
- The mall has an extensive selection of over 200 stores and services, over an area of more than 1.2 million square feet.
- Tsawwassen Mills has become a favourite destination for children in the Greater Vancouver region owing to the introduction of the FlyO'Land play area.



① Retail Space Revolution – Shenzhen Shopping Mall Example

The Shenzhen Central Walk Shopping Mall owned by Ms. Liu was a successful revitalization project led by the Central Walk China team. In 2019, Ms. Liu sold the shopping centre to a listed company in Hong Kong for RMB ¥6.6 billion.

Summary

- The shopping mall is situated at the intersection of two subway lines, in the heart of Shenzhen City centre.
- The property features a range of restaurants, entertainment, and retailers from European luxury brands such as Armani and Cartier, to popular local brands at various price points.
- Ms. Liu has taken control of distressed and auctioned assets such as Taohua Tower and Holland Town, developed metro-integrated commercial centres and restructured operations incorporating international design, brand partnerships, and strategic tenant planning.
- Ms. Liu's projects were among the first in China to feature structured leasing, event programming, and immersive environments.
- The mall was successfully sold to publicly-traded Link Real Estate Investment Trust (領展房地產投資信託基金) for RMB 6.6 billion in 2019. Link Real Estate is the first real estate investment trust in Hong Kong and the largest in Asia by market capitalization.



2 Business Restructuring – Store Concept

The New Bay flagship stores will be multi-format destinations. Ms. Liu and Central Walk are targeting a strategic mix of Canadian and Asian brands for the 8 designated flagship stores.

Multi-Format Concept

- Store-in-store retail offering a comprehensive four-wall experience. Through this structure, ~50% of rentable square footage is intended to be dedicated to experiential formats (e.g., social, dining, entertainment, technology applications).
- The integration of the six essential business elements establishes a framework that not only aligns with the historical role of the HBC brand as a community pillar but also emphasizes its capacity to unify diverse offerings under one roof. This approach looks ahead to the future, envisioning innovative uses for retail spaces that resonate with evolving customer needs and expectations.
- Stores will bring independent retailers to the store concept through subrental or joint operations arrangements. At this stage, the Purchaser does not intend to manage merchandise or operate distribution centres, as these activities will be undertaken by the individual retailers.



Flagship Stores

- The proposed flagship stores will showcase a modern, engaging, and functional retail environment incorporating all six of the business elements. These stores will be upgraded structurally with features like skylights and open spaces to promote a pleasant atmosphere.
- The following **8 flagship stores are intended:**
 - CF Sherway Gardens in Toronto
 - CF Chinook Centre in Calgary
 - CF Market mall in Calgary
 - Southgate Centre in Edmonton
 - West Edmonton Mall in Edmonton
 - Bayshore Shopping Centre in Ottawa
 - Guildford Town Centre in Surrey
 - Mayfair Shopping Centre in Victoria
- Planned **Capex per flagship: ~\$5 - \$10 million.**

Standard Stores

- The New Bay standard stores are intended to include a selection of the formats available in the flagship stores. The store concept and retail mix will be tailored by location and taking into account the store footprint and mall property, in cooperation with landlords.
- The standard stores will focus on core formats, primarily being merchandise, food & beverage (consistent in scope with department stores in Canada), services, and immersive design.
- Modest capex is proposed, focusing on décor and lighting improvements and maximizing the use of existing store FF&E to facilitate an expedited store launch.

② Business Restructuring – Flagship Mock-up

Ms. Liu and her team have successfully transformed retail spaces through strategic business restructuring. These efforts have significantly improved traffic flow, effectively attracting and retaining guests.

Opportunities that focus on driving foot traffic and social engagement include: seasonal pop-ups, brand collaborations and profile events, community services, social media content opportunities, family friendly events, seniors living, arts and culture showcases, evergreen spaces, and recurring brand experiences. Photographic examples and inspiration are provided below.



② Business Restructuring – Strategic Brand Mix

Curating a strategic brand mix will help diversify revenue and drive community interest, thereby enhancing foot traffic and strengthening the overall revenue positioning of the newly acquired assets.

Objective: a fresh brand mix with broad appeal

- The offerings in many existing The Bay stores have failed to capture the customer, and leaseholds have become dated. For example, Central Walk observed that The Bay store at its Woodgrove Centre was outdated and suffered from low foot traffic; the terms of the lease prevented the landlord from making certain of its own esthetic improvements to the outside of the store.
- Restructuring the brands offering will bring a fresh experience that is relevant to families, young adults, and seniors. By bringing a strategic portfolio of brands appealing to a wide audience, consumers will be attracted to these reimagined retail spaces leading to increased foot traffic and basket size.

Proposed Branding Mix: curated with purpose

- Ms. Liu and Central Walk have curated a desired mix of brands and partners across the Retail, Boutique & Services, Tech Applications, Social Dining, Entertainment & Performance, and Pet-Friendly Stores categories. The balance among the portfolio is intentionally designed to reflect the interests and needs of local consumers. Refer to the next slide and Appendix for the strategic retail target list.
- Successfully executing on brand mix will require knowledge of the local consumer, and relationships and contracting solutions to attract the brands to the store concept. Ms. Liu and Central Walk possess the experience and reach to implement this vision for retail. Across its shopping centres, Central Walk maintains established relationships with high-profile tenants who have significant brand equity, including Columbia, GAP, H Mart, JD, La Senza, Nike, Polo Ralph Lauren, Sport Chek, Aritzia, Lululemon, and Sephora.

Strategic Plan: creating a community hub that buzzes with digital and physical engagement

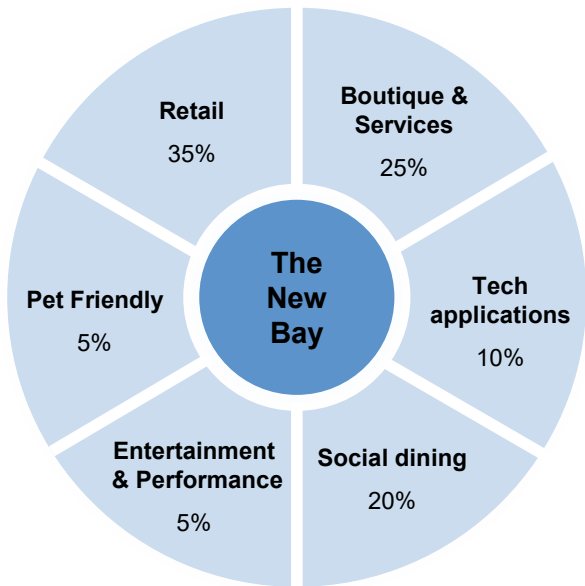
- Central Walk plans to collaborate with Xi'an Saige Plaza, a prestigious commercial complex in China, to facilitate partnership with prospective international retailers. The focus will be on building partnerships with affluent and reputable brands that can operate efficiently while enhancing The New Bay brand image. Drawing customers into physical retail spaces for an immersive experience requires more than just brand equity; bringing new brands through strategic partnership offers greater consumer choice and broader appeal to the masses.
- Simply locating and establishing brands in spaces is not enough. Ms. Liu and the Central Walk team have also identified a range of marketing approaches through social media, and events that encourage and attract guests to experience the revolutionary, reimagined, and immersive retail concept.
- The strategically-curated brands will cater to and reflect the communities within which these reimagined spaces reside. Ms. Liu and Central Walk will work with these brands to improve guest experience through animated and activated spaces. In flagship stores, these brands are particularly critical in enhancing customer flow as illustrated in the previous mockup.

2 Business Restructuring – Strategic Brand Mix (cont’d)

Central Walk’s existing lease and operating relationships with brand partners will accelerate implementation timeline and ease transition planning as we are already well-versed in retailer operating requirements.

Strategic Brand Mix

- The New Bay brand mix will bridge and attract e-commerce shoppers through shopping experiences that only bricks-and-mortar locations can provide. This will be executed by focusing on curating brands dynamically and providing immersive community social gathering opportunities.
- The format mix is an integral part of revolutionizing retail spaces, as it brings diverse attraction factors that are relevant and gradually increasing across retail properties in Canada. Successful retail appeals to a range of demographics and their varied objectives.
- Our retail spaces will be a hub for consumers and act as strategic partners to retailers in activating reimagined retail spaces. Our partners will be equally committed to the community and host events which draw visitors and guests who will then stay for an immersive retail experience.



Select Potential Brand Partners

Retail	Arc'teryx	Rise Little Earthling
	Canada Goose	Olsen
	Bestseller Group	Guess
	Reebok	Hooké
	MEC	Anne Sportun
Boutique & Services	Nesters Market	H&W Produce
	SPUD.ca	Alimentari Italian Grocery
	Calgary Farmer's Market	No Frills
Tech applications	Metanaut	The Next Level VR
	Poptronic VR	Legoland Discovery Centre Toronto
Social dining	Banh Mi Boys	Chatime Bubble Tea
	Kinka Izakaya	PAI Nothern Thai Kitchen
Entertainment & Performance	Vancouver international dance festival	Giggles Faces n Glitter
	Carousel Theatre for Young People	Babbity Bobbity Princess
	Harbour Dance Centre Vancouver	Magical Entertainer Vincent
Pet friendly	PetSmart	Safari Pet Center
	One De Fur Pets Span	Dogfather & Co

- Through the three successful malls operated by Ms. Liu's team, Central Walk has cultivated meaningful partnerships with a variety of brands.
- To demonstrate their commitment to efficiently reopening The New Bay stores, Ms. Liu and her team have identified over 200 brands that The New Bay team aims to approach for potential partnerships. For a list of many of these potential partners, please refer to **Appendix A**.

3 Building Store-Level Traffic

Creating a preferred destination by engaging the consumer through fresh, innovative, and dynamic retail elements and community events, driven by multi-channel marketing & promotion.

New Store Concept in Action

- The modern store concept planned for The New Bay stores will increase foot traffic, create multiple revenue streams, and add value to the retail properties as a re-launched anchor tenant in the following ways:
 - Desirable Brands:** integrate fresh and innovative elements associated with sought-after brands to draw customers in, leveraging pop-up stores, brand collaborations, and thematic brand mix (e.g. luxury, outdoor, etc.) displays and spaces;
 - Customer Flow:** optimize flow to draw and retain guests. Entryways to feature a family-friendly or community showpiece, leading towards a dynamic atrium featuring interactive focus which then lands guests among a wide range of retail shops;
 - Attractive & Versatile Space**
 - Interactive, well-designed décor as a backdrop for social media engagement, and community gathering and exploration.
 - Multi-purpose spaces using modular and turnkey installations, facilitating regular conversions (e.g., daytime/nighttime conversions from senior gatherings evening art exhibitions or cosplay runway shows).
 - Experiential:** activities-focused formats attract a diverse audience of families, tourists, and local residents and increase consumer time in store and Central Walk properties. The following additions led to a 10x increase in traffic and a 5x increase in rent at Central Walk properties:
 - Mayfair Shopping Centre:* a Toys”R”Us store was converted to H Mart Korean market; and
 - Woodgrove Centre:* converted retail space to Fly O’Land kids’ playland.
 - Events Calendar:** engaging events held regularly providing consumers with fresh experiences, such as creative markets, live performances, interactive workshops, community events, etc., depending on the store.
 - Generate revenue through space rental, ticket sales, and sponsorships, while providing a collaborative platform for local businesses and community organizations.
 - Diverse events which cater to all ages, focused on drawing different communities’ celebration and events, will create ongoing, relevant, and fresh dialogue that builds greater clout and vibrancy.
 - Sample events in each province could include the following:
- | | |
|----|---|
| BC | Vancouver International Dance Festival, Carousel Theatre for Young People; |
| AB | Chris Funk Music, Olivia Flows Hula Hooping, Giggles Faces n Glitter; |
| ON | Magical Entertainer Vincent, Toronto Dance Company, Babbity Bobbity Princess. |
- #### Reaching the Consumer through Marketing & Promotion
- A broad range of consumers will be targeted through several media and advertising channels, including:
 - New and personalized media platforms, such as TikTok, RedNote, Instagram, WeChat, leveraging influencers and KOLs to promote. Influencers to be supported through curated content, templates, filters, and collaboration opportunities;
 - Short-form media such as RedNote will feature customers’ in-store experience moving from brand to brand, and who then go on to explore and enjoy other amenities within the store or broader property.
 - As noted, space will be designed and events will be planned to draw content creation onsite (e.g. themed markets, celebrity or online personality spotlight, livestream-ready backdrops); and
 - Digital marketing efforts.

Table of Contents

1. SITUATION OVERVIEW
2. LEASE LISTING
3. BUSINESS STRATEGY & VISION
4. **NEAR-TERM EXECUTION PLAN**

Execution Approach

A collaborative, targeted approach to maximize occupancy, drive operational excellence, and enhance portfolio value.

Operating Model

- As noted, Central Walk will have a dedicated The New Bay executive team of ~10 experienced professionals actively working on the launch. Ms. Liu will provide extensive leadership to The New Bay team through direct involvement in operations and strategic direction.
- The New Bay team will maintain centralized control over branding, marketing and store strategies to ensure consistency, lease compliance and retail support across the store footprint, as well as agility within the retailer mix. Store-level employees will consist of The New Bay team store personnel and store-level retailer personnel.

Procurement

- Solicitation, contracting and onboarding of brands will be led by The New Bay team, leveraging existing brand relationships both locally and internationally, and also in collaboration with agents and partners. One such partnership is with Xi'an Saige Plaza, through which The New Bay team will introduce a carefully-curated selection of international luxury and lifestyle brands to the Canadian market. Procurement efforts will begin upon bid acceptance.
- Brand and format mix will be addressed for flagship stores and standard stores separately, cognizant of each mall property's characteristics and limitations. Central Walk adopts a tenant-first philosophy that emphasizes flexible lease structures, and has increased value in their own properties. The New Bay team intends to extend this philosophy to brand partners with flexible operating arrangements, co-branded marketing packages, and comprehensive visibility campaigns to drive store profits and retail property values. Percentage rent arrangements are planned with retailers as their stores gain traction, fostering alignment with retailers during initial growth phase.

Construction & Operations

- Construction and renovation efforts will be strategically paced. A modest capex is allocated for essential updates in standard stores, while significant capex is designated for the revitalization of flagship stores. To maintain operational continuity during renovations, Central Walk has engaged several well-known brands with whom it has established relationships to propose a temporary outlet store concept designed to boost foot traffic during flagship store fixturing period.
 - For example, Central Walk has identified that the Bay store at Mayfair (a Central Walk property) could undertake staged construction as a flagship store, such that half of the store's square footage could be occupied at any given time. This strategic approach ensures that the outlet store operates seamlessly on a turn-key basis during construction.
- Based on past experience, core retailers (e.g. 60-70% of planned occupancy) are planned to be in place in standard stores within three months of transaction closing.
- Please find preliminary implementation timelines for the flagship stores and the standard stores, respectively, on the following pages.**

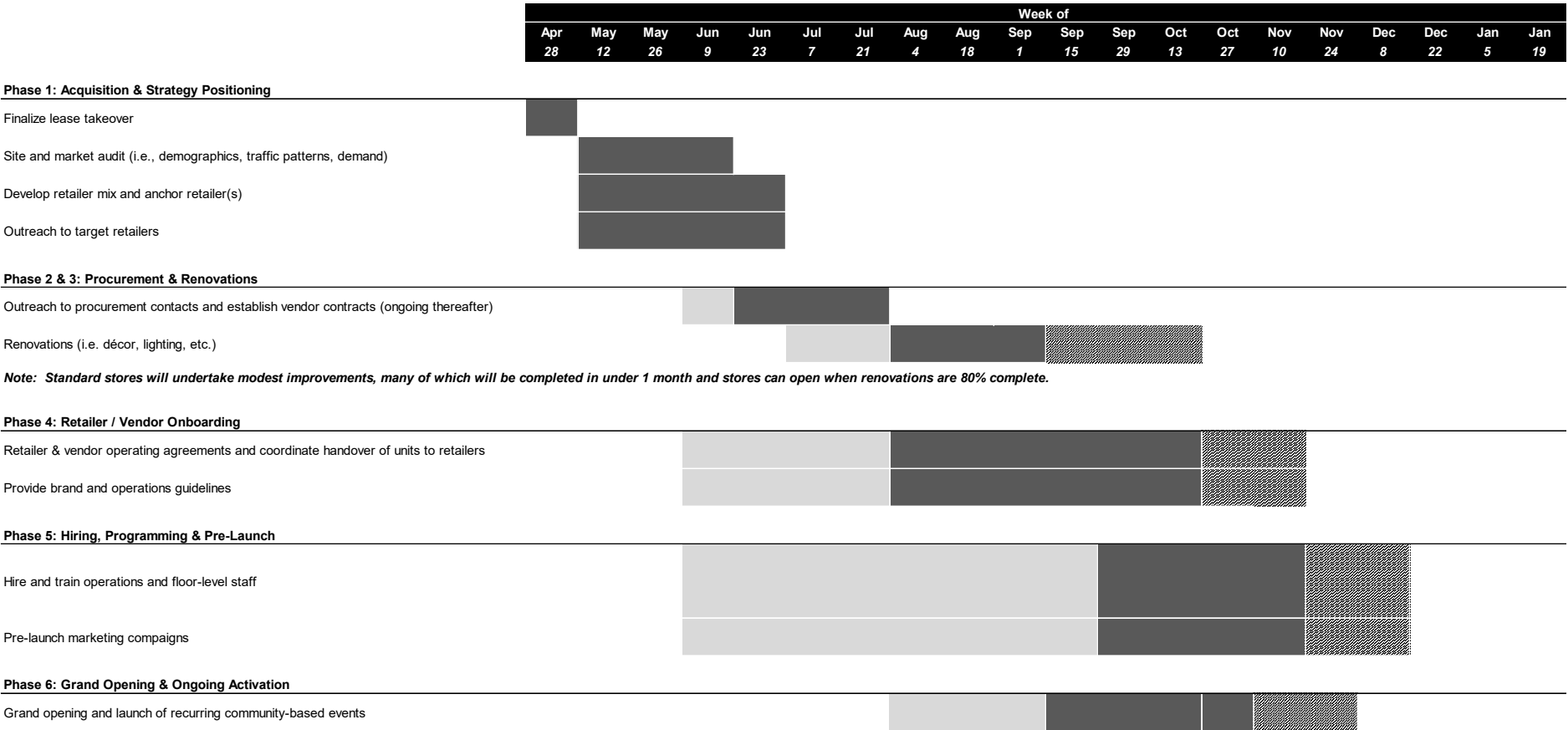
Execution and Implementation Timeline – Flagship Stores

- Indicates ability to start sooner if timelines allow
- Indicates expected timeline
- Indicates timeline of total construction (not accounting for early opening)



Execution and Implementation Timeline – Standard Stores

- Indicates ability to start sooner if timelines allow
- Indicates expected timeline
- Indicates timeline of total construction (not accounting for early opening)



Financial Summary

Investment and operating budget to be funded from shareholder’s equity.

Overview

Significant Investment required to launch The New Bay

- ~\$250 million is anticipated to be invested in the purchase, relaunch and go-forward operations of the stores.
- The high-level operating budget provided, right, is preliminary and directional.
- All funding requirements are to be financed through equity investment by Ms. Liu from existing holdings.

High-Level Operating Budget (\$000's)			
	Year 1	Year 2	Year 3
Store Sales	200,000	400,000	600,000
Net Revenues	30,000	80,000	120,000
	Gross to net	15%	20%
	Revenue Growth (%)	167%	50%
Occupancy Costs	38,000	38,000	38,000
Payroll & Benefits	15,000	15,000	15,000
Marketing	5,000	5,000	10,000
Total Costs	58,000	58,000	63,000
Operating Profit	(28,000)	22,000	57,000

Key Metrics

Total Sq. Ft. (000's)	3,765	3,765	3,765
Store sales/sq. ft.	\$ 53	\$ 106	\$ 159
FTE			
Corporate	20	20	20
Store-level (avg. 8 FTE/store)	208	208	208

Appendix A: List of Potential Partners

Retail	Arc'teryx, Canada Goose, Lolë, MEC (Mountain Equipment Company), Mini Mioche, Deux par Deux, Little & Lively, Pure Colour Baby, Souris Mini, Birks Group Inc., Hilary Druxman Design, Anne Sportun, Malabar Gold & Diamonds, Pyrrha, Global Gems, Rolex, TAG Heuer, Louis Vuitton (LV), Dior, Celine, Coach, Prada, MAC Cosmetics (Estée Lauder Companies Inc.), Lise Watier Cosmétiques, Deciem, Pure Anada, Graydon Skincare, Nobis, Westcomb, Hooké, Taiga Works, Norda, Coghlan's, Canadian Outdoor Equipment Co., SAIL Outdoors, Balabala, Annil, Mini Peace, Anta Kids, ABC Kids, HLA (Heilan Home), Septwolves, Semir, Romon, Meters/bonwe, K-Boxing, SEVEN, Peacebird Men, GXG, Joeone, Li-Ning, Anta, Xtep, 361 Degrees, PEAK, ELLASSAY, ICICLE, EP YAYING, DAZZLE, JORYA, Chow Tai Fook, Chow Sang Step, Lao Feng Xiang, China Gold, Chow Tai Seng, TIANWANG, EBOHR, SEA-GULL, LINE ARTISANAL, SHIATZY CHEN, Pechoin, CHANDO, PROYA, WINONA, HERBORIST, CAMEL, Erke, Qiaodan, Naturehike, Fire-Maple, Aegismax, Tanxianzhe, Nike, Sephora, Zwilling, Sport Chek, Columbia, Polo Ralph Lauren, ALC, Boscia, Commando, Fable Home, Fjallraven, Frame, Georg Jensen, Hasbro, Headster, Levi Strauss, Max Mara, Needle and Thread, Nobis, Nuu Collective Brands, Parachute Home, Smeg, Shiseido, Ralph Lauren
Boutique & Services	Calgary Farmers' Market, Fresh & Local Farm Store, H&W Produce, Blush Lane Organic Market, Community Natural Foods, Amaranth Whole Foods Market, Lina's Italian Market, Lucky Supermarket, Vince's Market, Alimentari Italian Grocery, No Frills, Farm Boy, Summerhill Market, Galleria Supermarket, Nature's Emporium, Maeli Market, M2M, Foody World, Nesters Market, Choices Markets, Meridian Farm Market, Urban Fare, Bosa Foods
Tech applications	Metanaut, Poptronic VR, Infusion VR Arcade, The Next Level VR, The Arc Gaming Center, VR Vibe Oakville, Ctrl V, Zero Latency, CipherX, Felix & Paul Studios, Tees Indoor Golf, Castle Fun Park, LEGOLAND Discovery, Minimakers, Bfly, Leke VR, Immersive World, STEPVR, DPVR, UBTECH, Makeblock, Rungolf Mini, PICO, NOLO VR, Rokid, Roborock, Xiaomi/Mijia Ecosystem, BroadLink, DJI, Midea, ZOYSE
Social dining	Banh Mi Boys, Kinka Izakaya, Chatime Bubble Tea, PAI Northern Thai Kitchen, Uncle Tetsu, The Alley, Sansotei Ramen, Eggs pectation, La Diperie, Chocola Favoris, KÖST, Published on Main, OEB Breakfast Co., Bar Raval, Giulietta, Bar Susu, HEYTEA, LELETE, Butterful & Creamorous, Dian Dou De, % Arabica, Chua Lam Dim Sum, Shake Shack, Momo Pocket, Tiger Pastry, Hearth Cloud, Xiabuxiabu, Haidilao Hot Pot, Xiaolongkan Hot Pot, Dayongyi Hot Pot, Tan's Braised Duck Hot Pot, Xiang Hot Pot, Liuyishou Hot Pot, Chuan'er Hot Pot, Shudaxia Hot Pot, Laomatou Hot Pot, Yuwei Xiaoyu Hot Pot, Din Tai Fung, Green Tea Restaurant, Nanjing Impression
Entertainment & performances	Vancouver International Dance Festival, Carousel Theatre for Young People, Harbour Dance Centre Vancouver, Vancouver Morris Dance Team, Chinese Cultural Centre Dragon Dance Team (Hong De), Phoenix Dance School, UBC Jazz Choir, Granville Island Buskers, Chris Funk Magic, Olivia Flows Hula Hooping, Giggles Faces n Glitter, Elite Dance Studio, Babbity Bobbity Princess, Caricature Dani, Magical Entertainer Vincent, Toronto Dance Company, Success Dragon Lion Dance Troupe, Entertainment Ontario
Pet friendly	One De Fur Pets Spa, Safari Pet Center, Dogfather & Co, Timmie Doggie Outfitters, PetSmart, Pet Valu, Paulmac's Pets, Bosley's by Pet Valu, Petkit, Hoopet





Ruby Liu: Thoughts Unfiltered

We're dedicated to urban development.

Become part of the community, serving every family.

Let's build a joyful, quality lifestyle—together with Ruby Liu.

2025

NEW SPACES INNOVATIVE CONCEPTS

NOT COMPETING, BUT COMPLETING - BRINGING JOYFUL, REFINED LIVING TO THE CITY

CONTENTS



- 01 **HBC CRISIS
BREAKDOWN**
- 02 **HBC STRATEGIC
SOLUTION**
- 03 **OPERATIONAL
ROLLOUT PLAN**

01

HBC CRISIS BREAKDOWN



BANKRUPTCY & LIQUIDATION CONTEXT

**355-YEAR LEGACY ENDS IN
BANKRUPTCY: CLOSING
*80 LOCATIONS***

SOURCE: CBC NEWS



PRIMARY ISSUES

OUTDATED BUSINESS MODEL
AGING CUSTOMER DEMOGRAPHIC
LOW SPACE UTILIZATION

HBC'S DILEMMA: INDUSTRY-WIDE CHALLENGES



LACK OF DIFFERENTIATION

- Traditional retail accounts for over 60%, while experiential consumption makes up less than 5%
- Lack of innovative and engaging experiences no longer meets demand for modern consumers



E-COMMERCE DISRUPTION

- Foot traffic in retail spaces is projected to drop in 2025, vacancy rates in Canadian malls expected to surge
- Rapid growth of e-commerce continues to accelerated traffic decline across the country



OUTDATED FACILITIES

- Hardware and infrastructure are noticeably worn
- Interior layouts and environments feel outdated
- Lack of upgrades limits appeal to modern customers

AGING RETAIL CONCEPTS AND SPATIAL DESIGN

THE BAY DEPARTMENT STORE

2F

Women's & Men's Apparel

Home Decor & Accessories



1F

Clothing & Leather Goods

Beauty & Personal Care



STRATEGIC TRANSFORMATION

TRANSFORMING THE MALL From “Product Centric” to “Social & Lifestyle Destination” — Targeting Next Generation of Shoppers

- Modern young consumers are actively seeking new cultural and entertainment experiences, embracing trendy and innovative brands, and showing strong enthusiasm for unique, specialty dining.

DIGITAL RETAIL: From “Online Shopping” to “In-Person Social Retail”

- In 2024, 92% of young consumers aged 18-34 and their families shopped via social media at least five times per month on average. This growing trend underscores the increasing pressure on offline retail to stay relevant.

Online Transactions
per month:

5+

Average Monthly
Online Spending:

\$100—\$400

E-Commerce
Market Reach:

10%+

Source: eMarketer

CHANGES IN CONSUMER BEHAVIOUR

Shenzhen Central City



Vancouver- David Lam Park



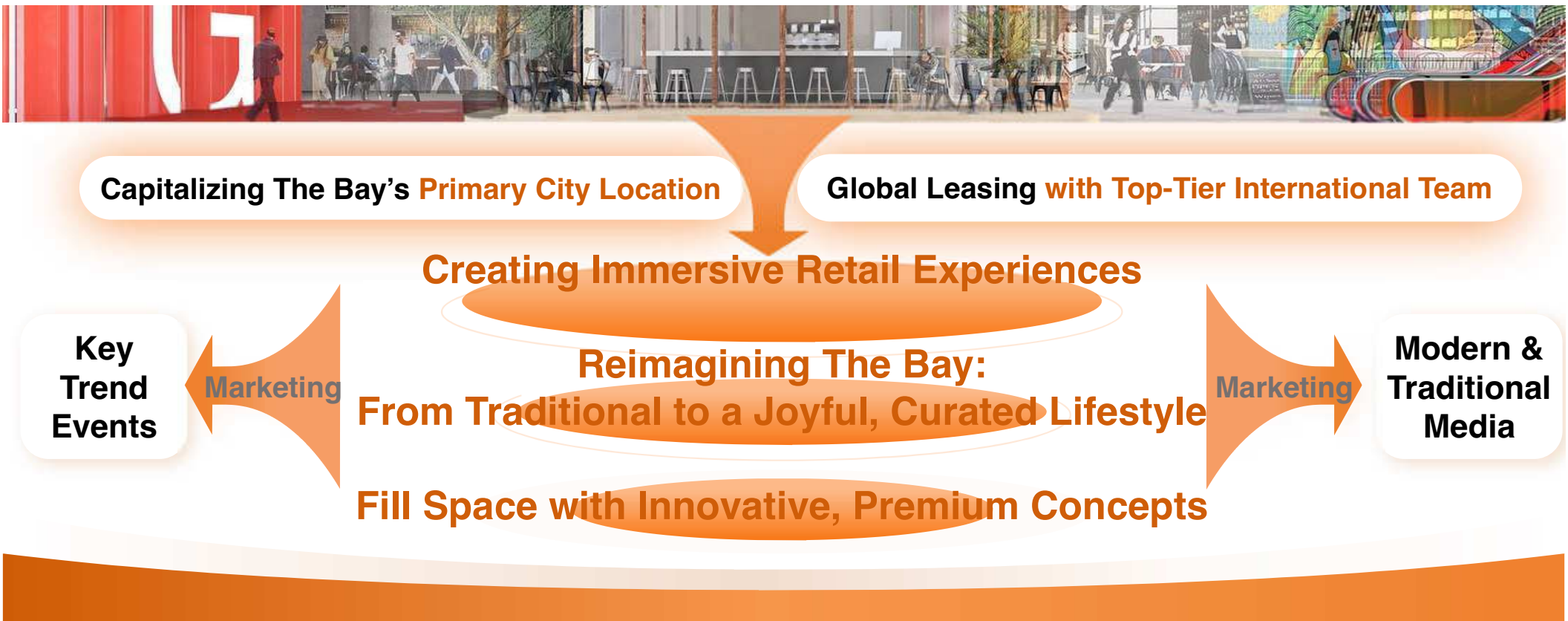
The Commons Saladaeng



LIVESTREAMING SOCIAL MEDIA
GENERATION-Z AI-GENERATED CONTENT
SOCIAL COMMERCE **VERTICAL CONTENT**
CONTEMPORARY LUXURY BRANDS
CULTURAL ACTIVITIES
MULTI-PLATFORM PRESENCE

02

THE BAY SOLUTION



STRATEGY 1: RETAIL SPACE REVOLUTION

LAYERED OPERATIONS & CREATIVE SPACE ACTIVATION



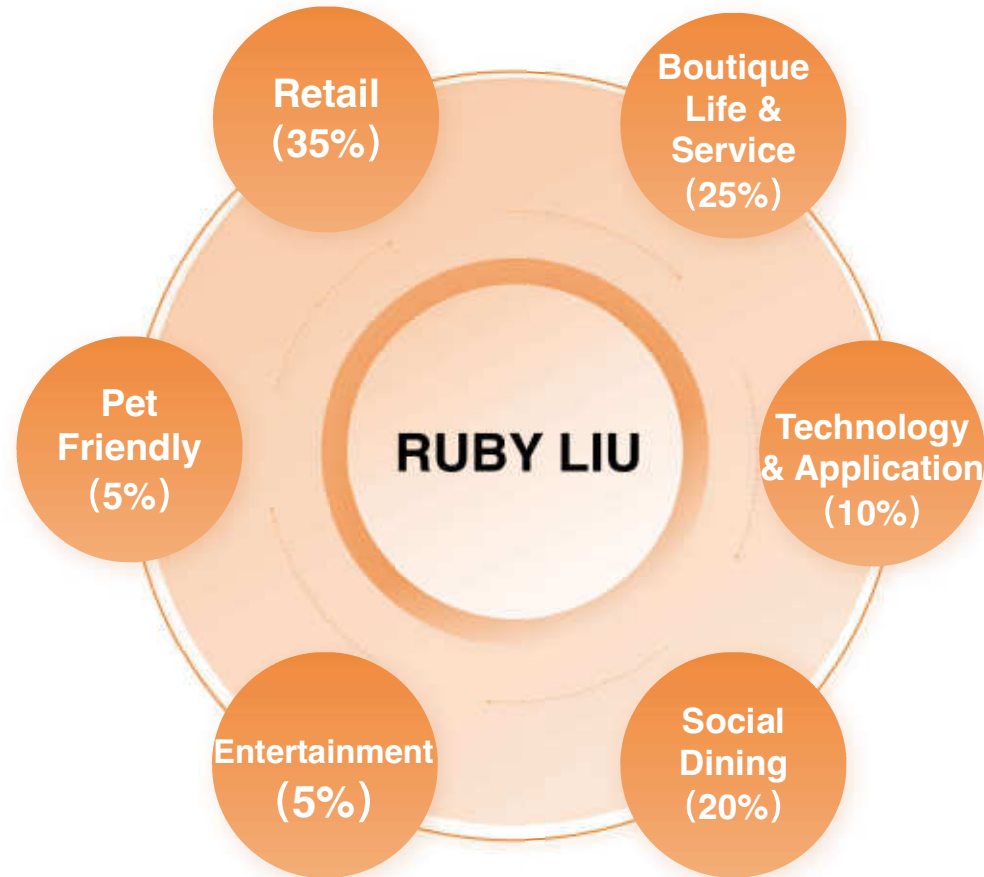
- **Weekdays:** Bingo games, Wellness Talks, Community Performances
- **Weekends:** Trendy Lifestyle Market, Parent-Child Interactive Activities, Kids' Talent Shows, Cosplay

IMMERSIVE DESIGN

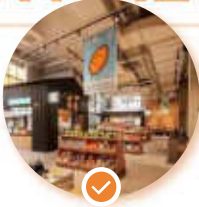


- **Multicultural Holiday Decorations**
 - Celebrate diversity through immersive seasonal displays
- **Interactive Technology Zones**
 - VR Gaming Experiences
 - Virtual Sports & Motion-Based Play

STRATEGY 2: SHOWCASING CANADIAN BRAND IDENTITY & INTRODUCING GLOBAL PARTNERS



STRATEGY 2: SIX-SECTOR MODEL COVERING ESSENTIALS & PURPOSEFUL SPENDING



RETAIL

Fashion & Trendy Apparel, Contemporary Brands, Children's Clothing, Men's & Women's Apparel



BOUTIQUE LIFE & SERVICES

Boutique Grocery Store, Michelin Restaurants, Pharmacy, Dentist, Shoe Repair, Beauty Salon



TECHNOLOGY APPLICATIONS

VR Gaming Zone, Children's Playland, Sports and Fitness, Senior-Friendly Digital Arcade



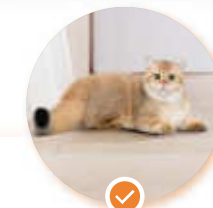
SOCIAL DINING

F&B offerings are proportionally designed based on demographics, balanced mix of food court options and specialty eateries



ENTERTAINMENT & PERFORMANCES

Senior learning workshops, youth trend parties, mini fashion shows, ensures all-age engagement and vibrant community life



PET FRIENDLY

Provide services like veterinary hospital, grooming, pet daycare and retail

STRATEGY 3: EVENT-LED GROWTH — BUILDING HIGH-IMPACT IPS

1. High-Frequency Events

Curate monthly themed markets and launch celebrity-driven pop-up stores to create buzz and draw foot traffic

2. Marketing Distribution Strategy

Leverage short videos and live-streaming for sales conversion, engage KOLs for product recommendations



03 OPERATIONAL IMPLEMENTATION PLAN



DESIGN-FORWARD SOCIAL SPACES THAT INSPIRE COMMUNITY ENGAGEMENT

LIFESTYLE-DRIVEN GATHERING PLACES



TECH-DRIVEN EXPERIENTIAL SPACE



GO-TO VENUE FOR TRENDING EVENTS



CREATING IMMERSIVE COMMERCIAL EXPERIENCES

DEVELOP VISUALLY ARTISTIC AND INTERACTIVE
SCENES TO ELEVATE THE WAY CUSTOMERS
CONNECT AND GATHER



EXCAVATOR CAFE



THAI FOOD CITY



LOCAL SPECIALTY STORES



SOHO TEA HOUSE

EVER-EVOLVING SPACES TO DELIVER FRESH VISUALS

- Pop-up displays & structures—**build flexible retail environments**
- Harmonize indoor and outdoor areas—**elevated visual experiences**



DIVERSIFIED BUSINESS CONTENT INNOVATION



SOCIAL DINING

+



**CUTTING EDGE
TECHNOLOGY**

+



LIFESTYLE

INTEGRATED ONLINE AND OFFLINE SALES STRATEGY

Online
Store
Entity

Hot-Selling
Merch
Items

Style
Trends

Influencer
Picks

Social
Media
Check-In



NEW CULTURAL & ENTERTAINMENT EVENTS

Indoor Golf



AR Experience



Lifestyle & Culture

One-stop destination blending innovative content, advanced technology, and entertainment - designed for all ages.



Indoor Playground









VR 5D Movie Theatre

SHAPING NEW RETAIL MODEL WITH CONCEPT DINING AND PREMIUM GROCERY


PREMIUM
GROCERY



REVITALIZE SPACES




CONCEPT
DINING



VIBRANT COMMUNITY EVENTS & PLANNING



**COMMUNITY
ENGAGEMENT**

+



**EDUCATIONAL
PROGRAMS**

+



**FASHION & ARTS
PROGRAMMING**

1. HIGH-FREQUENCY, HIGH-ENGAGEMENT COMMUNITY INTERACTION



2.CASUAL SOCIAL ACTIVITIES - COST EFFECTIVE AND ENGAGING EVENTS



IMPLEMENTATION PLAN

GOAL: Design Inviting & Comfortable Environment that can Encourage Longer Stays

Flagship Store: *Comprehensive Upgrade & Iconic Positioning* — Over 150,000 sq/ft in prime locations

**Total
Coverage:**

Space
Reconstruction

+

Theme
Customization

+

Interactive
Devices

+

Stage
Installation

GOAL: Establish a Benchmark for Brand Experience

Standard Store: *Soft Decor - Flexible Rollout*

Rapid Rollout Strategy to Boost
Revenue per Square Foot:

Interior Styling

+

Phased Design
Implementation

GOAL: Rapid Expansion, Low-Cost Implementation and multi-scenario adaptation

Partner with top design firms and local contractors to deliver high-efficiency, cost-effective execution

EXECUTION PLAN

Global Partnerships | Customized Decoration

LONG TERM
OPERATIONAL MODELS

TEMPORARY STAGE +
INFLUENCER PHOTO ZONE

- All merchants' decoration and display must meet unified standards to ensure the visual coordination and style of the project
- Professionals assist merchants in implementing plans and enhance the overall ambience of commercial space
- Create an immersive shopping environment to enhance customers' experience



STRATEGIC GOAL SETTING

 LEADING CANADA'S EXPERIENTIAL RETAIL WITH BOUTIQUE LIVING AT ITS FINEST

01

Short-Term Strategy (8 Months)

- Target an individual store occupancy rate around 80%
- Complete upgrades for all standard units while ensuring continuous operations during renovation process
- Engage support from key stakeholders - government, landlords, and tenants - to ensure smooth project execution

02

Mid-Term Strategy (18 Months)

- Complete the renovation and rebranding of all flagship stores, supported by a full-scale marketing and promotional campaign
- Position the mall as one of Canada's most beloved destinations for all age groups

03

Long-Term Strategy (3 Years)

- Fully upgrade the retail mix to create a refined, high-quality lifestyle experience
- Establish the project as a benchmark for experiential retail in Canada

2025 RUBY LIU

**Joyful and Redefined
New Lifestyle**

**THIS IS EXHIBIT "H" TO THE
AFFIDAVIT OF RUBY PAOLA
SWORN REMOTELY BEFORE ME AT
THE CITY OF TORONTO,
ON THIS 8TH DAY OF AUGUST, 2025**



**Commissioner for Taking Affidavits
Linda Galessiere**

De : Linda Qin <Linda.Qin@centralwalk.com>

Envoyé : 30 mai 2025 01:43

À : Saint-Pierre, Charles <csaintpierre@cdpq.com>; Valen Tam <Valen.Tam@centralwalk.com>; Paola, Ruby <rpaola@cdpq.com>; Girard, Benoit <bgirard@cdpq.com>

Cc : Hong Liu <Hong.Liu@centralwalk.com>; Dyer, Morgan <morgan.dyer@colliers.com>

Objet : Re: Ruby Liu & Central Walk

Our answers are as follows:

-Can you provide the legal entity of the proposed operator?

Ruby Liu Commercial Investment Corp.

- Does the operator have any retail stores in Canada or other jurisdictions, currently in operation? If not, is this new operation an experiment in this market?

Ms. Ruby Liu has over 30 years of retail operation experience.

She understands consumer behaviors in depth.

-How does the operator plan to finance this roll-out and is any security provided by the operator?

Ms. Ruby Liu has sent you her financial statement with balance.

-What are the operator's plan and schedule to roll-out 28 new locations of its concept simultaneously?

With landlord's support, we will build several very successful flagship stores, reflecting what Ruby plans to do.

-Which vendors have been secured at this time?

We are working with several vendors. Some of which are original HBC vendors and some of which are new vendors.

Flyoland, a prominent children playground vendor has confirmed its partnership with us.

-Will the operator be subletting or licencing concessions? What is the financial structure, if any?

We will follow HBC original lease on the use structure.

-Has the operator secured any contractor and architect for its construction?

We are in talk with various contractors and architect.

Should you have any further questions, please kindly let me know.

Thanks.

Sincerely,

Linda

获取 Outlook for iOS

发件人: Saint-Pierre, Charles <csaintpierre@cdpq.com>

发送时间: Thursday, May 29, 2025 10:56:06 AM

收件人: Valen Tam <Valen.Tam@centralwalk.com>; Paola, Ruby <rpaola@cdpq.com>; Girard, Benoit <bgirard@cdpq.com>

抄送: Hong Liu <Hong.Liu@centralwalk.com>; Linda Qin <Linda.Qin@centralwalk.com>; Dyer, Morgan <morgan.dyer@colliers.com>

主题: RE: Ruby Liu & Central Walk

Certaines personnes qui ont reçu cet e-mail ne reçoivent pas souvent de e-mail de la part de csaintpierre@cdpq.com. Pourquoi c'est important

Hi Valen,

Thank you for forwarding the terms of your offers. We first wish to advise that the covenant contained in section 2(a) of the Standstill Agreements dated February 1, 2024, for Maplevue Centre and Guildford Town Centre, were terminated and of no further force and effect, as per our letter to Hudson's Bay dated March 7, 2025.

With respect to your offers, as mentioned, no decision has been made at this time. In order to better review your offers, we have prepared the list of following questions:

- Can you provide the legal entity of the proposed operator?
- Does the operator have any retail stores in Canada or other jurisdictions, currently in operation? If not, is this new operation an experiment in this market?
- Please provide the operator's retail operation experience.
- How does the operator plan to finance this roll-out and is any security provided by the operator?
- What are the operator's plan and schedule to roll-out 28 new locations of its concept simultaneously?
- Which vendors have been secured at this time?
- Will the operator be subletting or licencing concessions? What is the financial structure, if any?
- Has the operator secured any contractor and architect for its construction?

We look forward to reading your responses and are happy to discuss further in person.

Please do not hesitate to contact me if you have any questions or comments.

Thank you.

CHARLES SAINT-PIERRE

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**THIS IS EXHIBIT "I" TO THE
AFFIDAVIT OF RUBY PAOLA
SWORN REMOTELY BEFORE ME AT
THE CITY OF TORONTO,
ON THIS 8TH DAY OF AUGUST, 2025**



Commissioner for Taking Affidavits
Linda Galessiere



MILLER THOMSON LLP
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June 6, 2025

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File No. 0292565.0001

Attention: James D. Bunting

Dear Mr. Bunting:

Re: Lease Assignment Consents – CCAA Sale Process – Hudson’s Bay

We write on behalf of our clients, Weihong Liu (“**Ms. Liu**”) and Ruby Liu Commercial Investment Corp. (the “**Purchaser**”), the successful bidder in the court-supervised lease monetization process under the *Companies’ Creditors Arrangement Act* (“**CCAA**”) in respect of certain leaseholds and assets of Hudson’s Bay Company and certain affiliates (“**HBC**”).

As you may be aware, the Honourable Mr. Justice Osborne of the Ontario Superior Court of Justice (Commercial List) approved the Lease Monetization Process by order dated March 21, 2025 (the “**Lease Monetization Process Order**”). Attached to this letter as **Appendix “A”** is a copy of the Lease Monetization Process Order.

Pursuant to the Lease Monetization Process Order, the Purchaser’s bid was selected as a Successful Bid (as defined in the Lease Monetization Process Order), subject to certain conditions. Foremost among these is obtaining the necessary consents from landlords for the assignment of twenty-eight commercial leases.

We write to you in your capacity as counsel to Ivanhoe Cambridge (the “**Landlord**”). More specifically, we write to you to request the Landlord’s consent to the assignment of the following leases:

- Guildford Town Centre, Surrey, BC
- Mapleview Centre, Burlington, ON

To assist your client's assessment of Ms. Liu, and the Purchaser, as the proposed assignee, this letter provides information in the following five sections:

1. Ms. Liu's qualifications and operational experience;
2. The strategic Canadian retail business plan;
3. Financial readiness to perform lease obligations;
4. Benefits to key CCAA stakeholders; and
5. The path forward and landlord engagement strategy.

1. Ms. Liu's Business Experience

a) Ms. Liu's Chinese Business Experience

Ms. Liu is an accomplished entrepreneur with decades of experience operating multi-location retail platforms in competitive global markets. Her ventures have demonstrated success in concept development, brand scaling, and supply chain execution, supporting profitable and resilient operations.

Ms. Liu's career began in Harbin, China, where she worked in multiple small businesses throughout high school. In 1988, Ms. Liu moved to the rapidly-growing city of Shenzhen to pursue her entrepreneurial dreams. Leveraging her early business experience, Ms. Liu opened and managed six restaurants across Shenzhen, with locations including Sungang Warehouse, Shangbu Road, Nigang Village, and Meilin. In 1994, she founded Yijing Investment & Development Co., Ltd., marking her entry into real estate development with the construction and management of Meilin Yijing Tower, a high-rise urban project. Ms. Liu gained further national recognition when she partnered with Vanke Real Estate Co., Ltd. to co-develop Phase V of the Vanke Four Seasons Flower City in 2001, a project subsequently honored as China's top residential development.

Most notably, in 2002, Ms. Liu co-developed Central Walk Shopping Center with Excellence Group, a landmark commercial project that proved pivotal in her career. Located in the heart of Shenzhen's Central Business District, Central Walk Shopping Center spans 140,000 square meters and is one of the largest and most advanced shopping centers in China, with approximately 50,000 to 100,000 visitors per day. Ms. Liu pioneered the concept of an eco-leisure shopping mall—an integration of retail, dining, entertainment, wellness and tourism to create a comprehensive "one-stop" consumer experience. As a mother of two, Ms. Liu was frustrated by Shenzhen's lack of indoor recreational spaces and envisioned Central Walk Shopping Center to have a large family-oriented space. Under her management, Central Walk Shopping Center developed one of Shenzhen's largest family entertainment parks. Central Walk Shopping Center addressed a critical gap in Shenzhen's commercial landscape and helped redefine the model for urban mixed-use developments across China.

Ms. Liu's success in developing Central Walk Shopping Center is supported by her selection of a strong team of experts and the integration of stakeholder feedback. At a time when international collaboration in commercial projects was still uncommon in China, Ms. Liu engaged several globally renowned firms, including: Callison Architecture (USA) for



architectural design; Japan Design Corporation for landscaping; DTZ (Hong Kong) as construction advisor; and Pacific Group (Taiwan) for strategic planning.

During this time, Ms. Liu also owned and managed another mall, Central Walk Shenzhen, a five-story retail complex spanning 83,900 square meters. As of December 2018, the mall had a 100% occupancy rate and generated a gross monthly income of \$4.5 million (RMB 23.8 million). The mall features a diverse tenant mix, including fashion retailers, restaurants, a cinema, and a supermarket.

In February 2019, Ms. Liu sold Central Walk Shenzhen to Hong Kong's Link Real Estate Investment Trust for \$1.25 billion (RMB 6.6 billion). Following this sale, Ms. Liu moved to Vancouver, Canada and founded Central Walk, which has since become a leading commercial real estate firm.

b) Ms. Liu's Canadian Landlord Operations

Ms. Liu has been actively involved as owner and investor in substantial Canadian business operations for more than a decade. Ms. Liu owns and actively manages more than 2.5 million square feet of Canadian shopping centre assets, including:

- i) Woodgrove Centre (Nanaimo, BC): Acquired in 2020. Vancouver Island's largest shopping centre with 748,000 sq. ft., over 140 stores, and annual foot traffic of 5.6 million visitors.
- ii) Mayfair Shopping Centre (Victoria, BC): Acquired in 2021. A 518,000 sq. ft. retail centre hosting over 120 stores and welcoming approximately 4.1 million visitors per year.
- iii) Tsawwassen Mills (Delta, BC): Acquired in 2022. A regional shopping centre with 1.2 million sq. ft. and more than 200 stores and services. Attached to this letter as **Appendix "B"** is a summary of Ms. Liu's shopping centre holdings.

Ms. Liu's considerable experience operating as a landlord in Canada provides her considerable insight into landlord sensitivities. Landlord issues, including the critical importance of protecting mall related exclusivities and operational restrictions are well understood and respected. Attached to this letter as **Appendix "C"** is a listing of current retail stores across Ms. Liu's three shopping centres.

In addition to retail and landlord operations, Ms. Liu owns the Arbutus Ridge Golf Club (Vancouver Island, BC), an 18-hole championship golf course acquired in 2019. Rated four stars by Golf Digest and awarded Best Destination Golf Course in British Columbia, the property illustrates her ability to manage regulated service operations in Canada.



2. Strategic Business Plan for Canadian Retail Operations

HBC's business, while in distress, possessed strong operational fundamentals – a deep supplier network, prime locations, loyal customers, and experienced staff. Ms. Liu intends to preserve and modernize those foundational elements, using them as the framework for launching a refreshed Canadian retail platform (the “**Retail Business**”). The value chain already exists. Ms. Liu and her team's focus will be to reactivate and enhance it.

HBC's Value Chain Reactivation

To maintain and reengage the existing HBC value chain, Ms. Liu has taken the following steps:

1. Working from her existing contacts and team members, Ms. Liu has already established an executive organizational chart to fill the roles of CEO, CFO, CMO, COO, CMO (Merchandising) and CHRO. Attached to this letter as **Appendix “D”** is a list of the people that have agreed to take on these critical roles and responsibilities, together with a brief overview of their experience and expertise.
2. Working from the HBC's current and former org chart, Ms. Liu has met with twelve store level managers and has secured commitments from ten to stay on and assist with the reactivation. Ms. Liu intends to continue meetings with key managers in an effort to return as many as possible. Ms. Liu believes that returning store managers is the best path to preserving institutional knowledge of the entire Hudson's Bay value chain, which in turn is the most effective strategy to open stores as quickly as possible. It is worth noting that the ten store managers that have committed each have more than ten years of HBC operational experience and in many cases more than twenty years of HBC operational experience.
3. Ms. Liu has engaged Wayne Drummond, the former President of Hudson's Bay, for the purpose of assisting with everything from securing suppliers and inventory to reviewing product mix. Mr. Drummond's intimate knowledge of Hudson's Bay's operations will be critical in ensuring that stores open quickly and effectively. Attached to this letter as **Appendix “E”** is a copy of Mr. Drummond's bio.
4. Ms. Liu and her team have already reviewed more than 500 resumes from current and former Hudson's Bay employees that would like to return to work as store employees. As Ms. Liu progresses to general support from the landlords her intent is to work with Alvarez & Marsal Canada Inc. in its capacity as monitor of HBC (in such capacity, the “**Monitor**”) and HBC's counsel to establish a formal communication and process whereby all prior store level employees will be offered the opportunity to apply for employment with Ms. Liu's stores. The projected expectation for total employees required to open the stores is between 2,500 and 3,000.
5. Ms. Liu has already met with more than fifty of HBC's suppliers to assess their ability and willingness to supply her 28 stores. Each of the suppliers have indicated interest and excitement in the opportunity to continue a supplier relationship with Ms. Liu. As Ms. Liu progresses to general support from the landlords, her intent is to work with the



Monitor and HBC's counsel to establish a formal communication and process whereby all prior suppliers will be offered the opportunity to work with Ms. Liu to establish go-forward supply terms and timelines.

6. Ms. Liu has already met with several landlords in an effort to understand critical pain points, including necessary refurbishments/renovations, Ms. Liu's ability to fund the operation and various other concerns. Ms. Liu intends to schedule meetings with each landlord for early next week to continue those conversations and move pain points into a more detailed and specific dialogue so that detailed solutions can begin to formulate.

Timelines and Milestones

Ms. Liu and her team have detailed a working operational and store opening timeline with critical milestones. The timeline commences on the day the lease assignment transaction closes. The critical condition precedent to closing the assignment transaction is court approval. Ms. Liu intends to close the transaction immediately after the lease assignment transaction is approved by the Court.

Milestone	Target (From Lease Assignment Close)
Hire Key Executives	30 days
Hire Key Managers	30 days
Hire Store Level Staff	90 days
Store Design Mock-Ups to Landlords	30 days
Inventory Ordering	90 days
Permit Applications	As soon as possible. Will require Landlord input.
Renovations Begin (Permit-Dependent)	As soon as possible. Permit dependent.
Store-Level Financial Forecasts	Updated and delivered to applicable landlord every 30 days with a view to finalizing for day 90.
Marketing Campaign Launch	120 days
Completion of Renovations	Target 150 days, but as previously noted dependent on applicable permits.
Inventory Delivery & Merchandising	150 days
Grand Opening	180 days



The overall goal is to open at least twenty stores within 180 days. Permitting related to necessary renovations is the most significant unknown factor as it relates to adhering to the timeline.

Financial Forecasting

Given the business plan to reactivate HBC's value chain and given the above timeline, Ms. Liu and her team have prepared an integrated financial forecast for the Retail Business. Attached to this letter as **Appendix "F"** is an Excel file that sets out certain aspects of the forecasting, together with store specific P&L analysis as it relates to your client's specific lease(s).

The forecasting sets out the key assumptions at the "Inputs" tab. The assumptions were driven by actual historical data related to HBC's business. Key highlights as it relates to the forecasting, include:

As it relates to the three-year forecasted P&L:

- The Retail Business is forecasted to lose \$32.5 million for the balance of 2025.
- The Retail Business is forecasted to profit \$31 million during the 2026 calendar year.
- The Retail Business is forecasted to profit \$35.5 million during the 2027 calendar year.
- Total sales for the balance of 2025, 2026 and 2027, respectively, are forecasted to be \$867 million.
- The Retail Business is expected to contribute \$9.5 million in income taxes during the forecasted period.

As it relates to the three-year forecasted cash flow:

- In reviewing the total expected cash needs to ramp the business up and launch within the targeted timeframe, Ms. Liu has committed to making an initial advance of \$325 million, which is reflected as the initial equity investment to open the cash balance.
- The inventory ramp up cost is estimated at approximately \$96 million over the course of eight months.
- Ms. Liu has allocated \$84 million for leasehold improvements, over the course of six months.
- With the initial equity injection of \$325 million, the Purchaser's cash position never drops below \$36 million, which amount reflects a very healthy cash buffer to deal with contingencies.
- In addition to the \$36 million contingency buffer, the cash flow forecast reflects a line item for \$80 million to account for transaction costs and other contingencies. It is noteworthy that the estimated contingency would cover more than ten months of estimated total rent cost.



As it relates to the three-year forecasted Store P&L:

- Total aggregated sales in the first twelve months is \$438.5 million.
- Total aggregated store payroll cost in the first twelve months of stores being opened is \$51.7 million.
- Total aggregated store rent cost, plus property taxes and CAM in the first twelve months is \$43.7 million.
- Total aggregated store remodel expense cost in the first twelve months is \$84 million.
- Landlord store specifics noted in a separate tab.

As a general comment, Ms. Liu expects that the financial forecasting will continuously evolve to reflect real time information received during the period where the broader team is working through the store opening operations. As noted in the timeline, Ms. Liu doesn't expect to have final forecasting until 90 days from the close of the lease assignment transaction. However, to ensure that Ms. Liu is able to work through issues that arise, Ms. Liu has intentionally built tens of millions of dollars of contingency funding into the Retail Business forecasting.

Ms. Liu fully appreciates that specific sites may require refurbishment/renovation. Ms. Liu intends to work through those expectations with each landlord and ultimately reflect the cash outlay required as part of the forecasting.

All in all, the total Retail Business, including costs of refurbishment/renovation, store launch and contingency, will require a cash investment of approximately \$325 million. Ms. Liu has these funds available and as part of the lease assignment transaction intends to invest these funds, in the form of equity, into the Retail Business, in accordance with the cash flow forecast.

Critical Mass/Economies of Scale

Based upon support already expressed from certain landlords, Ms. Liu believes that she has achieved her critical mass targets to ensure overall business viability.

Improving Operations and Marketing

While secondary to the obvious need to establish fundamental operations, Ms. Liu has a strong vision for an approach to improve HBC's strategies. At a very high level the vision and approach are as follows:

- Expanded demographic targeting, adding younger consumer segments.
- Modernization of stores, including upgrades to interiors, signage, and technology.
- Experience-focused brand development to drive traffic and loyalty.

Ms. Liu looks forward to discussing her vision to improve on the HBC business model and drive her vision for retail sales in accordance with the three stated guiding principles.



3. Financial Capacity and Commitment

Ms. Liu provided HBC and its advisors with proof of funding in connection with the Lease Monetization Process. The proof of funding provided to HBC and its advisors establishes cash sufficient to support the Retail Business.

To the extent the Landlord wishes to have proof of funding confirmed, we are prepared to establish terms of a non-disclosure agreement and provide directly, or, alternatively Ms. Liu is prepared to have our firm share proof of funding directly to legal counsel on the undertaking that counsel can review for the purpose of providing their client a summary of the funding proof.

Funds will be invested directly by Ms. Liu into the Purchaser. To the extent Landlords require, Ms. Liu is prepared to provide covenants to ensure exclusive application to the retail operations. Annual financial and operational reporting will be provided to landlords upon request and/or in accordance with Lease terms.

4. Benefits to CCAA Stakeholders

The lease assignment transaction provides the Landlord with a material improvement to the covenant that HBC offered over these past few years. The Landlord will receive an experienced tenant that is incredibly well capitalized and motivated to build a dominant Canadian retail brand. As noted above, tens of millions in rent is well supported by the Retail Business, together with tens of millions in store improvements.

Additionally, many other impacted stakeholders will receive tremendous and meaningful benefits:

1. Employees – Ms. Liu will offer store manager and senior positions to dozens of Canadians and store level employment to thousands of Canadians.
2. Suppliers – renewed contracts and minimal disruption to supply chains will provide much needed relief to many Canadian suppliers.
3. Creditors – creditors of HBC stand to benefit from the proceeds of sale from the lease assignment transaction.
4. Canadian Economy – in the first year alone total sales of \$438.5 million are projected. These sales represent a meaningful economic boost to local Canadian economies, not to mention the approximate \$9.5 million of income tax to be paid to the CRA resulting from projected profit over the next thirty months.

Simply put, while the landlords receive the most significant improvement to overall position, there are thousands of employees, hundreds of suppliers and millions of dollars of benefit to the overall Canadian stakeholders and Canadian economy.



5. Path Forward

This letter serves as a general communication to all landlords. We recognize that each landlord and location has unique circumstances. Accordingly:

1. Ms. Liu looks forward to individualized discussions to understand site-specific concerns and co-develop customized launch plans.
2. All leases will be assumed on an "as is, where is" basis. Ms. Liu is not asking for lease related concessions and will comply with lease terms.
3. Ms. Liu will engage with each landlord to identify capital requirements, marketing opportunities, and modernization strategies.
4. Beyond obtaining consent, Ms. Liu is committed to earning landlord trust and collaboratively revitalizing the Canadian retail landscape.

We would be pleased to meet with you and your client to review our plans in more detail and address any specific concerns. Please contact the undersigned at your convenience.

Yours truly,

MILLER THOMSON LLP

Per: *Larry Ellis*

Larry Ellis

LE/lp

Encls.

cc. Greg Karpel, Alvarez & Marsal Canada Inc.
Alan J. Hutchens, Alvarez & Marsal Canada Inc.
Sean Zweig, Bennett Jones LLP
Michael Shakra, Bennett Jones LLP
Ashley Taylor, Stikeman Elliott LLP
Jonah Mann, Stikeman Elliott LLP



Appendix “A” – Lease Monetization Process Order

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE MR.)	FRIDAY, THE 21 ST DAY
)	
JUSTICE OSBORNE)	OF MARCH, 2025

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
HUDSON'S BAY COMPANY ULC COMPAGNIE DE LA BAIE D'HUDSON SRI, HBC
CANADA PARENT HOLDINGS INC., HBC CANADA PARENT HOLDINGS 2 INC., HBC
BAY HOLDINGS I INC., HBC BAY HOLDINGS II ULC, THE BAY HOLDINGS ULC, HBC
CENTERPOINT GP INC., HBC YSS 1 LP INC., HBC YSS 2 LP INC., HBC HOLDINGS GP
INC., SNOSPMIS LIMITED, 2472596 ONTARIO INC., and 2472598 ONTARIO INC.**

**ORDER
(Lease Monetization Process)**

THIS MOTION, made by Hudson's Bay Company ULC Compagnie de la Baie D'Hudson SRI ("**Hudson's Bay**"), HBC Canada Parent Holdings Inc., HBC Canada Parent Holdings 2 Inc., HBC Bay Holdings I Inc., HBC Bay Holdings II ULC, The Bay Holdings ULC, HBC Centerpoint GP Inc., HBC YSS 1 LP Inc., HBC YSS 2 LP Inc., HBC Holdings GP Inc., Snospmis Limited, 2472596 Ontario Inc., and 2472598 Ontario Inc. (collectively, the "**Applicants**") for an order approving the Lease Monetization Process (defined below) was heard this day at 330 University Avenue, Toronto, Ontario and via videoconference.

ON READING the affidavits of Jennifer Bewley sworn March 7, 2025, March 14, 2025, and March 21, 2025, and the Exhibits thereto, the pre-filing report of Alvarez & Marsal Canada Inc. ("**A&M**"), in its capacity as proposed monitor of the Applicants dated March 7, 2025 (the "**Pre-Filing Report**"), the first report of A&M, in its capacity as monitor of the Applicants, (in such capacity, the "**Monitor**"), dated March 16, 2025, and the Supplement to the First Report of the Monitor dated March 21, 2025, and on hearing the submissions of counsel to the Applicants, counsel to the Monitor, and such other parties as listed on the Counsel Slip, with no one else appearing although duly served as appears from the Affidavits of Service of Brittney Ketwaroo sworn March 17, 2025 and March 21, 2025.

SERVICE AND DEFINITIONS

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record herein is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that capitalized terms used but not otherwise defined herein have the meanings ascribed in the Lease Monetization Process attached hereto as Schedule “A” (the “**Lease Monetization Process**”) or the Amended and Restated Initial Order, dated March 21, 2025 (the “**ARIO**”), as applicable.

APPROVAL OF THE LEASE MONETIZATION PROCESS

3. **THIS COURT ORDERS** that the Lease Monetization Process is hereby approved. The Applicants, the Monitor and the Broker are hereby authorized and directed to take any and all actions as may be necessary or desirable to implement and carry out the Lease Monetization Process.
4. **THIS COURT ORDERS** that the agreement dated March 20, 2025, engaging Oberfeld Snowcap Inc. (“**Oberfeld**”) as Broker to Hudson’s Bay in the form attached as Exhibit “B” to the Affidavit of Jennifer Bewley sworn March 21, 2025, and the retention of Oberfeld under the terms thereof, is hereby approved.
5. **THIS COURT ORDERS** that each of the Applicants, the Monitor, the Broker and their respective affiliates, partners, directors, employees, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages or liabilities, of any nature or kind, to any person in connection with or as a result of the Lease Monetization Process, except to the extent such losses, claims, damages or liabilities result from the gross negligence or wilful misconduct of the Applicants, the Monitor, or the Broker, as applicable, in performing their obligations under the Lease Monetization Process, as determined by this Court.
6. **THIS COURT ORDERS** that notwithstanding anything else contained herein, the Applicants and any Related Person that wishes to submit or participate in a Sale Proposal must declare such intention to the Monitor and the Broker in writing by April 7, 2025. If the Applicant or any Related Person makes such declaration, the Monitor and the Broker shall design and implement additional procedures for the Lease Monetization Process in respect

of the sharing of information with the Applicants so as to ensure and preserve the fairness of the Lease Monetization Process and shall advise the parties on the service list for these proceedings of these additional procedures.

7. **THIS COURT ORDERS** that notwithstanding any other term contained herein and paragraph 11 of the ARIO, on or before July 15, 2025, the Applicants shall send a notice of disclaimer with respect to any Lease that is not subject to a Successful Bid pursuant to the SISP or the Lease Monetization Order that has not been terminated in accordance with terms thereof.

8. **THIS COURT ORDERS** that, pursuant to section 3(c) of the Electronic Commerce Protection Regulations, Reg. 81000-2-175 (SOR/DORS), the Applicants, the Monitor and the Broker are authorized and permitted to send, or cause or permit to be sent, commercial electronic messages to an electronic address of prospective bidders or offerors and to their advisors, but only to the extent required to provide information with respect to the Lease Monetization Process in these proceedings.

9. **THIS COURT ORDERS** that the Applicants or the Monitor may from time to time apply to this Court to amend, vary or supplement this Order or for advice and directions in the discharge of their respective powers and duties hereunder.

10. **THE COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

11. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.

Schedule "A"

LEASE MONETIZATION PROCESS

Introduction

On March 7, 2025, Hudson's Bay Company ULC Compagnie De La Baie D'Hudson SRI (the "**Company**") and those parties listed in Schedule "**A**" hereto (collectively, the "**Applicants**") sought and obtained protection under the *Companies' Creditors Arrangement Act* (the "**CCAA**") pursuant to an initial order (as amended, restated or varied from time to time, the "**Initial Order**") granted by the Ontario Superior Court of Justice (Commercial List) (the "**Court**"). Parties listed in Schedule "**B**" were also granted protection as "Non-Applicant Stay Parties". Alvarez & Marsal Canada Inc. was appointed as monitor in the CCAA proceedings (in such capacity, the "**Monitor**").

On March 14, 2025, the Applicants served a motion seeking, among other things, an order for the approval of a sale process (as same may be amended from time to time, the "**Lease Monetization Process**") pursuant to, and in accordance with, the Lease Monetization Order (as defined below) to be conducted under the supervision of the Court and the Monitor.

The purpose of this Lease Monetization Process is to seek Sale Proposals from Qualified Bidders and to implement one or a combination of them in respect of the Leases, which implementation may include sales, dispositions, assignments, surrender (if accepted by the applicable landlord), or other transaction forms. The Applicants, in their reasonable business judgment, and in consultation with the Broker, the Monitor and Agents, may, from time to time, withdraw any Lease from this Lease Monetization Process in accordance with the CCAA, the Applicants' rights under the Initial Order, or if any agreement is reached with the landlord of the relevant Lease.

On March 21, 2025, the Court entered an order approving the Lease Monetization Process (the "**Lease Monetization Order**").

This Lease Monetization Process describes, among other things: (a) the Leases available for sale (which, for greater certainty, is without prejudice to the position of a Landlord as to whether a Non-Applicant Stay Party's interest in a Lease can be subject to such sale) (the "**Landlord Reservation of Rights**"); (b) the manner in which Interested Bidders may gain access to due diligence materials concerning the Leases; (c) the manner in which bidders and bids become Qualified LOI Bidders or Qualified Bidders and Qualified LOI Bids or Qualified Bids, respectively; (d) the ultimate selection of one or more Successful Bidders; and (e) the process for obtaining such approvals (including the approval of the Court) as may be necessary or appropriate in respect of a Successful Bid, as applicable.

Defined Terms

1. The following capitalized terms have the following meanings when used in this Lease Monetization Process:
 - (a) "**Agents**" means collectively: (a) Bank of America, N.A. (including acting through branches and affiliates) in its capacity as administrative agent and collateral agent under the ABL Credit Agreement; (b) Restore Capital, LLC in its capacity as agent for the FILO Credit Facility lenders under the ABL Credit Agreement; and (c) Pathlight Capital LP, in its capacity as administrative agent under the Pathlight Credit Agreement (each as defined in the Affidavit of Jennifer Bewley sworn March 7, 2025).

- (b) **"Applicants"** is defined in the introduction hereto.
- (c) **"Approval Motion"** is defined in paragraph 23.
- (d) **"ARIO"** means the Amended and Restated Initial Order dated March 21, 2025
- (e) **"Broker"** means Oberfeld Snowcap Inc.
- (f) **"Business Day"** means a day (other than Saturday or Sunday) on which banks are generally open for business in Toronto, Ontario.
- (g) **"CA"** means a confidentiality agreement in form and substance satisfactory to the Company, in consultation with the Monitor. For greater certainty, there is no requirement for Landlords to enter into CA's in respect of their own Leases.
- (h) **"CCAA"** is defined in the introduction hereto.
- (i) **"Company"** is defined in the introduction hereto.
- (j) **"Court"** is defined in the introduction hereto.
- (k) **"Deposit"** is defined in paragraph 20(k).
- (l) **"Form of Purchase Agreement"** means the form of purchase and sale agreement to be developed by the Applicants, in consultation with the Monitor and the Broker, and provided to Qualified Bidders that submit a Qualified LOI for a Sale Proposal.
- (m) **"Initial Order"** is defined in the introduction hereto.
- (n) **"Interested Bidder"** is defined in paragraph 8.
- (o) **"Landlord LOI"** means a non-binding letter of intent from a landlord for an acquisition or consensual transaction for one or more of its Leases that is submitted on or before the Phase 1 Bid Deadline.
- (p) **"Landlord Qualified Bid"** means a final binding proposal from a landlord for an acquisition or consensual transaction for one or more of its Leases and which meets the requirements set out in paragraphs 20(a), 20(c), 20(d), 20(e), 20(g), 20(h), 20(i), 20(j), 20(k) and 20(l)
- (q) **"Lease Monetization Order"** is defined in the introduction hereto.
- (r) **"Leases"** means the Applicants' and the Non-Applicant Stay Parties' leasehold interests and all related rights and obligations in connection with the properties listed in Schedule "C" hereto, subject in all respects to the Landlord's Reservation of Rights, as defined herein.
- (s) **"LOI"** is defined in paragraph 7.
- (t) **"Monitor"** is defined in the introduction hereto.

- (u) **“Non-Applicant Stay Parties”** are the entities listed in Schedule **“B”** hereto.
- (v) **“Outside Date”** means June 17, 2025.
- (w) **“Phase 1”** is defined in paragraph 7.
- (x) **“Phase 1 Bid Deadline”** is defined in paragraph 9.
- (y) **“Phase 2”** means such period of time from the Phase 1 Bid Deadline to the Approval Motion.
- (z) **“Qualified Bid”** means an offer or combination of offers, in the form of a Sale Proposal or Sale Proposals, which meets the requirements of paragraph 20.
- (aa) **“Qualified Bid Deadline”** is defined in paragraph 18.
- (bb) **“Qualified Bidder”** means a bidder that submits a Qualified Bid.
- (cc) **“Qualified LOI”** is defined in paragraph 10.
- (dd) **“Qualified LOI Bid”** is defined in paragraph 16.
- (ee) **“Qualified LOI Bidder”** is defined in paragraph 16.
- (ff) **“Related Person”** has the same meaning as in the *Bankruptcy and Insolvency Act* (Canada).
- (gg) **“Sale Proposal”** means an offer to acquire or otherwise assume of all or some of the Leases. A “Sale Proposal” may include a transaction involving the assignment and assumption, and/or surrender of a Lease or Leases (in the case of a surrender, such proposal may only form part of a Landlord Qualified Bid, or otherwise require the Landlord’s consent to a surrender of the Lease).
- (hh) **“SISP”** means the Sale and Investment Solicitation Process approved by the Court on March 21, 2025.
- (ii) **“Successful Bid”** is defined in paragraph 22(b).
- (jj) **“Successful Bidder”** is defined in paragraph 22(b).
- (kk) **“Targeted Outside Date”** means June 3, 2025, or such later date as may be determined by the Applicants, on consent of the Monitor, in consultation with the Broker and the Agents, provided that in no event shall such date be after June 17, 2025.
- (ll) **“Teaser Letter”** is defined in paragraph 4.

Supervision of the Lease Monetization Process

2. The Monitor will supervise, in all respects, the Lease Monetization Process, any attendant sales and, without limitation, will supervise the Broker’s performance under its

engagement by the Company in connection therewith. The Applicants shall assist and support the efforts of the Monitor and the Broker as provided for herein. In the event that there is disagreement or clarification required as to the interpretation or application of this Lease Monetization Process or the responsibilities of the Monitor, the Broker or the Applicants hereunder, the Court will have jurisdiction to hear such matter and provide advice and directions, upon application of any interested person. For the avoidance of doubt, and without limiting the rights and protections afforded to the Monitor under the CCAA, the Initial Order and the Lease Monetization Order, the terms of the Initial Order and the Lease Monetization Order shall govern the Monitor's role as it relates to the Lease Monetization Process.

"As Is, Where Is"

3. The sale of the Leases will be on an **"as is, where is"** basis and without representations or warranties of any kind, nature, or description by the Monitor, the Broker, the Applicants or any of their respective directors, officers, employees, advisors, professionals, agents, estates or otherwise, except and only to the extent set forth in a definitive sale agreement executed by an Applicant.

Solicitation of Interest

4. As soon as reasonably practicable, but in any event no later than three (3) Business Days after the issuance of the Lease Monetization Order, the Broker shall distribute an initial offering summary of the Leases in form acceptable to the Applicants and the Monitor (the **"Teaser Letter"**) notifying those potentially interested parties that are identified by the Broker, the Monitor and the Applicants, each in their sole discretion, of the existence of the Lease Monetization Process and inviting such parties to express an interest in making an offer to acquire all or some of the Leases.

Participation Requirements

5. Unless otherwise ordered by the Court, or as otherwise determined by the Applicants, in consultation with the Monitor, each person seeking to participate in the Lease Monetization Process other than a Landlord in respect of any of its own Leases must deliver to the Broker at the address specified in Schedule **"D"** hereto (including by email transmission):
 - (a) a letter setting forth such person's identity, the contact information for such person and full disclosure of the principals of such person; and
 - (b) an executed CA which shall include provisions whereby such person agrees to accept and be bound by the provisions contained therein.
6. All secured creditors of the Applicants shall have the right to bid in the Lease Monetization Process, including by way of credit bid, provided however that until a secured creditor, including the Agents, declare that they will not submit a bid in the Lease Monetization Process, all consultation and consent rights herein shall be paused and the Monitor and the Applicants may place such limitations on the consultation and consent rights contained herein as they consider appropriate, so as to ensure and preserve the fairness of the Lease Monetization Process.

LEASE MONETIZATION PROCESS - PHASE 1

Phase 1 Initial Timing

7. For a period from the date of the Lease Monetization Order until the Phase 1 Bid Deadline (“**Phase 1**”), the Broker (with the assistance of the Monitor and the Applicants) will solicit non-binding letters of intent from prospective parties to acquire one or more of the Leases (each, an “**LOI**”).

Due Diligence

8. Subject to the provisions of paragraph 28, the Broker will provide each party who executes a CA (an “**Interested Bidder**”) with access to an electronic data room. The Monitor, the Broker and the Applicants, and each of their representatives, make no representation or warranty as to the information: (a) contained in the electronic data room; (b) provided through any diligence process; or (c) otherwise made available, except to the extent expressly contemplated in any definitive sale agreement executed by an Applicant.

Non-Binding Letters of Intent from Interested Bidders

9. Interested Bidders that wish to pursue a Sale Proposal must deliver an LOI to the Broker at the address specified in Schedule “**D**” hereto (including by email transmission), so as to be received by the Broker not later than 5:00 PM (Toronto time) on or before April 15, 2025, or such later date or time as may be determined by the Applicants, with the consent of the Monitor, in consultation with the Broker and the Agents (the “**Phase 1 Bid Deadline**”). Notwithstanding anything else contained herein, the Applicants and any Related Person that wishes to submit an LOI or participate in Lease Monetization Process must declare such intention to the Broker and the Monitor in writing by April 7, 2025. If the Applicant or any Related Party makes such declaration, the Broker and the Monitor shall design and implement additional procedures for the Lease Monetization Process in respect of the sharing of information with the Applicants so as to ensure and preserve the fairness of the Lease Monetization Process and shall advise the parties on the service list for these proceedings of these additional procedures.
10. An LOI so submitted will be considered a qualified LOI for the purposes hereof (each a “**Qualified LOI**”) only if:
 - (a) it is submitted on or before the Phase 1 Bid Deadline;
 - (b) it contains an indication of whether the Interested Bidder is offering to acquire all or some of the Leases;
 - (c) it identifies or contains the following:
 - (i) the purchase price (or range thereof) in Canadian dollars;
 - (ii) the Leases or Lease subject to the transaction; and
 - (iii) any proposed allocation of the purchase price as between each Lease;

- (d) it provides a general description of any likely financing associated with the proposed transaction, subject to any restrictions that may exist in the applicable Leases;
 - (e) it provides a general description as to whether the Interested Bidder anticipates its bid containing any provisions that do not conform to the restrictions surrounding the “permitted use” of the property as defined in each of the Leases;
 - (f) it describes any additional due diligence required to be conducted during Phase 2;
 - (g) it identifies any anticipated terms or conditions of the Sale Proposal that may be material to the proposed transaction; and
 - (h) it contains such other information reasonably requested by the Applicants in consultation with the Monitor and the Broker.
11. Notwithstanding anything to the contrary contained herein, a Landlord LOI shall be deemed to be a Qualified LOI.
 12. The Applicants, with the consent of the Monitor and in consultation with the Broker, may waive compliance with any one or more of the requirements specified in paragraph 10 (other than those in 10(c) and (d)) and deem such non-compliant bids to be a Qualified LOI. However, for the avoidance of doubt, the completion of any Sale Proposal shall be subject to the approval of the Court and the requirement of such approval may not be waived.

Assessment of Qualified LOIs and Continuation or Termination of Lease Monetization Process

13. Within five (5) Business Days following the Phase 1 Bid Deadline, or such later date as may be reasonably determined by the Applicants with the consent of the Monitor, in consultation with the Broker and the Agents, the Applicants will, in consultation with the Broker, the Monitor, and the Agents, assess the Qualified LOIs received during Phase 1, and will determine whether there is a reasonable prospect of obtaining a Qualified Bid. For the purpose of such consultations and evaluations, the Monitor or the Broker may request clarification of the terms of any Qualified LOI submitted by an Interested Bidder.
14. In assessing the Qualified LOIs submitted in Phase 1, the Applicants, following consultation with the Monitor, the Broker and the Agents, will consider, among other things, the following:
 - (a) the form and amount of consideration being offered;
 - (b) the effect of accepting Sale Proposals which are not on an en bloc basis;
 - (c) the financial capability of the Interested Bidder to consummate the proposed transaction;

- (d) the financial and other capabilities of the Interested Bidder to perform, observe and comply with the terms (including payment, use provisions and other obligations) of the applicable Lease(s);
 - (e) the anticipated conditions to closing of the proposed transaction (including any required regulatory and landlord approvals);
 - (f) the estimated time required to complete the proposed transaction and whether, in the Applicants' reasonable business judgment, in consultation with the Monitor and the Broker, it is reasonably likely to result in the execution of a definitive agreement on or before the Targeted Outside Date and in any event, no later than the Outside Date; and
 - (g) such other criteria as the Applicants may, in consultation with the Monitor and the Broker, determine.
15. If one or more Qualified LOIs are received and the Applicants, in consultation with the Broker, the Monitor, and the Agents, determine that there is a reasonable prospect of obtaining a Qualified Bid, the Applicants shall continue the Lease Monetization Process as set forth herein.

PHASE 2

Due Diligence

16. Each Interested Bidder that: (a) submits a Qualified LOI; and (b) is not eliminated from the Lease Monetization Process by the Applicants, following consultation with the Broker and the Monitor, and after assessing whether such Qualified LOI meets the criteria in paragraph 14 herein, may be invited by the Applicants to participate in Phase 2 (each such bidder, a **"Qualified LOI Bidder"**).
17. Subject to the provisions of paragraph 28, to the extent that a Qualified LOI Bidder requested due diligence within their Qualified LOI as per paragraph 10(f) herein, the Broker will provide the Qualified LOI Bidder with access to due diligence materials and information relating to the Leases as the Applicants, in their reasonable business judgment and in consultation with the Broker and the Monitor, determine appropriate, including all guarantees and indemnities by any person, and information or materials reasonably requested by Qualified LOI Bidders.

Qualified Bids

18. The Phase 2 deadline for submission of binding bids to be considered for the sales of Lease(s) (the **"Qualified Bids"**) shall be May 1, 2025, or such later date or time as may be determined by the Applicants with the consent of the Monitor and in consultation with the Broker and the Agents (the **"Qualified Bid Deadline"**).
19. Notwithstanding anything to the contrary herein, a Landlord Qualified Bid shall be deemed to be a Qualified Bid.

20. Any Qualified LOI Bidder who wishes to become a Qualified Bidder must submit a Qualified Bid satisfying the conditions set forth below for the applicable Lease(s):
- (a) it is received by the Qualified Bid Deadline;
 - (b) it is a final binding proposal in the form of a duly authorized and executed purchase agreement, including the purchase price for the Leases proposed to be acquired, based on the Form of Purchase Agreement and accompanied by a clean Word version and a blacklined mark-up to the Form of Purchase Agreement showing amendments and modifications made thereto, together with all exhibits and schedules thereto, and such ancillary agreements as may be required by the Qualified LOI Bidder with all exhibits and schedules thereto;
 - (c) it is irrevocable until the earlier of: (i) the approval by the Court of a Successful Bid, and (ii) 28 days following the Qualified Bid Deadline, provided that if such bidder is selected as a Successful Bidder, its offer will remain irrevocable until the closing of its Successful Bid;
 - (d) it includes written evidence of a firm, irrevocable commitment for financing, or other evidence of ability to consummate and perform the proposed transaction, and to meet all of the financial obligations under the Lease(s) that will allow the Applicants, in consultation with the Broker and the Monitor, to make a reasonable determination as to the Qualified LOI Bidder's financial and other capabilities to consummate and perform the transaction contemplated by its Qualified Bid;
 - (e) it lists the Lease(s) proposed to be subject to the bid and an allocation of the purchase price on a Lease by Lease basis;
 - (f) it includes details of any amendments which such Qualified LOI Bidder seeks in respect of any such Lease(s) from the applicable landlord(s) and other non-landlord liabilities to be assumed by the Qualified LOI Bidder, provided that, for greater certainty, nothing in this Lease Monetization Process shall be construed to: (i) permit or require any amendments to the terms of any Lease(s) without the prior written consent of the applicable landlord(s), or (ii) obligate any landlord to negotiate with a Qualified LOI Bidder regarding any such amendments;
 - (g) it is not conditional upon, among other things:
 - (i) the outcome of unperformed due diligence by the Qualified LOI Bidder; or
 - (ii) obtaining financing;
 - (h) it fully discloses the identity of each entity that will be sponsoring or participating in the bid, and the complete terms of such participation;
 - (i) with respect to any condition to closing contained in the definitive documentation, it outlines the anticipated time frame and any anticipated impediments for obtaining such approvals;

- (j) it includes evidence, in form and substance reasonably satisfactory to the Applicants, the Monitor and the Broker, that the requisite authorization(s) and/or approval(s) with respect to the submission, execution, delivery and closing of the transaction contemplated by the bid have been obtained by the bidder;
 - (k) it is accompanied by a deposit (the “**Deposit**”) in the form of a wire transfer (to a bank account specified by the Monitor), or such other form acceptable to the Monitor, payable to the order of the Monitor on behalf of the Applicants, in trust, in an amount equal to 10% of the purchase price for the Lease(s) proposed to be acquired, to be held and dealt with in accordance with the terms of a definitive agreement executed by an Applicant and this Lease Monetization Process.
 - (l) it includes an acknowledgement and representation that the bidder: (i) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the assets to be acquired and liabilities to be assumed in making its bid; (ii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the Leases to be acquired or liabilities to be assumed or the completeness of any information provided in connection therewith, except as expressly stated in the purchase and sale agreement; and (iii) acknowledges that the occupancy of the premises set forth in the Leases may not be available until the completion of any inventory sale at the premises; and
 - (m) it contains such other information reasonably requested by the Applicants, in consultation with the Monitor and the Broker.
21. The Applicants with the consent of the Monitor, in consultation with the Broker, the Monitor and the Agents, may waive compliance with any one or more of the requirements with respect to Qualified Bids or Landlord Qualified Bids specified herein.
22. The Applicants, in consultation with the Broker, the Monitor, and the Agents:
- (a) may engage in negotiations with Qualified Bidders as they deem appropriate and may accept revisions to Qualified Bids, in their discretion;
 - (b) shall determine which is the most favourable bid with respect to such Lease(s) (the “**Successful Bid**” and the person(s) who made the Successful Bid shall become the “**Successful Bidder**”), taking into account, among other things:
 - (i) the form and amount of consideration being offered;
 - (ii) whether the Qualified Bid maximizes value for the Leases, including the effect of accepting Sale Proposals which are not on an en bloc basis;
 - (iii) the demonstrated financial capability of the Qualified Bidder to consummate the proposed transaction and capability of performing the obligations of the tenant under the applicable Lease(s);
 - (iv) the conditions to closing of the proposed transaction (including any required regulatory and landlord approvals and any lease amendments);

- (v) the terms and provisions of any proposed transaction documentation;
- (vi) the estimated time required to complete the proposed transaction and whether, in the Applicants' reasonable business judgment, in consultation with the Monitor and the Broker, it is reasonably likely to result in the execution of a definitive agreement on or before the Targeted Outside Date and in any event, no later than the Outside Date; and
- (vii) such other criteria as the Applicants may in consultation with the Monitor and the Broker determine.

Approval Motion for Definitive Agreements

23. The Applicants will apply to the Court (the “**Approval Motion**”) for an order, among other things, approving the Successful Bid(s), and authorizing the Applicants to enter into any and all necessary agreements with respect to the Successful Bid(s), as applicable, and to undertake such other actions as may be necessary or appropriate to give effect to the Successful Bid(s), as applicable. The Approval Motion may be adjourned or rescheduled by the Applicants, in consultation with the Monitor and the Agents, without further notice by an announcement of the adjourned date at the Approval Motion. Nothing in this Lease Monetization Process and nothing in any arrangements made during the course thereof between the Monitor and/or the Applicants on the one hand and a Successful Bidder on the other shall in any way prejudice or impair the ability of a Landlord(s) to object to the Court approval of a Successful Bid.

OTHER TERMS

Approvals

24. For the avoidance of doubt, the approvals required pursuant to the terms hereof are in addition to, and not in substitution for, any other approvals required by the CCAA or any other statute or as otherwise required at law in order to implement a Successful Bid, or Qualified Bid, as applicable.

Amendment

25. If there is any proposed material modification to the Lease Monetization Process by the Applicants, the Applicants will seek Court approval of such material modification on notice to the Service List. Otherwise, the Applicants retain the discretion, with the consent of the Monitor and in consultation with the Broker and the Agents, to modify the Lease Monetization Process from time to time.

Disclaimers

26. Notwithstanding any other term contained herein and paragraph 12 of the ARIO, on or before July 15, 2025, the Applicant shall send a notice of disclaimer with respect to any Lease that is not subject to a Successful Bid pursuant to the SISP or this Lease Monetization Process that has not been terminated in accordance with terms thereof.

Monitor Updates

27. The Monitor will provide periodic updates to the Court on notice to the Service List with respect to the conduct and progress of the Lease Monetization Process, including an update to be delivered to the Court at the conclusion of Phase 1.

Reservation of Rights

28. The Applicants, in their reasonable business judgment and in consultation with the Monitor and the Broker, may provide Interested Bidders with any diligence materials and information, including site visits, that the Applicants deem necessary and appropriate to maximize the value of Lease Monetization Process at any time after entry of the Lease Monetization Order.
29. Notwithstanding anything else contained herein, at any time after entry of the Lease Monetization Order, the Applicants, in their reasonable business judgment and in consultation with the Broker, the Monitor, and the Agents, may, from time to time, withdraw any Lease(s) from this Lease Monetization Process in accordance with the CCAA, the Applicants' rights under the Initial Order, or if any agreement is reached with the landlord of the relevant Lease(s).
30. The Applicants, after consultation with the Broker, the Monitor, and the Agents, may reject any or all bids. For the avoidance of doubt, the approvals required pursuant to the terms hereof are in addition to and not in substitution for, any other approvals required by the CCAA or any other statute or as otherwise required at law, or any other Order of the Court in order to implement a Successful Bid or Qualified Bid, as applicable.
31. To the extent any notice of changes to these procedures or related dates, time, or locations is required or otherwise appropriate, the Monitor may publish such notices on the Monitor's public web site at <http://www.alvarezandmarsal.com/HudsonsBay> and the Applicants shall forthwith serve such notices on the Service List, and such notice shall be deemed satisfactory, subject to any other notice requirements specifically set forth herein or as required by the Court.
32. This Lease Monetization Process does not, and will not be interpreted to, create any contractual or other legal relationship between the Applicants, the Broker or the Monitor and any Qualified Bidder, other than, with respect to the Applicants, as specifically set forth in a definitive agreement that may be executed by an Applicant. At any time during the Lease Monetization Process, the Applicants or the Monitor may apply to the Court for advice and directions with respect to the discharge of their powers and duties hereunder.
33. Nothing in the Lease Monetization Process or the Lease Monetization Order acknowledges or declares that the interests in the Leases being marketed within this Lease Monetization Process are capable of being transferred by the Applicants or the Non-Applicant Stay Parties. For clarity, all parties' ability to challenge the Applicants' and Non-Applicant Stay Parties' ability to transfer any Leases are expressly preserved and not derogated from (the "**Reservation of Rights**").
34. All consent and consultation rights provided to the Agents in this Lease Monetization in respect of any JV Head Lease shall instead be provided to RioCan Real Estate Investment

Trust and the relevant Non-Applicant Secured Creditor(s) (as defined in the ARIO) of the Non-Applicant Stay Party in respect of such Business or Property, to the exclusion of the Agents.

35. In respect of any JV Head Lease (as defined in the Initial Order) and without detracting from the Reservation of Rights and any rights RioCan Real Estate Investment Trust and/or its affiliates may have in relation to such JV Head Lease, no bid shall be considered a Successful Bid or Landlord Qualified Bid: (a) in respect of any JV Head Lease without the prior written consent of the relevant Non-Applicant Secured Creditor in respect of such JV Head Lease; and (b) in respect of RioCan Real Estate Investment Trust's interest in any JV Head Lease without the prior written consent of RioCan Real Estate Investment Trust. All references to the consent of any party in this paragraph relating to any JV Head Lease with a Non-Applicant Stay Party and RioCan Real Estate Investment Trust is in addition to any consent right that may exist in favour of the landlord under the applicable JV Head Lease.

Agents Consultation

36. The Applicants, the Monitor and the Broker will communicate and consult with all Agents through the Lease Monetization Process and will provide information to the Agents in connection with such communications, including copies of all bids within one day of receipt of same. The Applicants, the Monitor and the Broker shall provide the Agents with any and all information reasonably requested with respect to the Lease Monetization Process.

Landlord Communications

37. The Applicants, the Monitor and the Broker will communicate with the landlord party to the Leases from time to time, as appropriate, in connection with their respective interests in the Lease Monetization Process.

SCHEDULE A**Applicants**

HBC Canada Parent Holdings Inc.

HBC Canada Parent Holdings 2 Inc.

The Bay Holdings ULC

HBC Bay Holdings I Inc.

HBC Bay Holdings II ULC

HBC Centerpoint GP Inc.

HBC YSS 1 LP Inc.

HBC YSS 2 LP Inc.

HBC Holdings GP Inc.

Snospmis Limited

2472596 Ontario Inc.

2472598 Ontario Inc.

SCHEDULE B**Non-Applicant Stay Parties**

RioCan-HBC General Partner Inc.

HBC Holdings LP

RioCan-HBC Limited Partnership

RioCan-HBC (Ottawa) Holdings Inc.

RioCan-HBC (Ottawa) GP, Inc.

RioCan-HBC (Ottawa) Limited Partnership

HBC YSS 1 Limited Partnership

HBC YSS 2 Limited Partnership

HBC Centerpoint LP

The Bay Limited Partnership

EXHIBIT 'C'**LEASES****Hudson's Bay**

Center	City	Prov.	GLA	Landlord
The Bay Centre	Victoria	BC	229,275	Manulife - Jones Lang LaSalle
Polo Park Shopping Centre	Winnipeg	MB	212,086	Cadillac Fairview
Midtown Plaza	Saskatoon	SK	174,306	Cushman & Wakefield
Market Mall	Calgary	AB	200,000	Cadillac Fairview
Cambridge Centre	Cambridge	ON	131,453	Morguard
Fairview Park	Kitchener	ON	184,714	Westcliff
Sherway Gardens	Toronto	ON	223,477	Cadillac Fairview
Champlain Mall	Brossard	QC	143,786	Cominar
Woodbine Centre	Toronto	ON	139,953	Woodbine Mall Holdings Inc.
Fairview Pointe Claire	Pointe Claire	QC	179,578	Cadillac Fairview
St. Laurent Shopping Centre	Ottawa	ON	145,074	Morguard
Markville Shopping Centre	Markham	ON	140,094	Cadillac Fairview
Erin Mills Town Centre	Mississauga	ON	140,526	Cushman & Wakefield
Aberdeen Mall	Kamloops	BC	123,289	Cushman & Wakefield
Willowbrook Shopping Centre	Langley	BC	131,146	Quadreal Property Group
Kingsway Garden Mall	Edmonton	AB	153,264	Oxford
Fairview Mall	Toronto	ON	152,420	Cadillac Fairview
Carrefour De L'Estrie	Sherbrooke	QC	116,265	Group Mach Inc
Sunridge Mall	Calgary	AB	161,330	Primaris
Centerpoint Mall	Toronto	ON	122,502	Morguard
Parkwood Mall	Prince George	BC	111,500	BentalGreen Oak

Center	City	Prov.	GLA	Landlord
Pickering Town Centre	Pickering	ON	121,730	PTC Ownership LP c/o Salthill Property Management Inc.
Mapleview Centre	Burlington	ON	129,066	Ivanhoe Cambridge
Upper Canada Mall	Newmarket	ON	142,780	Oxford
Coquitlam Centre	Coquitlam	BC	120,086	Morguard
Whiteoaks Mall	London	ON	165,759	Westdell Development
St. Vital Shopping Centre	Winnipeg	MB	122,002	BentallGreen Oak
Limeridge Mall	Hamilton	ON	125,307	Cadillac Fairview
Hillcrest Mall	Richmond Hill	ON	136,915	Oxford
Masonville	London	ON	84,928	Cadillac Fairview
Les Promenades Gatineau	Gatineau	QC	140,364	Westcliff
Les Galeries De La Capitale	Quebec City	QC	163,034	Primaris
Mayflower Mall	Sydney	NS	82,944	Mccor
Richmond Centre	Richmond	BC	169,692	Cadillac Fairview
Oakville Place	Oakville	ON	119,428	Riocan
Londonderry Mall	Edmonton	AB	60,838	Cushman & Wakefield
Medicine Hat Mall	Medicine Hat	AB	93,217	Primaris
St. Albert Centre	St. Albert	AB	93,313	Primaris
Orchard Park Shopping Centre	Kelowna	BC	127,290	Primaris
Village Green Mall	Vernon	BC	83,036	BentallGreen Oak
Mic Mac Mall	Dartmouth	NS	151,303	Cushman & Wakefield
Bramalea City Centre	Brampton	ON	131,438	Morguard
Cataraqui Town Centre	Kingston	ON	113,054	Primaris
Conestoga Mall	Waterloo	ON	130,580	Primaris

Center	City	Prov.	GLA	Landlord
Centre Commercial Rockland	Montreal	QC	147,594	Cominar
Place Rosemere Shopping Centre	Rosemere	QC	132,483	Morguard
Woodgrove Centre	Nanaimo	BC	146,452	Central Walk Woodgrove
Mayfair Shopping Centre	Victoria	BC	166,073	Central Walk Mayfair
Oshawa Centre	Oshawa	ON	122,624	Primaris
Carrefour Angrignon	LaSalle	QC	128,888	Westcliff
Yorkdale Shopping Centre	Toronto	ON	303,438	Oxford
Guildford Shopping Centre	Surrey	BC	174,462	Ivanhoe Cambridge
Centre Laval	Laval	QC	134,377	Cominar
Southgate Shopping Centre	Edmonton	AB	236,551	Primaris
Sevenoaks Shopping Centre	Abbotsford	BC	128,739	Morguard
Cherry Lane Shopping Centre	Penticton	BC	94,643	Manulife- Jones Lang LaSalle
Chinook Centre	Calgary	AB	206,514	Cadillac Fairview
Bower Place	Red Deer	AB	110,672	Quadreal Property Group
West Edmonton Mall	Edmonton	AB	164,250	Triple Five
Southcentre Mall	Calgary	AB	164,514	Oxford
Lethbridge Centre	Lethbridge	AB	133,243	Melcor
Georgian Mall	Barrie	ON	90,748	Riocan
Place d'Orleans Shopping Centre	Ottawa	ON	115,501	Primaris
Bayshore Shopping Centre	Ottawa	ON	180,696	Cushman & Wakefield
Pen Centre	St. Catharines	ON	150,110	BentallGreen Oak
Downtown	Vancouver	BC	636,828	RioCan-HBC Limited Partnership
Downtown	Calgary	AB	448,834	RioCan-HBC

Center	City	Prov.	GLA	Landlord
				Limited Partnership
Downtown	Montreal	QC	655,396	RioCan-HBC Limited Partnership
Downtown	Ottawa	ON	305,305	RioCan-HBC Limited Partnership
Square One	Mississauga	ON	204,174	Oxford
Devonshire Mall	Windsor	ON	165,584	RioCan-HBC Limited Partnership
Scarborough Town Centre	Toronto	ON	231,759	Oxford
Les Promenades St Bruno	St-Bruno	QC	131,808	Cadillac Fairview
Carrefour Laval	Laval	QC	177,022	Cadillac Fairview
Metrotown Centre	Burnaby	BC	140,545	Ivanhoe Cambridge II Inc. and Ivanhoe Cambridge Inc.
Park Royal Shopping Centre	Vancouver	BC	161,647	Park Royal Shopping Centre Holdings Ltd
Eglinton Square	Toronto	ON	115,205	KS Eglinton Square Inc.
176 Yonge St.	Toronto	ON	675,722	Ontrea Inc.
Les Galeries d'Anjou	Montreal	QC	176,474	Ivanhoe Cambridge Inc. – Anjou

Saks Fifth Avenue

Center	City	Prov.	GLA	Landlord
Sherway Gardens	Toronto	ON	132,256	Cadillac Fairview
Chinook Centre	Calgary	AB	115,586	Ontrea Inc.
Toronto Eaton Centre	Toronto	ON	175,000	Ontrea Inc.

Saks Fifth Avenue Off Fifth

Center	City	Prov.	GLA	Landlord
Tanger Outlets	Ottawa	ON	28,357	Riocan Holdings (TJV) Inc. and 1633272 Alberta ULC
Outlet Collection at Niagara	Niagara	ON	32,387	The Outlet Collection (Niagara) Limited
Vaughan Mills	Vaughan	ON	34,992	Ivanhoe Cambridge II Inc. and TRE2 Non-US Bigfoot Corp.
Toronto Premium Outlets	Halton Hills	ON	24,887	Halton Hills Shopping Centre Partnership
Crossiron Mills	Rocky View	AB	30,009	Crossiron Mills Holdings Inc.
Queensway	Toronto	ON	27,042	Horner Developments Ltd. and Mantella & Sons Investments Ltd.
Downtown Ottawa	Ottawa	ON	34,887	RioCan-HBC Limited Partnership
Tsawwassen Mills	Tsawwassen	BC	32,733	Central Walk Tsawwassen Mills Inc.
Outlet Collection Winnipeg	Winnipeg	MB	32,204	The Outlet Collection at Winnipeg Limited and Seasons Retail Corp
Place Ste-Foy	Quebec	QC	33,254	Ivanhoe Ste-Foy Inc.
Pickering Town Centre	Pickering	ON	30,033	PTC Ownership LP
Skyview Power Centre	Edmonton	AB	30,026	Skyview Equities Inc. and SP Green Properties LP
Park Royal Shopping Centre	Vancouver	BC	33,300	Park Royal Shopping Centre Holdings Inc.

Distribution Centres

Center	City	Prov.	GLA	Landlord
Scarborough Logistics Center	Toronto	ON	738,102	100 Metropolitan Portfolio Inc
Vancouver Logistics Center	Richmond	BC	416,900	PIRET (18111 Blundell Road) Holdings Inc.
Eastern Big Ticket Center	Toronto	ON	501,000	ONTARI Holdings Ltd.
Toronto Logistics Center	Toronto	ON	221,244	BCIMC Realty Corporation

SCHEDULE D*To the Company:*

Hudson Bay Company ULC
 401 Bay Street
 Toronto, ON M5H 2Y4

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

With a copy to:

Stikeman Elliott LLP
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To the Monitor :

Alvarez & Marsal Canada Inc. Court appointed Monitor of Hudson's Bay Company ULC et al.
 Royal Bank Plaza, South Tower 200 Bay Street, Suite 29000
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**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceeding commenced at Toronto

**ORDER
(Lease Monetization Order)**

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Lawyers for the Applicants

Appendix “B” – Summary of Ms. Liu’s Shopping Centre Holdings

Central Walk's Portfolio

Over the past decade, Central Walk has invested more than \$750 million in British Columbia recreational and commercial real estate assets. Central Walk employs over 120 employees, contributing to the growth of local economies. This investment was financed through the sale of Central Walk Shenzhen in 2019 for approximately C\$1.25 billion.

Arbutus Ridge Golf Club (Vancouver, BC)



Acquired 2019

6,152 yards



by Golf
Digest

Award
Winning

- Located in Cobble Hill, a 25-minute drive from the outskirts of Victoria and 15 minutes from Duncan
- 18-hole golf course rated Four Stars by Gold Digest, Best Destination Golf Course in British Columbia by Golf Nerve Magazine, and One of Canada's Ten Best Courses for Your Money by WestJet
- Achieved a Sustainability Award from Tourism Vancouver Island

Woodgrove Centre (Nanaimo, BC)



Acquired Sept. 2020

748k sq.ft.
(Island's largest
shopping
centre)

140+
stores &
services

5.6mm
visitors
annually

- Home to a purposefully designed play space, Fly O'Land (9,925 sq.ft), and an arcadium (5,400 sq.ft)

Redevelopment Plans:

- Short-Term: Development of 100,000 sq.ft. outdoor park featuring performance stage & recreational areas
- Medium- to Long-Term: Addition of residential towers (incl. affordable housing) & potential retail expansion

* Location of HBC store #1118

Mayfair Shopping Centre (Victoria, BC)



Acquired June 2021

~518k sq.ft.
4.1mm
visitors
annually

120+
stores &
services

Highest
sales /
sq.ft. In
Victoria

- Home to two children's playlands: Dreamland (4,676 sq.ft.) and Deerland (27,269 sq.ft.) (by Fly O'Land)

Redevelopment Plans:

- Long-Term: transforming the centre into a mixed-use destination with housing, retail, recreation, and educational components

* Location of HBC store #1108

Tsawwassen Mills (Delta, BC)



Acquired May 2022

1.2mm
sq.ft.

200+
stores &
services

Largest
indoor outlet
shopping centre
in BC

Redevelopment Plans:

- Expansion of food services and enhancement of entertainment offerings
- Development of Asian-inspired cultural lane featuring restaurants, artificial sky ceiling and a performance stage

* Location of Saks Fifth Avenue store

Appendix “C” – List of Current Retail Stores

Woodgrove Tenant

- A
- A & W
- A Step Ahead Footwear
- Ardene
- Avalon Cinema Centre
- B
- B.C. Lottery Corporation
- B.C. Lottery Corporation (Walmart)
- Bath & Body Works
- Bell
- Below the Belt
- Bentley
- Best Buy Mobile
- Blenz Coffee
- Bluenotes
- Boathouse
- Bobatime
- Booster Juice
- Bootlegger
- C
- Cali Nails
- Caposhie
- CellNxt
- Chachi's
- Chapters
- Chatters Salon
- Chevron
- Claire's
- Cleo
- Culture Craze
- Cultured Coast
- D
- Dairy Queen / Orange Julius
- E
- Eclipse
- Eddie Bauer
- Edo Japan
- F
- Flip Flop Shops
- FlyO'Land
- Freshly Squeezed Bubble Tea
- G
- GameStop
- Garage
- George Richards Big & Tall
- H
- Happy Styling
- Hearing Life
- Hohoemi
- House of Knives
- I
- Icing

- Island Savings
- ISPA Lounge
- J
- K
- Kachvi Crystals
- Kamikaze Sushi
- KFC
- Koodo
- KPK Goldsmith
- Kurves Brow Bar
- L
- La Senza
- La Vie En Rose
- LensCrafters
- Lids
- Lululemon
- Lush
- M
- Manchu Wok
- Manhattan Home
- Maritime Travel
- McDonald's
- Michael Hill
- Miniso
- Mobile Klinik
- Mobile Snap
- Mobiling
- Mobiling Kiosk
- Mountain Warehouse
- N
- Nevada Bob's Golf
- New Look Eyewear
- New York Fries
- Northern Reflections
- O
- Ocean Star
- Old Navy
- Opa! of Greece
- P
- Paris Jewellers
- Peoples Jewellers
- Pho 11 Noodle Bar
- Polished Perfect
- Purdys Chocolatier
- Purple Cactus Lingerie
- Q
- QE Home
- Quarks
- Queen Bee Beauty
- R
- Reitmans
- Ricki's
- Rocky Mtn Chocolate
- Rogers
- Royal Bank
- RW & Co.
- S

- Save On Foods
- Sephora
- Showcase
- SoftMoc
- Specsavers
- Spencer Gifts
- Sport Chek
- Starbucks (Chapters)
- STOXX Vintage
- Subway
- Sunglass Hut
- Sunrise Records
- Sweet Dreams Boutique
- Sweet Hohoemi
- T
- Taco Time
- Tea Desire
- TELUS
- The Body Shop
- The Gift Source
- The Health Shop
- The Shoe Company
- Tim Hortons
- Tiny Hoppers
- Tip Top Tailors
- Tommy Gun's Original Barbershop
- Totes By Design
- Toys R Us
- Two Sparrows Cupcakes
- U
- Urban Planet
- V
- W
- Walmart
- Warehouse One
- West 49
- White Spot
- Winners
- WIRELESSWAVE
- Wolf Pack Apparel
- Woodgrove Optometry
- WOW! mobile boutique
- X
- Y
- Z
- Zumiez

Mayfair Tenant

- A
- A & W
- Aerie
- Aldo
- American Eagle Outfitters
- Ann-Louise Jewellers
- Aritzia
- Aveda
- Avologi Eneo
- B
- B.C. Lottery Corporation
- Bath & Body Works
- Bell/Virgin Plus
- Bellissima
- Ben+Moss
- Best Buy Mobile
- Big Orange Juice Bar. The
- Bikini Village
- Bluenotes
- C
- Call It Spring
- Champs Sports
- Chatters Hair & Beauty Salon
- CIBC
- Claire's
- Cofe+ Robo Cafe
- Culture Craze
- D
- Dreamland
- Dynamite
- E
- E-Bike Canada
- Eddie Bauer
- Epic Menswear
- F
- Flux & Stone
- Freedom Mobile
- Freshly Squeezed
- G
- GameStop
- Gap
- Garage
- Grill Master
- H
- H-Mart
- House of Knives
- Hudson's Bay
- I
- Indigo
- Island Savings
- J
- JD Sports
- Journeys

- K
- Kernels
- KFC
- KH Silver Nails
- Kurves Brow Bar
- L
- L.L. Bean
- L'Occitane En Provence
- La Vie En Rose
- LensCrafters
- Levi's
- Lids
- Lindt Chocolate Shop
- Local Pizza
- Lululemon
- Lush
- M
- MAC
- Maie
- Manchu Wok
- Mayfair Dental Centre
- Melanie Lyne
- Menbow Ramen
- Michael Hill
- Mind Games
- Miniso
- Mobiling
- Mobiling (Kiosk)
- Mountain Warehouse
- Mr. Pretzel's
- N
- Nail Art 360
- Nespresso
- New York Fries
- O
- OAK + FORT
- Olsen Europe
- Ono Poké
- OPA! Of Greece
- OSO Cookies
- P
- Pandora
- Peoples Jewellers
- Perpetual Insurance
- Pho Tru
- PhoneCare+
- Polished Perfect
- Primrose Collective
- Purdys Chocolatier
- Q
- R
- Reitmans
- Rogers Wireless
- Roots
- RW & Co
- S
- Saje Natural Wellness

- Sephora
- Soft Moc
- Specsavers
- SportChek
- Starbucks
- Stitch It, Canada's Tailor
- Subway
- Sunglass Hut
- Sunrise Records (Temporarily closed)
- Swarovski
- Sweet Dreams Boutique
- T
- Taco Time
- Talbots
- TBooth Wireless
- TELUS
- The Body Shop
- The Latest Scoop
- U
- Umi Sushi Express
- V
- W
- Walk In Comfort
- WirelessWave
- X
- Y
- Z
- Zumiez

Tsawwassen Mill

- [Clarks](#)
- [Samsonite Outlet](#)
- [Epic Menswear](#)
- [PUMA Outlet Store](#)
- [Elements](#)
- [Slipslide](#)
- [Little Mountain Vancouver](#)
- [Levi's](#)
- [VACANT](#)
- [JD SPORT](#)
- [Under Armour Factory House](#)
- [Bath & Body Works](#)
- [JD SPORT](#)
- [SEPHORA](#)
- [Lindt Outlet](#)
- [Roots](#)
- [Swarovski Canada](#)
- [MAC Cosmetics](#)
- [Aldo Outlet](#)
- [La Senza](#)
- [Eddie Bauer](#)
- [Banana Republic Factory Store](#)
- [Guess? Outlet](#)
- [Aritzia](#)
- [Peoples](#)
- [Lee's Donuts](#)
- [Dihsan](#)
- [Mind Games](#)
- [L'Occitane](#)
- [Michael Kors Outlet](#)
- [Storage \(Dihsan\)](#)
- [Melanie Lyne](#)
- [Kate Spade](#)
- [Browns Outlet](#)
- [Lululemon Outlet](#)
- [Sheer Room](#)
- [Coach](#)
- [Herman Menswear](#)
- [Canada Cousin](#)
- [Laura](#)
- [After Five](#)
- [Royal Roland](#)
- [Deconeko](#)
- [La Vie En Rose](#)
- [Say Cheese](#)
- [Storage \(leasing\)](#)
- [First Light Café](#)
- [Ecco](#)
- [Ispe](#)
- [Nature's Design Dental](#)
- [HC Eyewear Professionals](#)
- [Shoppers Drug Mart](#)
- [New Stitch Tailoring](#)
- [Chatters Salon & Beauty Supply Outlet](#)
- [Mannacan Health](#)
- [Trishna](#)
- [Saje Natural Wellness](#)

- [Lindt Outlet](#)
- [Woody Bakery](#)
- [Xpress Engravers](#)
- [VACANT](#)
- [Blue Heron Pizza](#)
- [Emoji Planet](#)
- [Big Orange](#)
- [Customer Service](#)
- [Lotto!](#)
- [Miniso](#)
- [Showcase](#)
- [VACANT](#)
- [West Coast Leathers](#)
- [Michael Hill](#)
- [Ardenes](#)
- [Espot2](#)
- [Stuffy Riders](#)
- [Elite Kids](#)
- [Just Cozy](#)
- [QE Home](#)
- [RW&CO](#)
- [Classic Home](#)
- [Claire's](#)
- [Classic Designs](#)
- [Famous Footwear Outlet](#)
- [STORAGE \(The Rack by After Five\)](#)
- [Carter's Osh Kosh babies and kids](#)
- [Skechers](#)
- [Fairweather](#)
- [Smart Frames and Accent](#)
- [Thinka](#)
- [The Children's Place Outlet](#)
- [Mastermind Toys](#)
- [Art box](#)
- [Limeberri](#)
- [Dihsan](#)
- [Soft-Moc Shoe Rack](#)
- [Polo Ralph Lauren Factory Store](#)
- [RW & Co.](#)
- [Bikini Village](#)
- [Calvin Klein](#)
- [OK Boot Corral](#)
- [Gap Factory Store](#)
- [LOVISA](#)
- [Zwilling](#)
- [Presotea](#)
- [Danier](#)
- [Aeropostale](#)
- [Purdy's Chocolates](#)
- [Magikchest](#)
- [Menbow Ramen Bar](#)
- [Call It Spring Outlet](#)
- [American Eagle Outfitters/Aerie](#)
- [Storage \(Classic\)](#)
- [Dynamite/Garage](#)
- [REITMANS](#)
- [Flyoland](#)
- [Suzy Shier](#)
- [Adidas Outlet](#)
- [Columbia](#)
- [Fly-O-Land](#)

- Men's Club
- Espot2
- Hot Topic
- Anastasia Jewel
- Foot Locker
- Urban Kids
- Champs Sports
- Boathouse
- Spencers Gifts
- Beaver
- Telus
- Zumiez
- Tim Hortons
- International Clothiers
- South St. Burger Co.
- DARUMA
- Bell
- Pepper Palace
- Lids Outlet
- Chai Samosa
- InchArt
- Kernels Popcorn/Baskin Robbins
- Jugo Juice
- Starbucks
- Mr.Pretzels
- Unit 649 no longer in existence
- Gateway Newstands
- Togo Sushi
- Flyoland 5D
- Tommy Gun's
- Unit 657 no longer in existence
- Running Room
- Dollarama
- Rogers/Fido
- CoCo Fresh Tea
- Mountain Warehouse
- Bentley
- Sunrise Records
- Blackwell
- Tip Top Tailors
- The Lounge
- Macabaka
- Bluenotes
- Weshop Cotton Candy
- Bass Pro Shops Outdoor World
- DSW - Designer Shoe WarehOUSE
- Nike Factory Store
- Tommy Hilfiger
- Saks OFF 5th
- Accents @ Home
- Atsuta Formerly : Umi Teriyaki & Sushi
- Vina Vietnamese
- Chachi's
- Bourbon Street Grill
- Hula Poke
- A&W
- K&S BarBeQue
- Edo Japan
- Shanghai 360
- KFC
- OPA! Souvlaki

- California Thai
- New York Fries
- Freshly Squeezed
- Crepe De Licious
- Fly O'Land
- Miaojie Market
- Winners
- Marshalls
- Old Navy
- Cellicon
- Weshop Cotton Candy
- VACANT
- CellNxt
- Yogen Früz
- Mobiling
- H&M
- Designer Depot
- Urban Planet/West 49/Skatepark
- Pro Hockey Life
- Sport Chek
- Montana's BBQ & Bar
- VACANT
- Boston Pizza
- Milestone's Grill & Bar

Appendix “D” – Organizational Chart

Central Walk’s dedicated execution team for The New Bay

A dedicated execution team with decades of experience and proven expertise in managing and owning retail-focused properties in the Canadian and Chinese markets.

Execution team for The New Bay

The Purchaser will dedicate significant management resources to the acquisition and launch of the stores through an experienced team of experts within the retail properties sector under the strategic direction of Ms. Liu.

Remaining C-Suite Executive Team		Ruby Liu <i>Founder</i>	<ul style="list-style-type: none">Over 30 years of experience in the commercial real estate industry, including but not limited to large-scale urban commercial development, development of mixed-use shopping centres, etc.Since transitioning to Canada, Ruby has successfully led Central Walk in acquiring three major shopping centres in BC in 2020, overcoming the challenges posed by the global pandemic.Will be responsible for overseeing critical investment decisions and strategic direction of The New Bay.
		Linda Qin <i>CEO</i>	<ul style="list-style-type: none">15 years of Canadian real estate sales experience; extensive business management experience gained from working for UPS, ExxonMobil, and Macdonald Realty (one of the largest real estate corporations in Western Canada).A proven author with two published books on business transitions and technology implementation.Will be responsible for the overall strategic direction and management of The New Bay.
		Karen Liu <i>CFO</i>	<ul style="list-style-type: none">Finance and people management background, including diverse experience at a major Canadian bank and a wealth management company. Will be responsible for the financial direction of The New Bay.
		Andrew Grimley <i>CMO (Marketing)</i>	<ul style="list-style-type: none">Over a decade of leadership experience in manufacturing and international supply chain sectors; currently manages enterprise-level operational planning, team coordination, and performance improvement across Central Walk’s flagship assets. Will be responsible for overseeing the planning, development, and execution of all marketing and advertising initiatives at The New Bay.
		Charles Thurlow <i>COO</i>	<ul style="list-style-type: none">Over 20 years of leadership experience in operations management across various sectors (e.g., consulting, financial services). Will be responsible for overseeing the day-to-day operations of The New Bay, ensuring efficiency, effectiveness and alignment with the company’s strategic goals.
		Michael Zhang <i>CMO (Merchandising)</i>	<ul style="list-style-type: none">Decades of experience driving revenue growth through specialty leasing, strategic brand partnerships, and community initiatives; extensive senior leadership experience in launching and managing major commercial projects. Will be responsible for overseeing and driving the strategic direction of The New Bay’s retail offerings.
		Mae Wang <i>CHRO</i>	<ul style="list-style-type: none">Decades of human resources experience including as CHRO at Central Walk; oversees all HR functions at Central Walk across the portfolio. Will be responsible for overseeing all aspects of HR management and industrial relations policies at The New Bay.

Appendix “E” – Wayne Drummond’s Biography



Wayne Drummond

President | Visionary Leader | Omni-Merchant

About Me

Results-driven retail executive with a strong focus on execution, delivering sustained top- and bottom-line performance across international markets. Experienced in solving complex business challenges—including start-ups, scalable expansion, turnarounds, and transformations—through strategic thinking, analytical insight, and operational discipline. Proven ability to drive business growth and efficiency across department stores, off-price, mass discount, and specialty retail formats. Skilled in multi-unit expansion, unified commerce, and operational reinvention. A strong communicator and active listener who fosters collaboration, builds high-performing teams, and leads with clarity, purpose, and an unwavering commitment to outcomes.

Selected Areas of Expertise and Board Membership

Expertise

- Strategy Development & Execution
- Multi-Unit Expansion
- Business Restructuring/ Turnaround
- Multi-Category Retailing
- People Coach and Mentor
- Format & Market Differentiation

Board Membership

- Executive Member- Program Advisory Committee (PAC) Humber College

Recent Experience

2016 - 2025

Founder/President, BBE Advisors Inc. March 2025- Present
Chief Executive Officer, Thriftys Family of Brands, 2022 - 2024
President, Hudson's Bay Company, 2021 – 2022
Co-President, & Chief Merchant HBC 2018 – 2021
President – Saks Off 5th European Division, 2016 - 2018
 Hudson's Bay Company, Toronto/Cologne, Germany

Founder/President: BBE Advisors Inc. is a growth-focused advisory firm supporting founders, executives, and Boards in unlocking business potential through strategic planning, innovation, and operational excellence—built on 40 years of retail leadership.

Chief Executive Officer: Lead a Canadian Omnichannel specialty retailer of apparel and accessories for Men's, Women's, and Kids. Guided company to its best year in sales and operating profit in first year of appointment.

President: Stabilized the organization following an unprecedented turbulent business climate and into post-pandemic recovery. -developed a three-year strategic roadmap to re-imagine and re-invigorate the omni-experience.

Chief Merchant & Interim Co-President: Returned HBC to profitable growth through new customer acquisition - Revitalized the merchandising strategy and asserted style authority, through targeted digital and print marketing programs.

Notable Accomplishments:

- ✓ Led Thriftys Family of Brands to its highest operating profit in seven years, with a **+30% improvement in the first year.**
- ✓ Transformed the merchandise strategy **increasing market share by +12%.**
- ✓ Re-engineered marketing, improving all KPI's, **Increasing gross profit by 400bps.** 1989 - 2016
- ✓ Engineered cost-cutting initiatives of \$100million **while invigorating staff engagement and growing Net Promoter Scores.**
- ✓ Led transformational assortment shifts across all categories of the business, focused on the acquisition of a style-seeking consumer.

Prior Hudson's Bay Experience

- **Senior Vice President Apparel,** Hudson's Bay/Lord & Taylor – 4 years
- **General Merchandise Manager,** Hudson's Bay & Zellers – 10 years
- **Marketing Manager** – 3 years
- **Buyer and Store Management** – 10 years

Appendix “F” – Financial Forecast

(See attached)



Ruby Liu Commercial Investment Corp.

Income Statement

DRAFT - FOR DISCUSSION PURPOSES ONLY

Income Statement			
	5 Months Ended Dec-		
\$'000	25	2026	2027
Sales	-	416,250	446,835
Other Revenue	-	1,960	2,145
Total Sales	-	418,209	448,980
Cost of Goods Sold	-	(248,400)	(262,692)
Gross Profit	-	169,810	186,288
<i>Gross Margin</i>	<i>0.0%</i>	<i>40.6%</i>	<i>41.5%</i>
Store Payroll	(5,443)	(50,955)	(52,670)
Occupancy	(19,951)	(55,150)	(56,351)
Credit Card Processing	-	(5,258)	(5,631)
Other Costs	-	(9,497)	(10,516)
Total Store Costs	(25,393)	(120,860)	(125,167)
Store Contribution	(25,393)	48,950	61,121
Corporate SG&A	(7,083)	(18,000)	(16,160)
Income Taxes	-	-	(9,501)
Net Income	(32,477)	30,950	35,460

Ruby Liu Commercial Investment Corp.

Balance Sheet

DRAFT - FOR DISCUSSION PURPOSES ONLY

Balance Sheet			
\$'000	Dec-25	Dec-26	Dec-27
Assets			
Cash	93,808	147,508	193,448
Inventory	55,835	69,794	69,794
PP&E	70,000	84,000	84,000
Goodwill	80,000	80,000	80,000
Total Assets	299,642	381,301	427,241
Liabilities			
Accounts Payable	(7,119)	(57,828)	(58,807)
Income Tax Liability	-	-	(9,501)
Total Liabilities	(7,119)	(57,828)	(68,308)
Retained Earnings	(292,523)	(323,473)	(358,933)
Total Equity & Liabilities	(299,642)	(381,301)	(427,241)

Ruby Liu Commercial Investment Corp.

Cash Flow

DRAFT - FOR DISCUSSION PURPOSES ONLY

Cash Flow			
	5 Months Ended Dec-		
\$'000	25	2026	2027
Cash from Operations			
Net Income	(32,477)	30,950	35,460
Change in Working Capital	(81,192)	67,700	36,439
Change in Income Tax Liability	-	-	9,501
Cash from Operations	(113,669)	98,650	81,400
Cash from Investing			
PP&E Additions/(Disposals)	(70,000)	(14,000)	-
Cash from Investing	(70,000)	(14,000)	-
Cash from Financing			
Equity Investment	325,000	-	-
Transaction Costs and Other Contingencies	(80,000)	-	-
Cash from Financing	245,000	-	-
Opening Cash	-	93,808	147,508
Net Cash Flow	93,808	53,700	45,940
Ending Cash	93,808	147,508	193,448

Ruby Liu Commercial Investment Corp.

Forecast Model Assumptions

DRAFT - FOR DISCUSSION PURPOSES ONLY

Forecast Model Assumptions	
Input	Assumption
Inflation	2%
Income Tax Rate	28%
DPO (Days)	30
Preliminary Equity Investment	325,000
Transaction Costs and Other Contingencies	(80,000)
Leases Assigned	28
Ronavation Costs/Store	(3,000)
Renovation Period Utilities	50%
Renovation Store Payroll	
Month 1	10%
Month 2	10%
Month 3	20%
Month 4	20%
Month 5	50%
Month 6	80%
Corporate Payroll	(2,000)
Marketing Year 1	(10,000)
Marketing Year 2	(8,000)
IT	(2,000)
Professional Fees	(2,000)
Insurance	(2,000)
Corporate Payroll Ramp Up	
Month 1	20%
Month 2	40%
Month 3	50%
Month 4	60%
Month 5	80%
Month 6	100%
Average Inventory per Store	3,000
Inventory Ramp Up	
Month 1	20%
Month 2	40%
Month 3	50%
Month 4	60%
Month 5	80%
Month 6	100%

Ruby Liu Commercial Investment Corp.
4-Wall P&L Forecast
DRAFT - FOR DUSCUSSION PURPOSES ONLY

Ruby Liu Commercial Investment Corp. 4-Wall P&L Forecast													
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P10	P11	P12	Full Year
Total Store P&Ls													
External Sales	16,752,425	25,968,127	31,308,343	27,993,178	34,842,802	24,932,197	27,466,355	38,633,059	41,217,734	56,367,931	90,767,374	22,260,722	438,510,247
COGS	(10,180,378)	(14,763,485)	(17,958,645)	(16,486,046)	(20,555,307)	(14,937,298)	(15,977,666)	(22,105,544)	(23,124,828)	(35,936,106)	(56,374,295)	(9,324,543)	(257,724,142)
Gross Margin	6,572,047	11,204,642	13,349,698	11,507,131	14,287,495	9,994,899	11,488,690	16,527,514	18,092,906	20,431,824	34,393,080	12,936,179	180,786,105
Gross Margin %	39.2%	43.1%	42.6%	41.1%	41.0%	40.1%	41.8%	42.8%	43.9%	36.2%	37.9%	58.1%	41.2%
Selling Payroll (Store)	(3,575,223)	(4,043,113)	(4,050,802)	(3,459,590)	(4,317,834)	(3,193,121)	(3,262,754)	(4,304,319)	(4,187,290)	(3,589,778)	(5,615,566)	(3,438,378)	(47,037,768)
Other Payroll (Store)	22,098	41,244	62,269	47,587	59,713	36,597	44,332	107,711	108,111	210,818	454,453	93,322	1,288,255
Benefit Allocation (Store)	(462,149)	(520,697)	(519,194)	(444,084)	(554,213)	(410,751)	(418,883)	(546,744)	(531,483)	(441,584)	(675,944)	(435,884)	(5,961,608)
Supplies (Store)	(119,312)	(144,577)	(168,174)	(102,189)	(129,257)	(164,600)	(215,881)	(155,663)	(239,578)	(204,617)	(177,805)	(153,941)	(1,975,595)
Credit/Cash Trans Costs (Store)	(210,752)	(337,378)	(422,942)	(359,748)	(465,608)	(322,082)	(352,512)	(480,709)	(541,462)	(676,372)	(1,088,115)	(267,896)	(5,525,578)
Services (Store)	(577,431)	(654,319)	(512,280)	(522,931)	(515,739)	(586,396)	(560,441)	(582,622)	(641,497)	(802,930)	(787,808)	(606,720)	(7,351,115)
Unclassified (Store)	(43,886)	(55,945)	(87,947)	(66,583)	(70,435)	(66,945)	(55,941)	(70,001)	(99,839)	(111,588)	(139,355)	(62,097)	(930,562)
Travel (Store)	(2,801)	(3,396)	(3,792)	(3,499)	(3,994)	(3,322)	(3,464)	(4,120)	(4,410)	(5,059)	(7,036)	(3,101)	(47,995)
Rent	(1,792,423)	(1,792,423)	(1,792,423)	(1,792,423)	(1,792,423)	(1,792,423)	(1,792,423)	(1,792,423)	(1,792,423)	(1,792,423)	(1,792,423)	(1,792,423)	(21,509,073)
Property Tax	(758,711)	(758,711)	(758,711)	(758,711)	(758,711)	(758,711)	(758,711)	(758,711)	(758,711)	(758,711)	(758,711)	(758,711)	(9,104,534)
CAM	(1,094,335)	(1,094,335)	(1,094,335)	(1,094,335)	(1,094,335)	(1,094,335)	(1,094,335)	(1,094,335)	(1,094,335)	(1,094,335)	(1,094,335)	(1,094,335)	(13,132,018)
Utilities (Store)	(685,253)	(748,519)	(631,322)	(586,919)	(860,576)	(615,094)	(674,510)	(793,220)	(621,778)	(602,014)	(754,905)	(591,746)	(8,165,855)
Repair/Mtce (Store)	(279,987)	(396,192)	(252,368)	(286,873)	(381,021)	(283,539)	(300,426)	(343,953)	(275,163)	(275,163)	(343,953)	(275,152)	(3,693,790)
Exp Trans (Store)	(100)	(100)	479	(100)	(100)	479	(100)	(100)	479	(100)	(100)	479	1,115
Outside Rev (Store)	137,746	202,911	171,973	135,048	150,150	126,847	144,267	161,458	223,081	263,744	242,728	146,058	2,106,011
Other Non-Payroll Exp (Store)	729	748	748	(976)	(995)	(995)	(3,581)	(3,581)	(3,581)	(3,581)	(3,581)	(3,581)	(22,229)
Remodel Exp (Store)	-	(46,042)	(40,165)	(4,310)	-	(4,506)	(12,343)	(8,229)	-	-	-	-	(115,596)
Total SG&A	(9,441,790)	(10,350,845)	(10,098,989)	(9,300,635)	(10,735,376)	(9,132,897)	(9,317,705)	(10,669,561)	(10,459,879)	(9,883,692)	(12,542,455)	(9,244,107)	(121,177,933)
EBITDA	(2,869,743)	853,797	3,250,709	2,206,496	3,552,118	862,002	2,170,985	5,857,953	7,633,027	10,548,132	21,850,624	3,692,072	59,608,173

Ruby Liu Commercial Investment Corp.
Inventory Roll
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Inventory Roll																													
\$'000	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27	Apr-27	May-27	Jun-27	Jul-27	Aug-27	Sep-27	Oct-27	Nov-27	Dec-27
Opening Inventory	-	16,129	35,258	43,796	48,716	55,835	68,873	91,129	95,984	92,556	88,638	84,205	79,246	80,645	88,145	87,593	81,193	69,794	68,873	91,129	95,984	92,556	88,638	84,205	79,246	80,645	88,145	87,593	81,193
Purchases	16,129	19,129	8,538	4,919	7,119	13,038	32,437	19,618	14,531	12,567	16,123	9,978	17,377	29,605	22,573	29,536	44,975	8,404	32,640	19,914	14,890	12,897	16,534	10,277	17,696	30,047	23,035	30,255	46,103
COGS	-	-	-	-	-	-	(10,180)	(14,763)	(17,959)	(16,486)	(20,555)	(14,937)	(15,978)	(22,106)	(23,125)	(35,936)	(56,374)	(9,325)	(10,384)	(15,059)	(18,318)	(16,816)	(20,966)	(15,236)	(16,297)	(22,548)	(23,587)	(36,655)	(57,502)
Ending Inventory	16,129	35,258	43,796	48,716	55,835	68,873	91,129	95,984	92,556	88,638	84,205	79,246	80,645	88,145	87,593	81,193	69,794	68,873	91,129	95,984	92,556	88,638	84,205	79,246	80,645	88,145	87,593	81,193	69,794

HBC Inventory Analysis												
\$'000	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24
Inventory	735,357	774,532	746,873	715,252	679,483	639,467	650,758	711,273	706,818	655,177	563,192	555,763
# Stores	97	97	97	97	97	97	97	97	97	97	97	97
Inventory per Store	7,581	7,985	7,700	7,374	7,005	6,592	6,709	7,333	7,287	6,754	5,806	5,730
% of Average	108.5%	114.3%	110.2%	105.5%	100.2%	94.3%	96.0%	104.9%	104.3%	96.7%	83.1%	82.0%

Ruby Liu Commercial Investment Corp.
Income Tax Analysis
DRAFT - FOR DUSCUSSION PURPOSES ONLY

Income Tax Analysis																													
\$'000	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27	Apr-27	May-27	Jun-27	Jul-27	Aug-27	Sep-27	Oct-27	Nov-27	Dec-27
Net Income	(5,713)	(5,916)	(6,295)	(6,144)	(8,408)	(8,466)	(4,370)	(646)	1,751	706	2,052	(638)	671	4,358	6,133	9,048	20,351	2,166	(4,238)	(440)	2,005	940	2,186	(432)	800	3,644	5,058	7,381	16,388
Income Tax Rate	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%
Income Taxes	(1,600)	(1,657)	(1,763)	(1,720)	(2,354)	(2,371)	(1,224)	(181)	490	198	575	(179)	188	1,220	1,717	2,533	5,698	607	(1,187)	(123)	561	263	612	(121)	224	1,020	1,416	2,067	4,589
Opening Loss Carryforward	-	(1,600)	(3,256)	(5,019)	(6,739)	(9,093)	(11,464)	(12,688)	(12,868)	(12,378)	(12,180)	(11,606)	(11,784)	(11,597)	(10,376)	(8,659)	(6,126)	(427)	-	(1,187)	(1,310)	(748)	(485)	-	(121)	-	-	-	-
Income Taxes	(1,600)	(1,657)	(1,763)	(1,720)	(2,354)	(2,371)	(1,224)	(181)	490	198	575	(179)	188	1,220	1,717	2,533	5,698	607	(1,187)	(123)	561	263	612	(121)	224	1,020	1,416	2,067	4,589
Ending Loss Carryforward	(1,600)	(3,256)	(5,019)	(6,739)	(9,093)	(11,464)	(12,688)	(12,868)	(12,378)	(12,180)	(11,606)	(11,784)	(11,597)	(10,376)	(8,659)	(6,126)	(427)	-	(1,187)	(1,310)	(748)	(485)	-	(121)	-	-	-	-	-
Net Income Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(179)	-	-	-	-	(127)	-	(103)	(1,020)	(1,416)	(2,067)	(4,589)

**THIS IS EXHIBIT "J" TO THE
AFFIDAVIT OF RUBY PAOLA
SWORN REMOTELY BEFORE ME AT
THE CITY OF TORONTO,
ON THIS 8TH DAY OF AUGUST, 2025**



Commissioner for Taking Affidavits
Linda Galessiere



Camelino Galessiere LLP
 Barristers and Solicitors
 65 Queen Street West
 Suite 440
 Toronto, ON M5H 2M5
 cglegal.ca

Linda Galessiere
 416.306.3827
 Fax: 416.306.3820
 lgalessiere@cglegal.ca

June 13, 2025

By Email: lellis@millertomson.com

File No. 250326

MILLER THOMSON LLP
 Scotia Plaza
 40 King Street West, Suite 6600
 P.O. Box 1011
 Toronto, ON M5H 3S1

Attention: Larry Ellis

Dear Mr. Ellis:

Re: Lease Assignment Consents – CCAA Sale Process – Hudson’s Bay

I am writing in response to your letter dated June 6, 2025, wherein you request that Ivanhoe Cambridge (the “**Landlord**”) consent to the assignment of its leases to Ruby Liu Commercial Investment Corp (the “**Purchaser**”). After fully considering the information referenced in your letter and the various discussions/meetings between our clients, the Landlord has determined that it will not consent to the requested assignments.

As you are aware, our clients met on several occasions during which time the Landlord raised various concerns including the ability of the Purchaser to meet and honour the terms of the leases. My client’s concerns have not been allayed by the information referenced in your letter or the financial projections.

My client is obligated to all of its retail tenants to operate first class shopping centres and must carefully select tenants to ensure the financial success of the shopping centres. Your client does not have the retail experience upon which it can draw to operate in anchor tenant locations within the shopping centres.

While we trust your client will withdraw her offer to purchase the leases, if your client elects to push this matter forward and request court approval of the assignment of leases, please note that my client will vigorously oppose such a motion. I also take the opportunity to remind your client of the Landlord’s position *vis-à-vis* the standstill agreements dated February 1, 2024, specifically that all covenants contained in section 2(a) thereof have been terminated and are no longer effective (as previously communicated).



Camelino Galessiere LLP
Barristers and Solicitors
65 Queen Street West
Suite 440
Toronto, ON M5H 2M5
cglegal.ca

In closing, my client wishes to acknowledge the success of past business transactions between our clients and my client remains committed to fostering this valued business relationship.

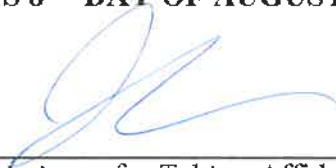
Yours truly,

A handwritten signature in blue ink, appearing to read 'Linda Galessiere'.

Linda Galessiere
Partner
LG/ac

copy via email:
Ashley Taylor
Sean Zweig
Mike Shakra
Al Hutchens
Greg Karpel
Jeff Ross
Jay Freedman

**THIS IS EXHIBIT "K" TO THE
AFFIDAVIT OF RUBY PAOLA
SWORN REMOTELY BEFORE ME AT
THE CITY OF TORONTO,
ON THIS 8TH DAY OF AUGUST, 2025**



Commissioner for Taking Affidavits
Linda Galessiere

From: Linda Qin <Linda.Qin@centralwalk.com>
Sent: Wednesday, June 25, 2025 4:46 PM
To: Linda Galessiere
Cc: Mae Wang; Valen Tam
Subject: Ruby Liu's Intended Purchase and Revitalization Plan for HBC Stores

June 25, 2025

Dear All,

Ruby Liu intends to acquire the leases for 25 Hudson's Bay Company stores located across Ontario, Alberta, and British Columbia. We respectfully request that the Court schedule a hearing at its earliest convenience to approve the application.

Ruby plans to assume the lease obligations and continue the permitted use of the premises under the terms of the existing leases.

As part of the revitalization strategy, Ruby proposes the following three-tiered approach:

1. Flagship Stores

Ruby intends to select up to eight locations to develop into flagship stores in collaboration with the respective landlords. With the support and approval of landlords, for each of these flagship locations, she plans to invest approximately \$30 million in renovation and redevelopment.

2. Operational Continuity Stores

Ten stores will undergo essential repairs to ensure they are functional and customer-ready. These locations are expected to reopen to the public within three months and will operate in a format similar to the original HBC stores.

3. Enhanced Retail Experience Stores

The remaining stores will undergo interior renovation and visual merchandising upgrades to offer an enhanced retail experience. The estimated investment for each of these locations ranges from \$5 million to \$10 million, with a targeted reopening timeline of six months.

Ruby had hoped to communicate these plans with you sooner but was delayed due to specific circumstances. We appreciate your understanding and thank you for your attention.

Please do not hesitate to contact us at the emails below:

Linda Qin: linda.qin@centralwalk.com
Mae Wang: mae.wang@centralwalk.com
Valen Tam: valen.tam@centralwalk.com

Sincerely,

Ruby Liu
Founder and Chairwoman

Central Walk Canada



CENTRAL WALK

Linda Qin MBA
CEO
Central Walk Canada

5000 Canoe Pass Way,
Tsawwassen, British Columbia V4M 0B3

Ph: 604-260-4971
Cell: 604-782-6160
E: linda.qin@centralwalk.com

**THIS IS EXHIBIT "L" TO THE
AFFIDAVIT OF RUBY PAOLA
SWORN REMOTELY BEFORE ME AT
THE CITY OF TORONTO,
ON THIS 8TH DAY OF AUGUST, 2025**



**Commissioner for Taking Affidavits
Linda Galessiere**





Ruby Liu: Thoughts Unfiltered

We're dedicated to urban development.

Become part of the community, serving every family.

Let's build a joyful, quality lifestyle—together with Ruby Liu.

Background on Ms. Ruby Liu and Central Walk

Ms. Liu and Central Walk are prominent players in the retail property asset class.



Central Walk

- Central Walk is a leading commercial real estate firm based in Vancouver with a proven track record of success in owning and managing large retail assets.
- Central Walk has been involved in the Canadian real estate sector since 2019 and has extensive experience in the retail property sector globally, particularly in acquiring, developing, and restructuring projects. The company focuses on enhancing property value and performance through successful project revitalization.
- Central Walk owns and manages a comprehensive portfolio of retail assets located in British Columbia, which has helped it to develop a strong understanding of Canadian consumers as well as local macroeconomic dynamics.
- Central Walk operates in a resilient structure and has expertise in navigating challenging market conditions, proven through our adept management through recessionary periods, including the COVID-19 pandemic.
- At Central Walk, we aim to foster deep strategic partnerships and embrace a tenant-first philosophy. We actively engage in community-building initiatives by hiring locally and dedicating our resources to providing a high-value, sustainable platform tailored to our tenants and consumers.

Ms. Ruby Liu

- Ms. Ruby Liu is the founder and majority shareholder of Central Walk and serves as its Chairwoman.
- Ruby is an internationally-respected leader in the commercial real estate industry, with over 30 years of experience and a strong track record of driving retail investment enterprises towards high-yield growth. With decades of experience and demonstrated operational efficiency, she has built a distinguished career as an entrepreneur, investor, developer, and philanthropist.
- Ruby has a strong business foundation in Southeast Asia and has dedicated a significant portion of her career to the North American real estate market, including her direct investments in several Canadian shopping malls. Ruby also nurtures strong relationships with her employees, as demonstrated through her previous retention rates on prior acquisitions.

Central Walk's dedicated execution team for The New Bay

A dedicated execution team with decades of experience and proven expertise in managing and owning retail-focused properties in the Canadian and Chinese markets.

Execution team for The New Bay

The Purchaser will dedicate significant management resources to the acquisition and launch of the stores through an experienced team of experts within the retail properties sector under the strategic direction of Ms. Liu.



Ruby Liu
Founder

- Over 30 years of experience in the commercial real estate industry, including but not limited to large-scale urban commercial development, development of mixed-use shopping centres, etc.
- Since transitioning to Canada, Ruby has successfully led Central Walk in acquiring three major shopping centres in BC in 2020, overcoming the challenges posed by the global pandemic.
- Will be responsible for overseeing critical investment decisions and strategic direction of The New Bay.



Linda Qin
CEO

- 15 years of Canadian real estate sales experience; extensive business management experience gained from working for UPS, ExxonMobil, and Macdonald Realty (one of the largest real estate corporations in Western Canada).
- A proven author with two published books on business transitions and technology implementation.
- Will be responsible for the overall strategic direction and management of The New Bay.

Karen Liu
CFO

- Finance and people management background, including diverse experience at a major Canadian bank and a wealth management company. Will be responsible for the financial direction of The New Bay.

Andrew Grimley
CMO (Marketing)

- Over a decade of leadership experience in manufacturing and international supply chain sectors; currently manages enterprise-level operational planning, team coordination, and performance improvement across Central Walk's flagship assets. Will be responsible for overseeing the planning, development, and execution of all marketing and advertising initiatives at The New Bay.

Charles Thurlow
COO

- Over 20 years of leadership experience in operations management across various sectors (e.g., consulting, financial services). Will be responsible for overseeing the day-to-day operations of The New Bay, ensuring efficiency, effectiveness and alignment with the company's strategic goals.

Michael Zhang
CMO (Merchandising)

- Decades of experience driving revenue growth through specialty leasing, strategic brand partnerships, and community initiatives; extensive senior leadership experience in launching and managing major commercial projects. Will be responsible for overseeing and driving the strategic direction of The New Bay's retail offerings.

Mae Wang
CHRO

- Decades of human resources experience including as CHRO at Central Walk; oversees all HR functions at Central Walk across the portfolio. Will be responsible for overseeing all aspects of HR management and industrial relations policies at The New Bay.

**Remaining
C-Suite
Executive Team**

Central Walk's Portfolio

Over the past decade, Central Walk has invested more than \$750 million in British Columbia recreational and commercial real estate assets. Central Walk employs over 120 employees, contributing to the growth of local economies. This investment was financed through the sale of Central Walk Shenzhen in 2019 for approximately C\$1.25 billion.

Arbutus Ridge Golf Club (Vancouver, BC)



Acquired 2019

6,152 yards



by Golf
Digest

Award
Winning

- Located in Cobble Hill, a 25-minute drive from the outskirts of Victoria and 15 minutes from Duncan
- 18-hole golf course rated Four Stars by Gold Digest, Best Destination Golf Course in British Columbia by Golf Nerve Magazine, and One of Canada's Ten Best Courses for Your Money by WestJet
- Achieved a Sustainability Award from Tourism Vancouver Island

Woodgrove Centre (Nanaimo, BC)



Acquired Sept. 2020

748k sq.ft.
(Island's largest
shopping
centre)

140+
stores &
services

5.6mm
visitors
annually

- Home to a purposefully designed play space, Fly O'Land (9,925 sq.ft), and an arcadium (5,400 sq.ft)

Redevelopment Plans:

- Short-Term: Development of 100,000 sq.ft. outdoor park featuring performance stage & recreational areas
- Medium- to Long-Term: Addition of residential towers (incl. affordable housing) & potential retail expansion

* Location of HBC store #1118

Mayfair Shopping Centre (Victoria, BC)



Acquired June 2021

~518k sq.ft.

4.1mm
visitors
annually

120+
stores &
services

Highest
sales /
sq.ft. in
Victoria

- Home to two children's playlands: Dreamland (4,676 sq.ft.) and Deerland (27,269 sq.ft.) (by Fly O'Land)

Redevelopment Plans:

- Long-Term: transforming the centre into a mixed-use destination with housing, retail, recreation, and educational components

* Location of HBC store #1108

Tsawwassen Mills (Delta, BC)



Acquired May 2022

1.2mm
sq.ft.

200+
stores &
services

Largest
indoor outlet
shopping centre
in BC

Redevelopment Plans:

- Expansion of food services and enhancement of entertainment offerings
- Development of Asian-inspired cultural lane featuring restaurants, artificial sky ceiling and a performance stage

* Location of Saks Fifth Avenue store



Central Walk was founded in 1994 and is a global commercial real estate company specializing in the acquisition, development, and management of large-scale retail properties.

With a strong business foundation in Southeast Asia, the company has expanded its operations to Canada, aiming to transform traditional shopping centers into inclusive, multifunctional community hubs.

The company's mission emphasizes community engagement and the creation of diverse shopping environments that serve families and integrate retail, dining, entertainment, and cultural experiences.

Ms. Weihong Liu, Board Chairwoman of Central Walk, has been a key figure in the company's expansion into the Canadian market. Since arriving in British Columbia in 2014 to establish business operations, Ms. Liu has made significant investments in the local retail market, profoundly impacting the development of commercial real estate in the province.

In British Columbia, Central Walk owns and operates several prominent commercial projects:

- **Tsawwassen Mills**
Located in the city of Delta on First Nations reserve land, this retail destination covers approximately 1.2 million square feet and hosts over 200 retailers, including leading brands like Nike, Lululemon, Coach, JD Sports, MK and Sephora, etc.
- **Woodgrove Centre**
Situated in Nanaimo, this mall features more than 150 stores and is the largest shopping center on Vancouver Island.
- **Mayfair Shopping Centre**
Positioned in Victoria along a major transit corridor, this fashion-focused retail hub enjoys a prime downtown-adjacent location.
- **Arbutus Ridge Golf Club**
Nestled in Cobble Hill within Canada's second-largest wine region, this semi-private golf club has been a cherished destination for locals and visitors for over 25 years.



CENTRAL WALK

5000 Canoe Pass Way
Tsawwassen, BC Canada V4M 0B3
hong.liu@centralwalk.com

c/o Linda Qin
rubylindaqin@gmail.com

EXECUTIVE BIOGRAPHY

RUBY LIU

Executive Chairman



Internationally recognized and respected real estate pioneer with serial success leading investment corporations to high-yield growth, a track record of successful partnerships with governments and stakeholders, and an insatiable passion to innovating new miracles for communities and projects around the world.

Ruby Liu has been a serial investor, entrepreneur, developer, and philanthropist for as long as she can remember. Driven by a unique blend of passion, decisiveness, and infectious confidence, she has come a long way from the impoverished neighborhood of Northern China.

Ruby Liu moved to Shenzhen in 1988, right at the peak of the city's demographic and economic boom. With over 30 years of experience in market and business development, she has a deep understanding of society and consumer psychology. Ruby is eager to collaborate with global business pioneers to co-create innovative retail models in North America, contributing to the success of shopping centers across the continent.

KEY ACHIEVEMENTS



GLOBAL PORTFOLIO

Based in Vancouver Canada, Ruby's group of companies owns and manages properties all over the world.



INVESTMENT DEALMAKING

Invested over \$1 billion USD in Canadian shopping centre acquisitions since 2020



MANAGING DISTRESSED ASSETS

Brought failing Occupancy Rate at Tsawwassen Mills from declining 76.7% to ascending 96.7% within 24 months, successfully turning around the distressed property from net negative IRR to 9.2% positive

She is well-loved by the people and communities around the malls she purchased. Known for her charismatic and high-profile personality, Ruby has become a local influencer in both the Vancouver area and Vancouver Island.

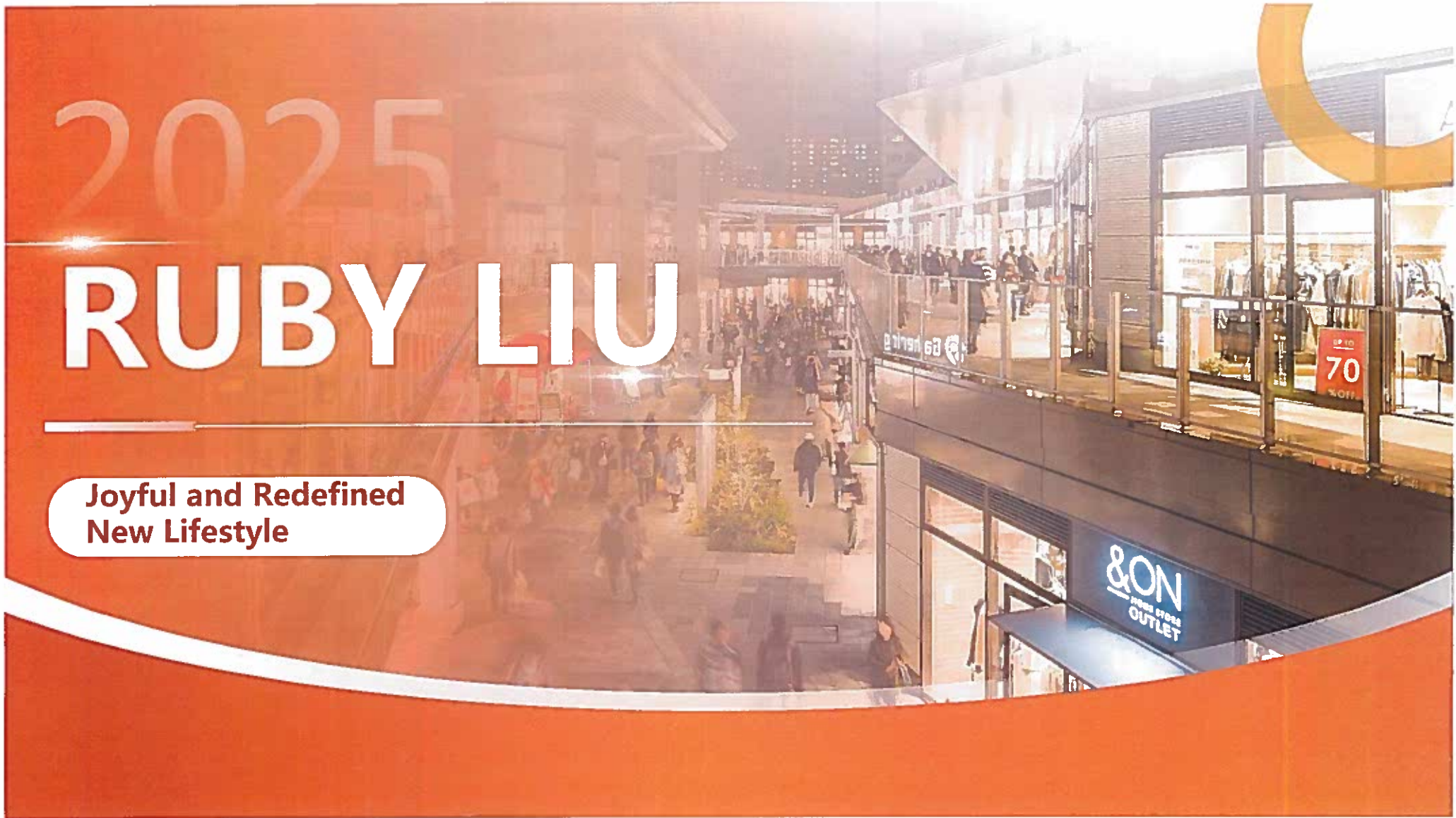
After an incredibly successful 27-year career in Shenzhen, Ruby Liu founded Central Walk in 2020, globalizing her operations into the North American market. Although efforts were initially and severely challenged by pandemic conditions, she navigated the company to astounding portfolio growth as she successfully deployed over \$1 billion USD in capital investment execution and strategy simultaneous to ensuring strong financial returns. Today, Central Walk is undisputedly Canada's fastest growing commercial real estate investment-management private equity company.

Over the years, Ruby Liu has forged strong partnerships and friendships with renowned institutions such as Link REIT (Hong Kong), Prudential Financial (USA), Simon Property Group (USA), Ivanhoe Cambridge (Canada), and more.

2025

RUBY LIU

Joyful and Redefined
New Lifestyle



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

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF HUDSON'S BAY COMPANY ULC
COMPAGNIE et. al.**

APPLICANTS

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at TORONTO

AFFIDAVIT OF RUBY PAOLA
(SWORN AUGUST 8, 2025)

CAMELINO GALESSIERE LLP
Barristers and Solicitors
65 Queen Street West, Suite 440
Toronto, ON M5H 2M5

Linda Galessiere
Law Society No. 34678A
Tel: 416-306-3827
Email: lgalessiere@clegal.ca

Gustavo F. Camelino
Law Society No. 45607S
Tel: 416-306-3834
Email: gcamelino@clegal.ca

Lawyers for Ivanhoe Cambridge II Inc./Jones Lang LaSalle Incorporated as
landlord and/or authorized agent and manager for the landlords of its retail
stores leased to one or more of the Applicants

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

IN THE MATTER OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
HUDSON'S BAY COMPANY ULC COMPAGNIE DE LA BAIE D'HUDSON SRI,
HBC CANADA PARENT HOLDINGS INC., HBC CANADA PARENT HOLDINGS
2 INC., HBC BAY HOLDINGS I INC., HBC BAY HOLDINGS II ULC, THE BAY
HOLDINGS ULC, HBC CENTERPOINT GP INC., HBC YSS 1 LP INC., HBC YSS 2
LP INC., HBC HOLDINGS GP INC., SNOSPMIS LIMITED, 2472596 ONTARIO
INC., and 2472598 ONTARIO INC.

Applicants

AFFIDAVIT OF SCOTT R. LEE

I, SCOTT R. LEE, of the city of Vancouver, in the province of British Columbia, **MAKE OATH**
AND SAY:

1. I am the founding Partner of Revesco Properties Ltd, overseeing the ownership and acquisition of shopping centres and mixed-use retail developments across Canada and the United States. I have over 35 years commercial real estate experience and have completed in excess of 1,000 sale and lease transactions encompassing more than 20 million square feet of retail assets. A copy of my curriculum vitae is appended to my Affidavit as **Exhibit "A"**.

2. I am swearing this affidavit in connection with the Applicants' (collectively "**HBC**") motion seeking an order for, among other things, the approval of a transaction with Ruby Liu Commercial Investment Corp. ("**Liu CIC**") and the assignment of various real property leases to Liu CIC, notwithstanding the objections of the counterparty landlords (the "**Landlords**").

3. I have been retained by legal counsel for the various Landlords to provide my comments and opinions on certain commercial leasing industry terms and the business plan of Liu CIC. A copy of my report is appended to my affidavit as Exhibit "B". A copy of my Form 53 Acknowledgement of Expert's Duty appended to my Report, as is my instruction letter from Camelino Galessiere LLP, dated August 3, 2025

SWORN remotely by Scott R. Lee,
 stated as being located Vancouver, in
 the Province of British Columbia,
 before me at the City of Toronto in the
 Province of Ontario, on 9th day of
 August, 2025 in accordance with O.
Reg. 431/20, Administering Oath or
 Declaration Remotely.



SCOTT R. LEE



Commissioner for Taking Affidavits
 Linda Galessiere

**THIS IS EXHIBIT "A" TO THE
AFFIDAVIT OF SCOTT R. LEE
SWORN REMOTELY BEFORE ME AT
THE CITY OF TORONTO,
ON THIS 9TH DAY OF AUGUST, 2025**



Commissioner for Taking Affidavits
Linda Galessiere

SR Lee Personal Real Estate Corp.

Scott R. Lee	#1310 - 1090 West Georgia Street, Vancouver, B.C., Canada V6E 3V7 (604) 763-8985 slee@revescoproperties.com
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Scott R. Lee is the Founding Partner of Revesco Properties. He began his career with CBRE in 1989 and transitioned in 1996 to become a founding partner of Northwest Atlantic (Canada) Inc. In 2018, Northwest Atlantic was acquired by JLL Canada, here Scott served as Executive Vice President, Retail Division, until 2021.

At Revesco Properties, Scott oversees the ownership and acquisition of shopping centers and mixed-use retail developments across Canada and the U.S. His current focus is the Revesco Properties Trust (RPT), a private REIT acquiring institutional quality shopping centers across major secondary markets in the United States.

During his over 35 year career dealing with commercial real estate, Scott completed in excess of 1,000 sale and lease transactions encompassing more than 23 million square feet of retail assets. Scott has represented premier retailers in Canada including Old Navy, PETsMART, Winners, HomeSense, Marshalls, and Town Shoes.

Scott was retained by Wal-Mart Canada Corp., Lowe's Companies of Canada and TJX Group of Companies to assist with retail real estate strategies in Western Canada.

For both Nordstrom Canada Retail, Inc. and Target Canada, Scott was engaged to implement each company's retail real estate strategies across all regions of Canada. For Target Canada, this included addressing leasing matters/landlord negotiations for over 120 locations. Scott also assisted both companies with lease termination discussion when exiting Canada.

<u>Retail Clients</u> <ul style="list-style-type: none"> • Grocery and Essentials: Whole Foods, • Costco, Canadian Tire • Specialty and Large Format: Walmart, • Lowe's Home Improvement (RONA) • Apparel and Department Stores: TJX Brands, Nordstrom, Target • Quick-Service and Restaurant Chains • Mixed-Use Urban Retail Projects • Land Assemblies for Major Retailers 	<u>Primary Markets</u> <ul style="list-style-type: none"> • British Columbia • Alberta • Saskatchewan • Manitoba • Greater Toronto Area (GTA), Ontario
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<p><u>Landlord and Institutional Clients</u></p> <ul style="list-style-type: none"> • Allard Developments • Anthem Properties • Artis REIT • BentallGreenOak • BlueSky Developments • Bosa Properties • Cadillac Fairview • Cameron Development Corporation • Canadian Tire REIT • Choice Properties • Crombie REIT • First Capital REIT • GWL Realty Advisors • Ivanhoe Cambridge • Jim Pattison Developments • Morguard REIT • Oxford Properties Group • Park Royal Shopping Centre • Primaris REIT • QuadReal • Qualico • RioCan REIT • Royop • Shape Properties • Shindico • Smart Centres 	<p><u>Industry and Other Affiliations</u></p> <ul style="list-style-type: none"> • Former Chairperson, ICSC Whistler Conference • Member, MacKay CEO Forum (10+ years) • Speaker, ICSC Panels and Vancouver Real Estate Forums • Licensed Real Estate Broker in British Columbia and Alberta <p><u>Transaction and Development Experience</u></p> <ul style="list-style-type: none"> • Lease negotiations • Site development • Municipal approvals and entitlement processes • Land assembly projects, including over 100 acres assembled for Walmart across Western Canada between 2005–2012
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Retail Sector Expertise

- Identify, investigate, analyse and determine the most cost-effective use of commercial properties.
- Design/execute effective and creative strategies to assist in clarifying market profiles and identify market positions.
- Negotiate, approve and expedite contractual agreements for corporate/individual clients.
- Accountable for all primary aspects of leasing with a specialization in retail tenant representation
- Establishing a strong/diverse network comprised of industry related professional contacts
- Oversaw the strategy and implementation of several portfolio dispositions

Academic Background

- Bachelor of Commerce (Urban Land Economics), University of British Columbia

Experience

Jan. 1, 2021 – Present	Revesco Properties Ltd. & Revesco Properties Trust <ul style="list-style-type: none"> • Founding Partner of Revesco Properties which is a real estate investment, development and management firm with offices in Vancouver, BC and Denver, CO since its inception in 2011 • Trustee of Revesco Properties Trust which is a private REIT based in Canada that acquires open-air shopping centres and mixed use properties in the U.S. since its formation in 2021
2018 - 2021	Jones Lang LaSalle Real Estate Services, Inc. <ul style="list-style-type: none"> • Executive Vice President and Retail Practice Team Leader for Western Canada overseeing Vancouver, Calgary and Edmonton • Focus on strategic direction of the retail team in Western Canada, business development and revenue generation while working with Canadian executive team
1996 - 2018	Northwest Atlantic (Canada) Inc. Brokerage <ul style="list-style-type: none"> • Principal since 1996, specialising in retail tenant representation and project support services throughout Western Canada • Focus on developing and implementing retail tenants' real estate strategies
1989 - 1996	CB Commercial Real Estate Group Canada Inc. <ul style="list-style-type: none"> • Senior Sales Associate since 1989, specialising in the sales and leasing of commercial properties in the urban and suburban markets in western Canada

**THIS IS EXHIBIT "B" TO THE
AFFIDAVIT OF SCOTT R. LEE
SWORN REMOTELY BEFORE ME AT
THE CITY OF TORONTO,
ON THIS 9TH DAY OF AUGUST, 2025**



Commissioner for Taking Affidavits
Linda Galessiere

SR LEE PERSONAL REAL ESTATE CORP.

#1310 - 1090 West Georgia Street, Vancouver, B.C., Canada V6E 3V7

August 9, 2025

Via Email: lgalessiere@cglegal.ca

Ms. Linda Galessiere
Camelino Galessiere LLP
65 Queen Street West
Suite 440
Toronto, ON M5H 2M5

Dear Ms. Galessiere:

Re: Expert Opinion – CCAA Insolvency proceeding of Hudson’s Bay Company: Proposed Assignment of HBC Leases Ruby Liu Commercial Investment Corp.

I am providing this expert report in response to your letter dated August 3, 2025, on behalf of the retail landlord clients referenced therein. I understand this report will be used in the CCAA insolvency proceedings of Hudson’s Bay Company (“**HBC**”) in connection with a motion by HBC to assign leases to Ruby Liu Commercial Investment Corp. (“**Liu CIC**”). The views and opinions expressed herein are based on my 35 years of professional expertise and experience. I have addressed each of the questions posed to me in your letter the order presented.

My curriculum vitae and the executed Form 53 are appended to this report.

RETAIL INDUSTRY TERMS AND RETAIL INDUSTRY OPERATIONS

1. Anchor Tenant

In retail leasing, an anchor tenant is a major store located in a prime, high-visibility location within a shopping centre—often at a main entrance or at opposite ends of a centre to maximize shopper circulation. It is typically the largest tenant by square footage and plays a critical role in driving customer traffic to both its own store and to the shopping centre as a whole.

The International Council of Shopping Centers (ICSC), the global trade association for the shopping centre and retail real estate industry, broadly defines an anchor

tenant as a major store—usually an established national or international chain—that possesses substantial economic strength, occupies a large amount of square footage, and serves as a primary draw for consumers.

In practice, anchor tenants are most often major department stores or other high-profile retailers whose brand recognition, marketing reach, and merchandising capabilities attract a steady flow of customers. This traffic, in turn, supports the sales performance of smaller tenants, enhances the centre's leasing appeal, and contributes materially to the overall economic success of the property.

2. Features of Anchor Premises

The most common features of anchor premises include:

- a. **Size** – Anchor premises are typically the largest retail spaces within a shopping centre, and in the case of enclosed malls, often exceed 100,000 square feet.
- b. **Location** – They are positioned in the most prominent areas of the shopping centre, often at key corners or ends of the mall's circulation pattern. This placement maximizes shopper traffic flow, offers superior street exposure, and ensures convenient access to a high number of surrounding parking stalls.
- c. **Signage & Visibility** – Anchor premises have the most extensive signage rights of any tenant in the centre, including prominent placement on pylon or monument signs visible from major arterial roads, as well as large-scale building signage.
- d. **Multiple Entrances** – These premises frequently have their own dedicated exterior entrances in addition to interior mall access points, allowing customers to enter directly without passing through the rest of the mall.
- e. **Loading & Logistics Capacity** – Anchor premises typically feature larger and more sophisticated loading docks, back-of-house areas, and storage facilities to manage high-volume deliveries, seasonal inventory, and other operational requirements.
- f. **Ceiling Height & Store Design Flexibility** – These spaces often have higher ceiling clearances and adaptable floor plans to accommodate varied merchandising layouts, specialty departments, and larger display fixtures.
- g. **Parking Allocation** – In addition to the volume of stalls surrounding the store, anchors often benefit from dedicated or preferential parking zones for customer and staff use.

These physical and locational advantages are directly tied to the anchor's role as a primary traffic generator for the centre, benefiting not only the landlord but also the surrounding tenants whose sales performance depends on sustained customer flow.

3. Features of Anchor Tenants

In my experience, anchor tenants share several defining characteristics that distinguish them from other retail tenants and make them critical to the success of a shopping centre:

- a. **Traffic Generation & Market Draw** – Anchor tenants significantly increase the visibility, stability, and desirability of a shopping centre for both consumers and other retailers. Their brand reputation, advertising reach, and merchandising breadth draw consistent and repeat customer traffic.
- b. **Brand Strength & Recognition** – Most anchor tenants are national or multinational retail chains with substantial brand equity and immediate name recognition. The strength of their brand often sets the tone for the entire shopping centre, shaping consumer perceptions and influencing the calibre of other tenants attracted to the property.
- c. **Financial Stability** – Anchors are typically well-capitalized, creditworthy organizations with proven operating histories and the financial capacity to withstand market downturns, making them a lower credit risk to landlords.
- d. **Merchandising Breadth** – Anchors usually offer a wide assortment of product categories under one roof, appealing to a broad range of customers and ensuring consistent visitation.
- e. **Marketing & Promotional Investment** – Anchor tenants often invest heavily and continually in marketing their brand, both locally and nationally. This promotional activity benefits not only their own store but also the shopping centre as a whole by increasing awareness and driving overall traffic.
- f. **Operational Standards & Professional Management** – Anchors have well-developed operating systems, supply chains, and experienced management teams capable of running large-format retail stores efficiently and to high standards.
- g. **Catalyst for Smaller Tenants & Property Value** – The presence of a strong anchor is often a determining factor for smaller tenants when choosing a location. A successful anchor can elevate the profile of the centre, support higher rents for in-line tenants, and enhance the long-term value of the property for the landlord.

4. Role of Anchor Tenants in a Shopping Centre and how they benefit Landlords & Other Tenants

In a shopping centre environment, the anchor tenant serves as the primary driver of customer traffic, creating a steady flow of visitors that benefits all other retailers in the centre. This increased traffic provides an opportunity for smaller retailers to

capture and convert customers drawn initially by the anchor into their own stores. The result is often higher sales per square foot for smaller in-line tenants compared to similar properties without a strong anchor presence.

For landlords, a high-performing anchor enhances the centre's market positioning within the trade area, enabling them to command higher base rents and percentage rents from smaller tenants. It also contributes to tenant stability and retention, as many retailers prefer to operate in a property anchored by a successful, well-known brand.

Anchors are also intended to make the shopping centre commercially viable as a whole, rather than simply being profitable on a stand-alone basis. Their role is to elevate the commercial performance of the entire property, supporting both the landlord's long-term leasing strategy and the financial success of other tenants.

The presence of a strong anchor can materially influence the valuation of a shopping centre, as investors and appraisers often view anchor stability, creditworthiness, and brand strength as key indicators of long-term income security. Conversely, a weak or failing anchor can have the opposite effect—reducing traffic, lowering sales for other tenants, triggering problematic lease provisions in non-anchor leases (including co-tenancy clauses and rent reduction rights), and ultimately diminishing the property's market value.

The role of the anchor tenant can extend beyond its own sales performance. It directly shapes the centre's leasing strategy, tenant mix, and overall economic viability, making anchor selection and performance one of the most critical determinants of a shopping centre's success.

5. Favourable Lease Terms, Concessions, and Benefits Provided to Anchor Tenants

Anchor tenants in Canadian enclosed shopping centres typically receive a range of economic incentives and lease concessions that reflect their strategic importance to the success and marketability of the property. These incentives are rarely extended to smaller or in-line tenants. Common examples include:

a. Significantly Below-Market Net Rent:

Anchor tenants often receive rental rates that are substantially lower than in-line tenants—historically in the range of \$5.00 to \$10.00 per square foot net. These rents reflect the anchor's contribution to overall foot traffic and leasing desirability within the centre. In addition, anchor tenants also receive a substantial reduction in common area maintenance charges that are necessary to operate a shopping centre or enclosed mall as compared to the balance of the tenants.

b. Lease Term and Options to Extend:

Anchor tenants will often receive primary lease terms of 20 years with additional options to extend of another 60 – 80 years in increments of 5 or 10 years each (i.e. 5 years x 16 options or 10 years x 8 options) at predetermined rents which are often very low as well. The length of the term plus options effectively provides the anchor tenant a large financial stake in the asset.

c. Extended Free Rent Periods:

While free rent periods are common among national retailers, anchor tenants often receive more generous rent-free durations, especially during the initial build-out and opening phase. This recognizes the scale and complexity of their space and the time required to ramp up operations.

d. Exclusive Use Rights and Operational Influence:

Anchor tenants are often granted their own exclusive use clauses, restricting landlords from leasing to competing tenants. Conversely, they are frequently exempt from exclusivity clauses granted to in-line tenants. In addition, anchors sometimes impose specific operational requirements on landlords, such as limiting the type of retailers located near their entrances (e.g., prohibiting restaurants or food uses due to odor or pest concerns), or mandating a defined mix of nearby uses to enhance their customer experience. Anchor leases can have a tremendous amount of flexibility for the tenant.

e. Ownership Rights or Purchase Options:

- f.** In certain cases, anchors are granted fee simple ownership or long-term ground leases for their premises. Some are also given options to purchase either their demised premises or the underlying land.

g. Centre Control Rights:

Anchor tenants frequently negotiate veto or approval rights over significant changes to the shopping centre, including redevelopment plans, leasing to direct competitors, and changes to centre signage. These rights can materially influence the landlord's ability to reposition the property.

h. Preferred Parking and Prominent Signage:

Anchor premises are usually located in the most visible and accessible parts of the shopping centre, with substantial adjacent parking. They are also granted the most prominent signage rights, including building signage and dedicated pylon or rooftop signage.

These incentives underscore the economic leverage anchor tenants hold in lease negotiations and their critical role in driving the commercial viability and value of the entire centre.

6. Anchor tenants' ability to impose development restrictions on landlords

Anchor tenants routinely impose development and operational restrictions that limit the landlord's ability to redevelop, expand, or reposition a shopping centre without the anchor's consent. These restrictions are typically embedded in the lease or in Reciprocal Easement Agreements (REAs) that run with the land and apply to current and future owners.

One common restriction is the imposition of minimum parking stall requirements. Anchor tenants often require that a defined number of stalls be maintained on site, either for their exclusive use or on a proportional basis, in order to ensure customer convenience. This restricts the landlord's ability to repurpose surface parking areas for infill development or site intensification.

Another frequent restriction is the establishment of "no-build zones" near the anchor premises. These zones are designed to protect visibility and preserve sightlines from key traffic corridors or arterial roads. The purpose is to ensure the anchor's storefront remains prominent and easily accessible to customers. These zones can significantly limit future development potential on portions of the site.

In addition to physical restrictions, REAs often govern operational matters that directly affect the anchor's business operations. These may include:

- Snow removal standards and timing
- Parking lot repairs and resurfacing
- Landscaping and lighting requirements
- Restrictions on any changes to major driveways or internal circulation roads that affect traffic flow to the anchor's entrance
- Provisions governing loading areas and delivery access

Landlords have historically accepted these restrictions as a trade-off to secure prominent anchor tenants, ensure site traffic generation, and attract additional in-line tenants. However, these provisions often impede the landlord's ability to reposition or modernize older centres, even when such improvements would be in the best interest of the overall site.

7. Impacts of substituting one anchor tenant with another

By substituting one anchor tenant for another can fundamentally reshape the commercial performance and long-term viability of a shopping centre. This impact can be either positive or negative, depending on the strength and brand recognition of the incoming anchor. The key areas of impact are as follows:

a. Market Perception and Brand Positioning

A high-performing anchor tenant can change the entire brand positioning of a centre. Replacing a weak or unsuccessful anchor with a nationally recognized,

successful brand can enhance the centre's image, improve customer confidence, and attract higher-quality retailers. Conversely, replacing a strong anchor with an unproven or lower-performing tenant can tarnish the centre's reputation and reduce its market appeal.

b. Customer Traffic and Sales Productivity

Anchor tenants serve as the primary traffic drivers within a shopping centre. A successful anchor brings a steady and reliable flow of shoppers, which directly benefits surrounding tenants. A stronger anchor typically results in higher sales per square foot for in-line tenants. The reverse is also true—a weak or unpopular anchor leads to declining foot traffic and lower sales.

c. Leasing Demand and Tenant Mix

A well-known and successful anchor increases the desirability of the centre among other retailers. It encourages brand-name tenants to enter the property, often at higher rents, while increasing the likelihood of lease renewals from existing tenants. A less well-known or unsuccessful anchor can erode leasing momentum and discourage national brands from locating in the centre.

d. Co-Tenancy Clauses and Tenant Retention

Many leases with non-anchor tenants include co-tenancy clauses that allow for rent reductions or early termination if a key anchor tenant leaves or is replaced with an unapproved brand. Losing a strong anchor may trigger these clauses, resulting in cascading vacancy and rent loss for the landlord.

e. Financing and Valuation Impacts

Lenders and investors evaluate the strength and stability of anchor tenants when underwriting loans or valuing assets. A downgrade in anchor quality may lead to lower appraised values, reduced refinancing options, or breaches of loan covenants—particularly if the replacement anchor is not of equal stature or financial strength.

f. Leasing Strategy and Trade Area Reach

The anchor tenant often sets the tone for the tenant merchandising strategy. For example, a luxury or fashion-oriented department store may attract upscale retailers, while a discount or value-oriented anchor may shape the centre toward a different customer demographic. A change in anchor can require a complete repositioning of the centre to align with the new tenant's customer base. In stronger cases, an anchor can expand the centre's trade area by drawing in customers from beyond the immediate neighbourhood. A weaker anchor will not expand that draw.

g. Stability of Income and Long-Term Asset Value

Ultimately, the presence of a high-quality anchor supports the landlord's long-term income stream, enhances the stability of the rent roll, and preserves the asset's market value. Replacing a strong anchor with a less successful one can undermine these fundamentals.

In summary, the substitution of an anchor tenant is one of the most consequential decisions a landlord can face. It directly impacts the centre's financial performance, leasing momentum, valuation, and reputation within the market.

8. Length of Impact

As outlined in the section "Impacts of substituting one anchor tenant with another", if the strength and brand recognition of the incoming anchor tenant is poor, the negative impacts could last not only during the term of the lease but potentially beyond if the anchor tenant vacates the premises and the shopping centre suffers as a result.

9. Criteria used by non anchors when entering or extending a lease and the impact of the identity of an anchor tenant

As my role as a retail tenant representative, non-anchor tenants assess a combination of quantitative and qualitative factors when making leasing decisions. The following considerations are among the most important:

a. Anchor Tenant Identity, Financial Strength, and Stability

The identity and brand recognition of the anchor tenant are primary factors. Non-anchor tenants place considerable weight on the anchor's ability to attract consistent foot traffic and maintain long-term presence in the centre. A financially unstable or underperforming anchor introduces substantial risk to the leasing environment. For this reason, prospective tenants often inquire into the anchor's corporate health, recent news, and long-term lease commitments before finalizing their own deals.

b. Sales Performance of the Shopping Centre and Anchor Tenants

Beyond centre-wide performance metrics, the specific sales performance of the anchor tenants is a key data point. Strong anchor sales are viewed as an indicator of robust customer traffic and market demand. Retailers will often benchmark a centre's performance against others within the same trade area or retail category before making a lease commitment.

c. Foot Traffic Volumes and Traffic Pattern Data

Non-anchor tenants carefully evaluate foot traffic levels—both in aggregate and by specific entry/exit locations throughout the mall. Most sophisticated retailers now request detailed traffic data for each entrance, corridor, and adjacent anchor location to assess flow patterns, peak periods, and potential

exposure. This granular level of analysis directly informs site selection and rent tolerance.

d. Proximity to Anchor Tenant Entrances and Main Mall Entrances

A unit's visibility from the anchor's entrance or its adjacency to major mall entry points can meaningfully impact sales performance. Locations positioned along natural traffic paths—particularly near successful anchors—are more desirable, as tenants benefit from increased exposure to anchor-driven footfall.

e. Customer Demographics and Brand Fit

Retailers assess whether the centre's shopper profile aligns with their own brand positioning. The anchor tenant plays a major role in shaping the demographics and shopping behaviors of the centre's core customer base. Tenants aim to ensure their offering resonates with the customers the anchor draws in.

f. Merchandising Mix and Tenant Synergy

A cohesive mix of complementary tenants is essential. Retailers avoid centres with an unbalanced mix or overly discount-oriented positioning if it conflicts with their brand. The anchor's retail category, price point, and customer appeal must align with the centre's broader merchandising strategy.

g. Co-Tenancy and Exclusive Use Provisions

Many non-anchor leases include co-tenancy clauses that tie rent obligations to the continued presence of specific anchor tenants. A high-quality, well-capitalized anchor provides greater assurance that these conditions will be met. In contrast, an uncertain or declining anchor raises the risk of lease defaults, rent reductions, or early termination rights being triggered.

h. Maintenance Standards and Operational Reliability

Tenants observe how well the centre is maintained, particularly near entrances, restrooms, and common areas. A poorly maintained property—marked by malfunctioning escalators, elevators, HVAC issues, or general disrepair—can deter strong retail tenants from entering or renewing leases. This also reflects poorly on anchor tenants if the deterioration occurs near their premises.

i. Landlord Reputation and Marketing Support

Tenants value landlords who demonstrate a commitment to marketing, programming, and maintaining high occupancy. A proactive landlord, especially one who works collaboratively with anchor tenants, provides comfort that the centre will remain vibrant and competitive in the long term.

In sum, the presence and performance of anchor tenants are inseparable from the leasing decisions of non-anchor tenants.

The identity of the anchor tenant is one of the most critical determinants of a non-anchor tenants' decision to lease space or to extend a lease in a shopping centre. Not all anchor tenants are created equal. The right anchor can attract the ideal consumer to the centre that matches the non-anchor tenant's core demographic. The wrong one can damage the centre's reputation, drive away non-anchor tenant's core demographic, and undermine the value of the centre.

10. & 11. Impact of the Anchor Tenant on value and profitability of a shopping centre

In my experience, anchor tenants have a significant impact on the profitability of a shopping centre and the rents that landlords can charge to other tenants. A strong, recognizable anchor tenant enhances the overall customer draw, increases repeat visits, and contributes meaningfully to the shopping centre's ambiance and perceived brand quality. This, in turn, elevates the performance of smaller tenants and allows landlords to command higher rents, both at the time of leasing and over time through rental escalations and percentage rent clauses.

The presence of a successful anchor tenant also improves leasing velocity, reduces vacancy downtime, and increases renewal probability for non-anchor tenants. The resulting sales performance of the overall mall directly influences a landlord's ability to attract and retain tenants at market-leading rents.

To illustrate this dynamic, one can look at Yorkdale Mall. Yorkdale Mall is anchored by several high-performing, globally recognized retailers and is known for its premium tenant mix, customer experience, and sales productivity. As a result, Yorkdale consistently commands among the highest rents in Canada which ultimately determines its value.

12. HBC was an Anchor Tenant

HBC was unequivocally intended to be an anchor tenant in the subject shopping centres.

This conclusion is supported by several key factors:

- a. Size and Location:** HBC stores in these centres typically occupied large-format premises, often exceeding 100,000 square feet, and were strategically located in prominent areas of the mall with maximum street visibility and customer accessibility — hallmark features of anchor premises.
- b. Historical Role and Market Position:** HBC has historically served as a foundational department store anchor in many enclosed malls across Canada. Its long-standing presence and national brand recognition made it a natural

traffic driver and leasing catalyst at the time of these shopping centres' original development.

- c. Lease Structure and Terms:** The lease terms granted to HBC in these centres are consistent with typical anchor leases — including provisions related to signage rights, building control, use clauses, and site-wide operating covenants — all of which are standard for anchor tenant arrangements.
- d. Economic and Strategic Function:** HBC was expected to generate customer traffic, elevate the centre's positioning in the trade area, and support leasing activity with other tenants. These are the fundamental purposes of anchor tenants in a shopping centre ecosystem.

Therefore, from both a commercial and operational standpoint, there is no question HBC functioned as an anchor tenant in these malls.

13. Use Clauses

A use clause is a contractual provision within a lease agreement that defines the type of business a tenant is permitted to operate and the nature of goods or services it may offer from the leased premises. In effect, it governs what the tenant can and cannot do within the space throughout the lease term.

In enclosed shopping centres, use clauses are a strategic leasing tool. They are fundamental to preserving a deliberate and balanced tenant mix that aligns with the landlord's merchandising strategy, supports complementary co-tenancies, and delivers a curated shopping experience for consumers. Use clauses also help avoid tenant conflicts and ensure that the centre remains commercially vibrant and relevant.

14. Potential harms to a landlord when use clauses are not adhered to by a tenant

When a tenant violates the use clause in its lease, the consequences for the landlord can be significant and far-reaching. The most immediate harm typically arises when the tenant crosses into a use that has been contractually granted as exclusive to another tenant in the shopping centre. This breach can trigger remedies for the affected tenant, which may include the right to reduce its rent, seek damages, or in some cases, terminate its lease altogether. If the landlord is unable to rectify the violation with the offending tenant, the financial repercussions can be substantial.

Beyond the direct contractual issues, several additional harms can impact the landlord:

a. Loss of tenant retention and leasing momentum

When use clauses are violated, especially by a high-profile tenant, other tenants may lose confidence in the landlord's ability to manage the centre and uphold leasing protections. This can make it more difficult to renew existing

leases or attract new tenants, ultimately weakening the tenant mix and long-term income stability.

b. Erosion of consumer experience and centre identity

A change in a tenant's use that deviates from the intended merchandising strategy can confuse or alienate customers. For example, if a store begins operating as a clearance or liquidation centre, the perceived quality of the entire shopping centre can decline. This shift can impact foot traffic, sales, and brand perception for all tenants.

c. Decline in overall sales performance

Non-anchor tenants often rely on the anchor tenant's ability to generate steady, aligned traffic. A use change that disrupts traffic patterns or introduces intra-category competition can materially reduce sales for smaller tenants, undermining their ability to operate profitably or justify lease renewals.

d. Negative impact on asset valuation

Shopping centre valuations depend heavily on income predictability and tenant covenant strength. Violations of use clauses introduce instability and increase investor risk, which can negatively impact the property's appraised value and marketability.

e. Operational and legal burden on the landlord

Resolving use clause disputes can require significant time and legal expense. It may involve formal enforcement efforts, litigation, or complex negotiations—all of which place an administrative and financial strain on the landlord's resources.

In summary, use clause violations by a tenant can create a cascade of issues that affect not only immediate lease terms but also the long-term positioning and financial performance of the entire shopping centre.

15. First-class shopping centre

The term "first-class shopping centre" is commonly used in the Canadian retail and real estate industries to describe a shopping centre that is of superior quality in terms of its design, construction, operations, tenant mix, and overall customer experience. These centres are typically positioned at the top of the market within their trade area and are viewed as desirable destinations for both consumers and tenants.

A first-class shopping centre typically includes the following characteristics:

- a. Superior Design and Maintenance** – The property is well-designed, modern, and meticulously maintained. This includes common areas, washrooms, lighting, flooring, signage, landscaping, and parking facilities.

- b. High-Calibre Tenant Mix** – The centre is anchored by strong, nationally or internationally recognized brands and includes a balanced mix of retailers that attract a broad range of consumers.
- c. Strong Consumer Appeal** – These centres tend to enjoy strong customer loyalty, repeat visitation, and high foot traffic due to the overall quality of experience.
- d. Professional Management and Operations** – Day-to-day operations are handled by an experienced property management team that ensures cleanliness, security, wayfinding, and responsiveness to tenant and customer needs.
- e. Attractive Location and Accessibility** – A first-class centre is typically located in a high-traffic area with excellent accessibility, parking, and public transit connections.
- f. Up-to-Date Amenities and Services** – These centres often include modern amenities such as digital directories, loyalty apps, concierge services, or family-friendly facilities, further elevating the customer experience.

In short, while the specific definition of “first-class shopping centre” may vary depending on the context, the term is widely used across the industry to refer to a shopping centre that delivers best-in-class retail experiences and meets or exceeds industry standards for quality, performance, and customer satisfaction.

16. Features of a first-class shopping centre

First-class shopping centre requires consistent and deliberate effort across multiple disciplines, including leasing, property management, capital planning, and marketing. As noted above, the term “first-class” is understood within the industry as a benchmark for high-quality operations, superior tenant mix, and an elevated customer experience.

Landlords typically implement the following strategies to preserve and reinforce that status:

- a. Curated Tenant Mix with Best-in-Class Retailers** – A defining feature of first-class centres is a tenant mix anchored by top-performing, nationally or internationally recognized retailers. This includes strong, stable anchor tenants as well as high-profile specialty retailers that align with the expectations of the trade area. Maintaining a critical mass of such tenants is essential to sustaining shopper traffic, enhancing brand perception, and attracting complementary tenants.
- b. Active and Strategic Leasing Management** – Landlords continually monitor market trends and consumer preferences to ensure their leasing strategy

evolves accordingly. This involves proactively replacing underperforming tenants, securing sought-after brands, and maintaining balanced merchandising across categories (e.g., fashion, food, services).

- c. **Ongoing Capital Investment** – First-class shopping centres undergo routine capital upgrades to remain visually appealing and operationally modern. Investments often include improvements to interior finishes, lighting, flooring, common area amenities, parking lots, façades, and building systems such as HVAC and fire safety infrastructure.
- d. **High Operational Standards** – Maintenance and cleaning are held to a superior standard. This includes everything from landscaping and snow removal to waste management, wayfinding signage, and restroom upkeep. Landlords will often employ professional third-party firms to maintain these standards consistently.
- e. **Professional Property Management and Security** – On-site management teams ensure smooth day-to-day operations, provide immediate responsiveness to tenant and customer concerns, and uphold the centre's service standards. Security personnel, surveillance systems, and emergency preparedness protocols are carefully managed to ensure a safe and welcoming environment.
- f. **Targeted Marketing and Events Programming** – First-class centres actively promote themselves through integrated marketing strategies, including seasonal campaigns, loyalty programs, social media, and in-person events. These efforts support tenant sales while reinforcing the centre's reputation and customer loyalty.
- g. **Enforcement of Tenant Design and Operating Standards** – To preserve the overall experience, landlords often enforce design criteria and minimum operating standards across all tenancies. These may include requirements for storefront design, merchandising displays, lighting, and hours of operation. Non-compliance may result in penalties or lease default.
- h. **Regular Customer and Tenant Feedback Loops** – Leading landlords collect and analyze feedback through tools such as customer surveys, mystery shopping, and tenant satisfaction interviews. These insights inform operational improvements and capital planning priorities.
- i. **Adaptability to Retail and Demographic Trends** – A first-class shopping centre must evolve with changing retail formats, consumer behavior, and demographic shifts. Landlords who remain nimble—introducing new uses such

as wellness, entertainment, or co-working—are better positioned to preserve the centre’s relevance and value over the long term.

CF Toronto Eaton Centre is an excellent example of a centre depicting the features of a first-class shopping centre.

17. Regional shopping center

According to ICSC, a regional shopping centre is an enclosed center (mall) typically ranging in size from 400,000 to 800,000 square feet of gross leasable area (GLA). It is usually anchored by one or more full-line department stores or similarly prominent retailers and draws from a broad trade area radius, typically eight to twenty-four kilometers, depending on the market density.

These centers are designed to offer general merchandise or fashion-oriented offerings, often with a focus on national brands, and typically feature a curated tenant mix across multiple categories to serve as a one-stop shopping destination for consumers. In some cases, they are two or more levels, include food courts or dining areas, and maintain a strong interior common area presence with defined entry points and circulation zones.

Regional shopping centers play a critical role in shaping retail activity across suburban and urban markets alike. These properties are typically built and leased with the intent of serving as primary retail hubs, often dominating their respective trade areas due to their scale, quality of tenant mix, and the presence of best-in-class anchor tenants.

18. Different Tiers of Tenants

In the retail industry, the classification of tenants into Tier 1, Tier 2, and Tier 3 is a widely accepted term used by landlords, leasing professionals, and investors to assess the strength and desirability of tenants. These tiers are typically defined by a combination of brand recognition, financial stability, store format, and contribution to the overall retail experience within a shopping center.

Tier 1 tenants are nationally or internationally recognized retailers with strong brand equity and customer awareness. They are typically category leaders and often operate flagship or large-format stores in premium locations. These tenants tend to have strong financial covenants, and in many cases, are investment-grade or backed by large, well-capitalized parent companies. They are frequently traffic drivers for the entire center and are usually located in prominent areas of the mall. HBC was a Tier 1 tenant at its peak. Examples of other Tier 1 tenants would include Apple, Lululemon, Nike, Sephora, Whole Foods, Aritzia, Holt Renfrew, and Harry Rosen.

Tier 2 tenants are generally regional brands that are financially stable and well-known within their core markets. While they may not drive the same level of traffic as Tier 1 tenants, they contribute significantly to a well-balanced merchandising strategy.

These tenants often occupy mid-size units and are reliable, long-term occupants. They tend to have a moderate to strong customer following, solid operations, and are seen as complementary to Tier 1 anchors. Examples include Mark's Work Wearhouse, Sport Chek and the TJX brands of Winners, Marshalls, and HomeSense (TJX).

Tier 3 tenants are typically local, independent, or emerging retailers with limited brand awareness outside their immediate geography. They are often non-credit tenants and may occupy smaller units or operate on shorter lease terms. While they can add character and diversity to the merchandising mix, they are generally viewed as higher risk in terms of financial covenant, longevity, and execution. These tenants are often used to fill gaps between national chains or to test new retail concepts. Examples include Miniso, Urban Behaviour and Ardene.

This tiering system is frequently used in leasing negotiations, portfolio analysis, and underwriting processes to evaluate tenant quality, risk exposure, and overall asset strength.

19. Operational standards of Regional Malls in Western Canada

Leading regional malls in Western Canada are similar to other leading regional malls throughout most of Canada in that they all operate to a first-class standard.

20. Department Store

ICSC's Dictionary of Shopping Center Terms, 4th Ed. defines department stores as anchor tenants offering a wide assortment of general merchandise. Some key attributes are:

- Large-format retail space (commonly over 80,000 SF)
- Multi-department layout (e.g., apparel, cosmetics, housewares)
- Full-line general merchandise offering

Statistics Canada – NAICS 452110 / 45511 defines department stores as “establishments primarily engaged in retailing a wide range of products, with each merchandise line constituting a separate department within the store. Selected departments may be operated by separate establishments, on a concession basis.” The classification excludes warehouse-style stores engaged in retailing a general line of grocery items in combination with a general line of non-grocery items.

Across the retail industry, the following features consistently define a department store:

- Large-format footprint
- General merchandise across multiple departments
- In-store merchandising organized by product category
- Critical mass to serve as a traffic-driving anchor

- Distinct from category-specific or discount retailers

21. Types of department stores

In the commercial real estate and retail industries, department stores are typically categorized based on the breadth of merchandise, service model, brand positioning, and target demographic. The primary types include:

a. Luxury or High-End Department Stores

These stores carry premium merchandise, including designer apparel, fine jewelry, cosmetics, and upscale home furnishings. They provide personalized service and are often located in high-end shopping centres catering to affluent consumers.

Examples include Holt Renfrew, Harry Rosen, Harrod's and Neiman Marcus.

b. Full-Line Traditional Department Stores

These offer a broad mix of mid-market merchandise across multiple departments—apparel, accessories, home goods, cosmetics, and sometimes small appliances—serving a wide demographic.

Examples include HBC, Simons, and Macy's.

c. Discount Department Stores

These stores provide multi-category merchandise at lower price points, often including both national brands and private labels. They typically have less focus on in-store service or presentation but serve a broad value-conscious consumer base.

Examples include Walmart, Canadian Tire, Target and Kohl's.

d. Off-Price Department Stores

These retailers focus on discounted brand-name goods—often from past seasons or excess inventory—and operate across various departments, though usually with more limited assortments.

Examples include Winners, Marshalls, HomeSense, and Ross Dress for Less.

e. Category-Specific Large Format Stores

These large retailers may resemble department stores in footprint and presentation but specialize in a particular product category, such as apparel, sporting goods, or electronics. While not true department stores by definition, they are sometimes treated similarly in commercial leasing contexts.

Examples include Sporting Life and Best Buy.

These categories are commonly used in retail industry analysis and commercial leasing discussions to assess co-tenancy, merchandising mix, and consumer appeal.

22. First-class department store

A first-class department store is generally understood to be a large-format retailer that provides a premium customer experience, features high-quality merchandise, and reflects best-in-class operational standards. These stores typically anchor prominent shopping centres and are considered highly desirable from both a branding and co-tenancy perspective. Characteristics include:

- Prestigious brand identity with national or international recognition
- High-end merchandise across multiple departments (apparel, cosmetics, accessories, homewares)
- Superior in-store service standards, including concierge-style assistance, curated merchandising, and luxury customer amenities
- Attractive store design and presentation, aligned with upscale retail environments
- Strong financial stability and investment in marketing, innovation, and physical locations

A Tier 1 department store as referenced above would operate in a first-class manner.

23. Typical Bay conventional department store

A typical HBC conventional department store refers to an HBC location operating under its traditional full-line department store format. This excludes any discount or outlet variations, as well as specialized concepts such as the Bay Home standalone units.

These conventional HBC stores have historically served as anchor tenants in regional and super-regional shopping centres across Canada. The HBC stores were intended to operate in a first-class manner. They were generally characterized by:

- Large-format layouts, typically ranging from 80,000 to over 150,000 square feet, often spanning two or more levels
- A wide assortment of merchandise organized into departments, including apparel, footwear, accessories, cosmetics, homewares, and seasonal goods
- Moderate to high end brand positioning, appealing to a broad, middle-income demographic
- Limited focus on food and beverage offerings, distinguishing them from some legacy department stores with in-store dining options

Referring to a "typical HBC conventional department store" implies the legacy, full-service format that once played a central role in driving traffic and supporting co-tenancy in enclosed malls.

24. Definition of a typical suburban department store and a typical Eaton's department store

A typical suburban department store refers to a large-format anchor tenant situated within a regional or super-regional shopping centre located in a suburban trade area—typically outside a city's central business district.

Key characteristics of a typical suburban department store include:

- A wide assortment of goods across multiple categories, such as apparel, accessories, homewares, cosmetics, footwear, and seasonal merchandise
- Premises ranging from approximately 80,000 to 150,000 square feet, often over multiple floors
- A broad, mid-market customer base, with a focus on convenience and one-stop shopping
- Access points from both the interior of the mall and the parking lot, reflecting the car-dependent nature of suburban shopping
- Functional layouts and design intended to serve as a practical, high-traffic anchor within the overall centre

By comparison, a typical Eaton's department store, particularly during the height of its operations, exhibited elevated positioning and influence within Canadian shopping centres.

Key characteristics of a typical Eaton's department store include:

- Larger format stores, often exceeding 150,000 square feet across several floors
- A more curated and fashion-forward merchandising strategy, with an emphasis on higher-end goods and branded products
- Enhanced customer experience, often featuring customer service counters, in-store restaurants, and more refined finishes
- Prestige value as an anchor tenant, often elevating the mall's brand perception and attracting complementary co-tenants
- Flagship locations in both urban downtowns and suburban malls, typically serving as dominant anchors within the mall's leasing strategy

While Eaton's operated in both urban and suburban settings, its stores were generally perceived as more elevated than a typical suburban department store due to its merchandising mix, customer service model, and role in shaping the tenant mix and positioning of the mall as a whole.

25. Operating in a manner like a national department store such as Sears, Simpsons, Eaton's, or HBC

To operate in a manner like a national department store—such as Sears, Simpsons, Eaton's or HBC—generally refers to a set of operational, merchandising, and branding characteristics that were consistently observed across these legacy retailers during their peak performance years.

These characteristics typically included:

- a.** Large-format, multi-department stores offering a wide range of product categories under one roof—including apparel, footwear, cosmetics, accessories, home goods, and soft furnishings—spanning tens of thousands of square feet over one or more floors.
- b.** National brand recognition, with consistent branding, advertising, and store layouts across the country, creating a unified identity and predictable customer experience regardless of location.
- c.** Full-service retailing, including staffed customer service desks, in-store tailoring or alterations, beauty counters, catalogue services, and in many cases, on-site restaurants or cafes.
- d.** Anchor tenant status in enclosed shopping centres and regional malls, where these stores played a central role in driving customer traffic and establishing the retail positioning of the entire centre.
- e.** Commitment to long-term occupancy, often demonstrated by extended lease terms (20+ years) with options to renew, significant investments in store buildouts, and involvement in broader co-tenancy or site planning decisions.
- f.** Merchandising strategy designed for mass appeal, often carrying a wide range of price points and private-label brands to attract broad demographic segments across Canada.
- g.** Seasonal and promotional cadence, marked by well-known sales events (e.g., Boxing Day, Friends & Family events), catalogues, and coordinated nationwide marketing campaigns.

In commercial leasing contexts, referencing a tenant that "operates like a national department store" implies a tenant that brings similar attributes: scale, brand equity, customer draw, long-term stability, and financial strength.

26. Differentiation between the department stores like Sears, Simpsons, Eaton's, HBC from discounted or non-first-class department stores

The department stores referenced—Sears, Simpsons, Eaton's, and HBC—were historically regarded as first-class department stores and played a significant role as anchor tenants in many regional and super-regional enclosed shopping centres.

These retailers were distinguished from discounted or non-first-class department stores by several key attributes:

- a. Merchandise Strategy** – They offered a broad and curated range of fashion apparel, footwear, cosmetics, accessories, and homewares, typically from recognized national and international brands. The merchandise mix was positioned to appeal to middle- to upper-income consumers and was regularly updated to reflect seasonal trends and market demand.
- b. In-Store Experience** – These stores maintained high standards in terms of store design, presentation, and customer service. Their premises typically featured professional merchandising, staffed counters (e.g., beauty or jewelry), fitting rooms, alterations services, and sometimes in-store amenities such as cafés, salons, or personal shopping.
- c. Capital Investment** – First-class department stores made significant capital investments into their premises, often spanning multiple floors with escalators and elevators, custom storefronts, and large-scale interior buildouts. These features helped establish a strong brand presence within the mall and distinguished them from smaller, value-focused operators.
- d. Size and Location** – They typically occupied large-format, multi-level spaces of 80,000 square feet or more, in highly visible locations within the mall. These stores were often custom-built for the tenant and acted as major traffic drivers for the shopping centre as a whole.
- e. Operational Standards** – These retailers adhered to high operational standards, including cleanliness, merchandising discipline, customer service, and reliable store hours. Their performance was consistent with the expectations placed upon anchor tenants in first-class shopping centres.
- f. Brand Recognition and Heritage** – These brands had longstanding reputations in the Canadian retail market and were well-known to generations of consumers. Their presence within a shopping centre conveyed a level of prestige and stability that supported the landlord's leasing and merchandising strategy.

In contrast, discount or non-first-class department stores generally focused on value pricing over brand experience, carried more limited or irregular inventory, invested less in store buildout or staffing, and were less likely to align with the overall design or merchandising standards of a first-class shopping centre. While these value-oriented operators may be financially strong or widely distributed, they typically did not contribute to the aspirational or elevated shopping experience that first-class department stores were known to provide.

27. Meaning of “a conventional department store organization which is a first-class operation of conventional department stores in accordance with the best merchandising standards (same or better standards as HBC)”

This meaning is intended to describe a department store chain that is not only conventional in format but also recognized as operating to the highest retail standards—on par with, or better than, those historically associated with HBC when it was operating at its peak. The reference to first-class operation was described more fully in the section “First-Class Department Store.”

A conventional department store organization refers to a retail business model that provides a broad assortment of goods—including apparel, accessories, cosmetics, footwear, homewares, and sometimes luggage or soft furnishings—organized into distinct departments under one roof and operated by a single retailer. These stores typically range in size from 80,000 to 150,000 square feet, and are often located on multiple floors within regional malls or enclosed shopping centers. While the layout may vary, they generally include central checkout zones, dedicated service counters, and branded in-store concessions.

The phrase “same or better standards as HBC” uses HBC as a benchmark. While its performance has declined in recent years, HBC was long regarded as a best-in-class national department store. Its merchandising standards, customer experience, and national footprint once set the bar for what constituted a desirable anchor tenant.

This clause is designed to ensure that any tenant occupying such space in a shopping center will meet or exceed those historically recognized benchmarks—contributing positively to the shopping center’s brand positioning, tenant mix, customer traffic, and overall market appeal.

28. Meaning of “first-rate merchandising actively in the business of a retail department store”

The intention of the phrase “first-rate merchandising actively in the business of a retail department store” refers to a department store that is not only operating but doing so at a high professional standard consistent with top-tier retail expectations.

This would generally include the following key elements:

a. Broad and Balanced Assortment of Goods

A first-rate department store offers a wide range of merchandise across multiple departments—apparel, accessories, cosmetics, footwear, homewares, etc.—that reflect current consumer demand and fashion trends. The mix is regularly updated and curated to appeal to the store’s target demographics.

b. Presentation and Store Experience

Products are well merchandised and thoughtfully displayed in a way that enhances the shopping experience. Signage, lighting, visual displays, and

seasonal themes are professionally executed to create an appealing and navigable environment.

c. Active and Engaged Operations

The store is consistently staffed with trained sales associates and management actively engaged in the business of retail. Inventory levels are appropriate, shelves are restocked regularly, and customer service is a clear priority. These are signs of an actively managed business, as opposed to a passive or neglected operation.

d. Brand Integrity and Consumer Trust

A first-rate operator maintains brand reputation by offering quality products, dependable service, and consistent marketing. Consumer trust is paramount. A store suffering from stockouts, poor staffing, or a degraded in-store environment (as seen in some department stores during their decline) would not meet this standard.

e. Sales Orientation and Traffic Generation

Actively pursuing sales through promotions, loyalty programs, and advertising, and driving consistent customer traffic are all hallmarks of a first-rate department store operator.

f. Operational Investment

This includes ongoing investment in inventory management systems, point-of-sale technologies, digital integration (e.g., click-and-collect or online returns), and staff training—all of which demonstrate active engagement in the business of modern department store retailing.

29. Best merchandising standards traditionally applied by HBC

HBC historically maintained merchandising standards consistent with those expected of a full-line, conventional department store operating as an anchor tenant in first-class shopping centres across Canada. While execution varied by location and declined in recent years, the following attributes reflect the HBC's best merchandising practices:

a. Comprehensive Assortment Across Key Categories

HBC traditionally offered a wide array of merchandise organized into distinct departments, including men's and women's apparel, footwear, cosmetics, homewares, kitchenware, bedding, accessories, and seasonal items. This breadth of offering was a hallmark of its identity as a department store.

b. Strong National and International Brand Presence

When operating at its best, HBC featured a curated mix of nationally recognized and international brands, along with its own private labels. This positioning allowed HBC to serve a broad consumer demographic ranging from mid-market to upper-middle income shoppers.

c. Wedding Registry Leadership

HBC was widely regarded as the market leader in the wedding registry business in Canada. It built strong consumer trust in this category through dedicated registry departments, knowledgeable staff, and curated product selections, making it a destination of choice for newly engaged couples.

d. Consistency with Consumer Expectations

At its peak, HBC was known for meeting and often exceeding the expectations of Canadian consumers. Customers knew what to expect when visiting a HBC location—reliable merchandise, familiar store layouts, and consistent levels of service—all of which contributed to brand trust and repeat visitation.

e. Effective Visual Merchandising and Store Presentation

Well-performing HBC locations invested in visual merchandising, including branded department signage, seasonal displays, and organized floor layouts that encouraged browsing and improved the customer experience. The layout and aesthetics were generally aligned with contemporary department store standards.

f. Customer Service Infrastructure

Historically, HBC operated with a full-service retail model. Staff were typically present across key departments such as fashion, cosmetics, and homewares. Customer service counters and in-store amenities reinforced the store's role as a full-line, service-oriented retailer.

g. Seasonal Promotions and Brand Campaigns

HBC maintained a strong promotional calendar, with events like "Bay Days" and Boxing Day sales driving traffic and reinforcing its position as a value-oriented destination during key shopping periods.

h. Anchor Role Within the Shopping Centre

When operating at its best, HBC played a critical role in a mall's overall merchandising strategy by driving customer traffic and supporting the leasing of adjacent in-line stores through its brand recognition and customer draw.

While more recent performance has varied, the above characteristics reflect HBC's historically best merchandising standards in the Canadian retail landscape.

30. Major Department Store

A major department store refers to a large-format retail store, typically occupying more than 80,000–150,000 square feet of space (often over multiple levels), which offers a broad array of merchandise organized into specialized departments. These departments usually include apparel (men's, women's, children's), footwear, cosmetics, accessories, housewares, linens, furniture, and luggage.

A major department store is distinguished not only by its size and assortment but also by its market position, brand recognition, and long-standing presence in major shopping centres across the country. It typically serves as an anchor tenant in enclosed regional malls or flagship urban locations, attracting significant customer traffic and helping define the merchandising tone of the overall centre.

Major department stores also often maintain centralized control over their brand, merchandising, and customer experience. They are generally held to high standards of customer service, store presentation, and product breadth.

Examples of major department stores HBC, Eaton's, Sears and in more recent history, Nordstrom Canada. These retailers were commonly associated with strong national branding, extensive in-store services (such as personal shopping or wedding registries), and comprehensive merchandising across key retail categories.

31. Vendors/brands carried by first-class and/or Tier 1 department stores

First-class or Tier 1 department stores are typically defined by their ability to curate and carry brands that are viewed as premium, exclusive, and highly desirable to consumers. These stores are not solely defined by price point but rather by the perceived quality, reputation, and brand equity of the merchandise they offer.

The brands found in these stores often exhibit the following characteristics:

- **Consumer Desirability:** They have strong brand recognition and aspirational value.
- **Limited Distribution:** They are not widely available through discount retailers or mass-market channels.
- **Strong Margins:** Many of these brands support premium pricing, contributing to the department store's revenue per square foot and gross margin.
- **Brand Alignment:** They align with the department store's positioning in the market (e.g., fashion-forward, luxury, heritage, etc.).

Examples of brands commonly carried by first-class or Tier 1 department stores include:

- **Outerwear & Apparel:** Canada Goose, Mackage, Moncler, Golden Goose, Arcteryx (in some cases through store-in-store formats)
- **Luxury Accessories:** Gucci, Chanel, Prada, Saint Laurent

- **Footwear:** Stuart Weitzman, Christian Louboutin, Salvatore Ferragamo
- **Beauty & Cosmetics:** La Mer, Chanel Beauty, Dior, Estée Lauder, Tom Ford Beauty
- **Jewelry & Watches:** David Yurman, TAG Heuer, Cartier (in select locations or pop-ins)

These department stores may also carry emerging brands that are on-trend, offering them as a differentiator from mainstream mid-tier retailers. Many of these brand relationships are managed via direct wholesale, consignment, or concession models depending on the brand's control preferences.

32. Classifying HBC, Eaton's, Simpsons, and Sears

In the Canadian retail context, HBC, Eaton's, Simpsons, and Sears were historically leading department stores operating in a first-class manner. These department stores shared several characteristics that distinguished them from discount retailers:

- **Broad Appeal:** They targeted a mass-market consumer with a mix of private label, national, and entry-level premium brands.
- **Size & Format:** Their store footprints typically ranged between 80,000 and 150,000 square feet, operating as anchor tenants in major regional malls.
- **Merchandising Standards:** While generally clean and organized, they did not achieve the curated, high-touch presentation typical of luxury department stores.
- **Customer Experience:** Service standards varied by location but were typically focused on volume and accessibility rather than luxury service.

33. National department store vs. a regional department store

The primary distinctions between a national department store and a regional department store are geographic coverage and brand name recognition. National department stores typically operate across the country with locations in most major provinces or regions, while regional department stores are more limited in footprint and consumer reach.

For example, HBC was a national department store with approximately 96 locations across Canada, a high level of consumer recognition, and a broad assortment of merchandise targeting a wide demographic. Holt Renfrew, on the other hand, is better characterized as a multi-regional department store despite its strong brand and luxury positioning. Holt Renfrew operates only in select major cities such as Toronto, Vancouver, Calgary, and Montreal, and caters to a narrower, more upscale clientele.

34. Meaning of maintaining the appearance of a single integrated department store or having the appearance of a single department store with a series of concessionaires

A single integrated department store functions as one unified retail operation. The store has the appearance that all merchandise is sold by the department store, and all departments are operated under a consistent set of standards, staffing, and branding. The entire floor(s) appears to be managed by a single retailer and intended to deliver a seamless, controlled customer experience.

In contrast, a department store with distinguished concessionaires will operate as a “store-within-a-store” model. In this format, the department store individual brands/concessions operate their own boutiques within the larger space. These concession partners typically manage their own inventory, staff, and merchandising. Examples include Holt Renfrew, which houses boutique spaces for Chanel, Gucci, Prada, Louis Vuitton, and other luxury brands.

35. Merchandising mix in a shopping center

In the retail shopping center industry, the term merchandising mix (also referred to as tenant mix) refers to the strategic combination of tenants within a shopping center designed to create a compelling and complementary offering for customers. The objective is to balance retail categories, price points, and brand identities in a manner that maximizes foot traffic, dwell time, and overall sales performance across the property.

A typical merchandising mix will include a blend of:

- Anchor tenants (such as department stores or supermarkets)
- Fashion retailers
- Food and beverage operators
- Personal services (e.g., salons, dry cleaners)
- Entertainment or experiential tenants
- Convenience or necessity-based retailers

A well-curated merchandising mix supports cross-shopping, encourages repeat visitation, and contributes directly to the financial viability and long-term success of the center. Leading landlords routinely adjust and fine-tune the merchandising mix based on the property’s location, evolving customer demographics, and competitive offerings within the trade area.

36. Importance of merchandising mix

A well-executed merchandising mix defines the positioning of a shopping centre, whether it be luxury, value-oriented, family-focused, or convenience-driven. It is a deliberate, data-driven strategy that supports customer attraction and retention by

encouraging cross-shopping, increasing time in the centre, and enhancing overall sales across the property.

The importance of tenant mix to landlords cannot be overstated. It has a direct impact on:

- **Leasing Strategy:** A strong tenant mix attracts other desirable tenants. For example, the presence of a luxury anchor such as Holt Renfrew signals a high-quality centre, which in turn draws premium retailers seeking brand alignment.
- **Consumer Attraction and Retention:** The right tenant mix increases dwell time and customer spend by creating reasons for cross-shopping — for instance, a customer visiting for groceries may also visit a fashion retailer or a quick-serve restaurant.
- **Market Positioning and Identity:** The tenant mix reflects the mall's positioning (luxury vs. value, urban vs. suburban, etc.) and helps define its competitive advantage within the trade area.
- **Economic Performance:** A carefully constructed tenant mix maximizes sales per square foot and supports sustainable rental income by minimizing tenant turnover and vacancy risk.

Landlords and developers curate the merchandising mix based on local demographics, trade area dynamics, and competitive positioning. When properly executed, it contributes directly to customer satisfaction, retailer profitability, and the financial success of the shopping centre. Conversely, a poorly conceived tenant mix can undermine the performance and reputation of an entire property.

37. First-rate merchandising activity of a shopping centre

First-rate merchandising activity refers to the ongoing, proactive set of landlord-driven practices that curate, present, promote, and continuously improve the tenant mix and customer experience which maximize traffic, dwell time, sales, and asset value. This can include:

a. Strategic curation and category management

Maintaining the right balance of anchors, fashion, F&B, services, entertainment, and convenience while actively managing gaps, overlaps, and adjacencies of uses

b. Tenant onboarding and fit-out standards

Enforcing clear design, signage, and storefront criteria; expedited design review; coordinated construction schedules; and timely turnover so new tenants open on calendar with consistent presentation.

c. Centre-wide visual presentation

Ensuring tenants adhere to window-display guidelines, coordinated merchandising campaigns, common-area pop-ups/kiosks that complement—not cannibalize—surrounding tenants, and disciplined housekeeping standards.

d. Marketing and traffic-driving programs

An annual marketing plan with seasonal campaigns, centre-wide promotions, loyalty/CRM, influencer and social programs, PR, tourism partnerships, and event programming (fashion shows, holiday activations, family events).

e. Data-driven performance management

Systematic collection and analysis of tenant sales, category KPIs, footfall and heat-mapping, entry counts, and dwell time; quarterly business reviews with key tenants; ROI tracking on marketing campaigns.

f. Omnichannel enablement

Support for click-and-collect, returns in-centre, curbside programs, wayfinding and parking tech, and digital directories; enabling tenants' digital discovery with centre websites/apps.

g. Operational discipline that protects the mix

Enforcing operating hours, merchandising covenants, use clauses, and presentation standards; managing noise and odour; maintaining escalators, elevators, HVAC for customer comfort.

h. Programming for complementary uses

Food-hall or elevated food-court concepts, experiential tenants, arts/culture installations, and temporary showcases or incubators for emerging brands that add novelty without diluting the core mix.

i. Capital reinvestment and placemaking

Regular upgrades to lighting, finishes, furniture, restrooms, parenting rooms, outdoor areas, and signage/wayfinding to keep the asset aligned with first-class expectations.

Taken together, these activities demonstrate an active, professional landlord approach that does more than lease space. It continuously curates, presents, and promotes the centre so the tenant mix functions as a cohesive, high-performing ecosystem.

38. Tenant merchandising plans

Tenant merchandising plans refer to the internal strategies used by a tenant to organize the layout, product placement, and customer flow within their leased premises. These plans are typically developed by a retailer's head office and are

intended to maximize sales productivity, reinforce brand identity, and enhance the overall customer experience.

Such plans often consider key elements such as category adjacency, floor positioning, fixture design, visual merchandising, and seasonal changeouts. For larger anchor tenants, these plans are executed with precision to align with their broader brand and operational strategy.

39. Importance of tenant merchandising plans

Tenants employ highly strategic merchandising plans that are consistent across their chain and tailored to the layout of each specific location. These plans are typically developed by senior management and implemented uniformly across their stores to reinforce brand identity and maximize revenue per square foot.

These merchandising plans are not arbitrary or improvised. Rather, they are the product of deep strategic thinking and are informed by extensive market research, consumer behavior analysis, brand identity alignment, and decades of operational experience. Some retailers employ specialized teams — including store planners, visual merchandisers, and retail analysts — to ensure that every square foot of the premises is optimized for sales productivity, customer engagement, and brand cohesion. This level of planning is fundamental to success of the tenant.

The Landlord is also keenly interested in the tenant's merchandising plan so it can curate the mix of surrounding tenants to provide for complementary uses that maximize foot traffic and minimize conflicts. When Nordstrom was planning its store layout at Pacific Centre, several non-anchor tenants inquired as to where certain key departments maybe located within the premises so they could secure positions within the mall to take advantage of increased customer traffic.

40. Criteria for a retailer before designer/luxury brands can be sold

In the retail industry, it is widely understood that designer and luxury brands impose strict criteria that must be met before they will allow a department store or retailer to carry their merchandise. These criteria typically include:

- **Physical Presentation Requirements:** Luxury brands require the retailer to deliver a high-end shopping environment that aligns with the brand's identity. This often includes brand-approved finishes, lighting, fixtures, and dedicated "shop-in-shop" areas within the store.
- **Concession or Shop-in-Shop Format:** Rather than wholesale arrangements, many luxury brands insist on operating within a concession model, where the brand controls the presentation, staffing, and sometimes even pricing of their merchandise inside the department store.
- **Location and Placement:** Luxury brands often dictate that their shop be placed in premium locations within the store — usually on the main level,

adjacent to cosmetics, jewelry, or other prestige categories — and surrounded by other premium or luxury brands.

- **Staffing and Training:** Many brands require their sales staff to be directly trained or even employed by the brand itself to ensure consistent brand representation and customer experience.
- **Performance and Brand Alignment:** The retailer is often required to meet minimum sales thresholds and demonstrate that their overall brand values, clientele, and merchandising strategy align with the standards of the luxury brand.

These requirements reflect the highly controlled nature of luxury brand distribution. Department stores that fail to meet these criteria are generally not permitted to carry these brands, as the luxury brand's primary objective is to preserve its exclusivity, image, and customer experience.

41. Tenant Mix in a mall and its importance for landlords

The term tenant mix (also referred to as "merchandising mix") was discussed previously in "Merchandising mix in a shopping center" and "Importance of merchandising mix." A well-executed tenant mix is intentionally designed to provide complementary retail offerings across a variety of categories, price points, and brand identities.

42. Tenant financial criteria required by landlords

In today's commercial leasing environment, sophisticated landlords evaluate prospective tenants with the same level of scrutiny as a bank would apply to a client applying for a business loan. The objective is to assess the tenant's ability to fulfill long-term financial obligations under the lease and to determine what security, if any, is required to mitigate potential risk.

This financial due diligence typically includes the following:

- **Revenue and Sales Projections:** Analyzing historical and projected sales data to determine whether the tenant can support the proposed rent and total occupancy costs.
- **Profitability and Operating Margins:** Reviewing income statements to assess gross margin, net margin, and overall financial sustainability.
- **Cash Flow and Liquidity:** Evaluating the tenant's ability to meet fixed obligations such as rent, payroll, and debt service — especially during slower trading periods.
- **Debt Load and Capitalization:** Understanding the tenant's financial structure, including levels of leverage and access to capital.

- **Store-Level Economics:** In addition to corporate financials, landlords may request pro forma store-level financials, particularly for anchor tenants or first-time entrants into the market.
- **Inventory Management and Turnover:** High turnover may signal operational efficiency and customer demand; poor turnover may raise concerns around inventory obsolescence and cash flow.
- **Operational Infrastructure:** Including staffing levels, logistics capacity, and technology systems, which all contribute to long-term viability.

If this analysis raises concerns — such as low profitability, limited operating history, or inconsistent cash flow — landlords may require financial protections to de-risk the tenancy. These may include:

- **Corporate or Personal Guarantees** from principals or parent companies.
- **Letters of Credit (LCs)** equal to a defined portion of the lease obligation or tenant inducements.
- **Security Deposits** to cover early termination or rent arrears.
- **Indemnities** covering landlord costs associated with early default or closure.

The magnitude of these security instruments typically reflects both the scale of the tenancy and the perceived risk. For example, a large-format tenant in a prime location requesting significant inducements would face a higher burden of proof and may be asked to provide multiple layers of security if financial metrics fall short.

43. Landlord's Due Diligence on New Tenants

Landlords perform comprehensive due diligence before entering into lease agreements with new tenants. This process applies to all tenants and is intended to ensure that the proposed retailer aligns with the shopping centre's merchandising mix, quality standards, and long-term objectives.

For any prospective tenant, landlords will typically review:

- **Corporate Financial Strength** – Review of audited or management-prepared financial statements, and, for private companies, personal financial information and confirmation from accounting firms.
- **Business Plan Overview** – A high-level plan outlining the retail concept, target customer profile, location rationale, brand positioning, staffing model, operating hours, and capital investment intentions.
- **Market Understanding** – Demonstrated knowledge of the trade area, competitive landscape, and positioning relative to existing retailers.

- Proof of Concept – Evidence that the retailer’s concept is viable, such as sales data from comparable locations, photographs or renderings, and consumer feedback from other markets.
- Design and Quality Fit – Assurance that store design, merchandising layout, and finishes align with the centre’s brand standards.

This level of due diligence helps mitigate the risk of tenant underperformance, protects the shopping centre’s reputation, and ensures that each retailer plays a complementary role in the overall merchandising mix.

44. Impact of Tenant Brand Awareness, Track Record, and Lease Term on Landlord Security Requirements

These factors are directly correlated with the level of financial security a landlord will require from a prospective tenant. In the commercial leasing industry, especially within premier enclosed shopping centers, landlords are very weary of taking on leasing risk. The more uncertain or unproven the tenant, the more likely the landlord will require safeguards to mitigate downside risk.

For example:

- Brand Awareness: A nationally recognized or established brand with consumer loyalty is perceived as lower risk. By contrast, a new or unfamiliar brand with no existing presence or reputation in the Canadian market will likely require some form of financial security — such as a letter of credit or personal guarantee — to provide assurance of performance.
- Operating Track Record: Tenants with a proven operating history, especially within similar retail environments or formats, are typically granted more favourable lease terms. Conversely, landlords will expect added security from tenants with no prior retail experience or those introducing a new concept.
- Lease Term: Longer lease terms often come with higher capital investment (e.g., tenant allowances, design approvals, co-tenancy rights). If the tenant is unable to perform for the full term, the landlord bears material risk. In these cases, landlords typically require commensurate financial backstops to protect their investment.

The combination of a new brand, unproven concept, no operating history, and a long-term lease commitment would almost always lead to heightened landlord scrutiny. Landlords would seek guarantees, indemnities, or letters of credit to ensure rent is paid, obligations are met, and that any inducements (such as tenant improvement allowances or free rent periods) are recoverable should the tenant default. These requirements are standard commercial practice and form part of responsible risk management by experienced landlords.

45. Regional Differences Retailers Need to Consider

Regional differences within a country like Canada can significantly influence a retailer's success and must be taken into account when entering or expanding in a market. Even well-established, first-class department stores face variability in performance depending on the geographic region in which they operate.

For example, Nordstrom — a widely recognized and highly regarded U.S. department store — experienced strong performance in its west coast locations, particularly in Vancouver, which closely aligns demographically and culturally with its Pacific Northwest U.S. base. However, as Nordstrom expanded eastward in Canada, its sales productivity declined. Despite the consistency of its merchandising and branding, it struggled to resonate as strongly with consumers in markets like Ottawa and Toronto. This same eastward decline in performance has also been observed in the U.S. as Nordstrom moved farther from its Seattle roots.

This example underscores a broader truth: retailers cannot assume uniform consumer behavior across regions. Local consumer preferences, cultural differences, climate, pricing sensitivities, and competitive landscapes vary widely between regions — and can materially affect sales, brand acceptance, and overall success.

Sophisticated retailers recognize this and often invest years into understanding regional market dynamics. This includes conducting customer research, demographic analysis, trial store formats, localized merchandising, and adjustments to pricing and marketing. The most successful brands refine their approach iteratively over time, guided by performance data and customer feedback from each distinct market.

In summary, regional differences are real and consequential. Ignoring them can result in underperformance or failure — even for experienced operators. For new or unproven concepts, these differences pose an even greater challenge, often requiring substantial time, capital, and market insight to navigate successfully.

46. Importance of market studies

Market studies are fundamental to the successful launch, expansion, or repositioning of any retail concept — particularly in a new or unfamiliar market. Best-in-class retailers routinely invest significant time, capital, and internal resources to conduct thorough market analysis before committing to a new location, region, or country.

Target and Nordstrom are both highly sophisticated, first-rate retailers with strong brand recognition and substantial consumer loyalty. Prior to entering the Canadian market, both companies already had a well-established online presence that provided them with valuable insights into who their customers were, where they lived, what they bought, and how they engaged with the brand.

Even with that head start, both companies conducted extensive market studies before physically entering Canada. These studies typically include:

- Demographic and psychographic analysis to understand who the potential customers are and what motivates their purchase decisions
- Sales forecasting and trade area analysis to determine realistic performance benchmarks
- Competitive assessments to understand market saturation and positioning
- Location-specific studies to identify the best real estate opportunities that align with the brand
- Cultural, regulatory, and logistical considerations unique to the new market
- Several site tours of various locations throughout the country by their market research teams

Market studies help refine everything from product assortment and pricing to store layout, staffing levels, and marketing strategy. The absence of such studies would be considered a red flag by most sophisticated landlords, owners, or investors.

47. Why Landlords Prefer to Keep Anchor Premises Dark Rather Than Lease to Poor or Unsuitable Tenants

In my experience, leasing a prominent anchor location to an unproven or unsuitable retailer — particularly one without operating history, brand awareness, or a credible business plan — can cause more long-term damage to a shopping center than leaving the space temporarily dark.

While it may seem counterintuitive, collecting some rent from a weak or unknown tenant is not always better than receiving no rent at all. This is especially true in the context of anchor spaces, which play a critical role in defining a shopping center's brand identity, customer perception, traffic patterns, and leasing momentum. Anchor premises are highly visible and symbolic; their occupants help signal the overall quality and positioning of the center.

Leasing to an unqualified or inappropriate anchor tenant can negatively affect:

- Perception and confidence among existing tenants, co-tenancy partners, lenders, and investors
- Future leasing prospects, as strong national or international brands may be reluctant to locate adjacent to an unproven or off-brand anchor
- Foot traffic and customer loyalty, especially if the anchor fails to resonate with the customer base
- Overall asset value, as poor anchor performance may suppress net operating income and cap rate expectations

Sophisticated landlords understand that once an anchor lease is signed, it can be very difficult and costly to reverse course — especially if the tenant fails or vacates early. The reputational risk alone may be too great to justify a short-term rental gain.

For this reason, it is not uncommon for landlords to hold strategic anchor spaces dark until a qualified tenant — one who aligns with the long-term vision and merchandising mix — can be secured.

48. Additional Factors and Criteria Landlords Consider When Leasing to an Anchor Tenant

In addition to the general criteria outlined under “Landlord’s Due Diligence on New Tenants,” anchor tenants are subject to a higher level of scrutiny due to their substantial impact on the shopping centre’s merchandising mix, shopper traffic, and long-term asset value.

Sophisticated landlords will assess:

- a. Brand Strength and Market Recognition** – Whether the tenant is widely known and has strong consumer appeal in the target trade area.
- b. Retail Operating History** – Past performance in comparable markets or formats, including success in previous market entries.
- c. Financial Stability** – Full financial disclosure, including income statements, balance sheets, and evidence of adequate liquidity or financing.
- d. Detailed Business Plan** – A comprehensive plan covering merchandising strategy, store layout, staffing model, pricing approach, marketing plans, and capital requirements.
- e. Tenant Merchandising Plans** – A curated store layout that enhances customer flow and maximizes sales productivity.
- f. Fit Within the Centre’s Merchandising Mix** – How the anchor complements existing tenants and elevates the overall offering.
- g. Sales Productivity Projections** – Forecasts compared to established benchmarks for similar anchors.
- h. Marketing Capabilities** – Ability to drive traffic through advertising, loyalty programs, and digital engagement.
- 1. Security Requirements** – Guarantees, indemnities, letters of credit, or other forms of security if the landlord perceives risk.
- i. Strategic Alignment** – How the anchor supports the landlord’s long-term investment strategy for the centre.

- j. In-Person Store Visits** – Landlords will often visit existing stores domestically or abroad to assess operations, customer engagement, and brand presentation.

When Target and Nordstrom entered the Canadian market, both faced heightened landlord scrutiny consistent with the anchor-level due diligence above. As part of the process, landlords visited the retailers' U.S. head offices and flagship stores. Target hosted Canadian landlords for tours of its US executive offices, operational facilities, and several stores to showcase product mix, merchandising standards, and customer experience. These visits, combined with in-depth discussions of financials, market research, competitive positioning, and store design, gave landlords a comprehensive understanding of the concept. Despite the thorough process, some landlords concluded the risk remained too high and declined to proceed with Target — underscoring the stringent criteria anchors must meet.

49. Online Shopping as key requirement for retail operations

In today's retail environment, offering online shopping is a core requirement for virtually all retail operations. Consumers expect seamless omnichannel experiences—being able to browse, purchase, and return merchandise either in-store or online—and top retailers are built around meeting those expectations.

When landlords assess new tenants to their centres, they routinely consider the tenant's e-commerce capabilities as a critical indicator of long-term viability. A robust online presence extends a brand's reach, supports inventory management, marketing, and sales growth across multiple channels—and in many cases accounts for a substantial portion of total revenue.

Industry data confirms this shift: In 2024, Nordstrom reported that digital sales represented 36% of the company's total annual sales, and represented 38% of Q4 sales (<https://press.nordstrom.com/static-files/203582a6-1e82-4ad3-bc36-98544ae74803>). This trend reflects how department stores increasingly rely on e-commerce as a strategic pillar—and how lacking such infrastructure could significantly undermine performance.

A retailer without a credible online shopping platform is often viewed as outdated and ill-equipped to meet modern consumer demands. For landlords evaluating brand-new retail concepts, the absence of proven digital capacity would raise serious questions about the tenant's ability to achieve sustainable sales.

50. New Retailers That Commenced Operations in Canada With 11 to 28 Stores in a Single Year

I am not aware of any new start-up retailer—department store or otherwise—that has successfully entered the Canadian market by opening between 11 and 28 brand-new stores in a single year. This level of rapid expansion is virtually unprecedented in Canada and would be considered highly aggressive, particularly for

a new-to-market concept with no existing brand awareness, operational infrastructure, or customer base.

Two recent examples—at opposite ends of the spectrum—illustrate why such an approach is inherently risky:

- **Nordstrom** entered Canada in 2014 with a cautious, phased rollout. Over a nine-year period, it opened just six full-line stores nationwide and a handful of Rack Stores before ultimately exiting the market in 2023, citing profitability challenges despite its strong brand and substantial resources.
- **Rooms + Spaces**, launched in 2023 by a Canadian entrepreneur to replace Bed Bath & Beyond, represents the other end of the spectrum. Rooms + Spaces initially opened 24 stores across Canada in former Bed Bath & Beyond locations in the summer of 2023. Within approximately six months, the chain faced severe operational and financial distress—vendor payment delays of up to 180 days, executive turnover, widespread lease defaults, and mass store closures. By early 2024, retail reporting indicated only eight locations remained active, with significant layoffs at corporate head office (<https://businessofhome.com/articles/bed-bath-beyond-s-canadian-reboot-isn-t-going-so-well>). By the end of 2024, only a handful of stores persisted, with the remaining inventory being absorbed into Toys "R" Us locations.

The rapid rise and fall of Rooms + Spaces underscores the heightened execution risk of large-scale, fast-track expansion without the foundational infrastructure, supply chain stability, or financial resilience needed to sustain operations. The Nordstrom example shows that even well-resourced, globally recognized brands can face profitability challenges despite a measured rollout. Together, they demonstrate that launching 11 to 28 new retail stores in Canada within a single year—without prior presence or established brand equity—is rare, high-risk, and demands intense landlord scrutiny around operational readiness, supplier reliability, tenant creditworthiness, and long-term viability.

51. Challenges faced by new retailers when starting operations in Canada (e.g., Target or Nordstrom)?

The experiences of Nordstrom and Rooms + Spaces illustrate that the risks for new retail entrants extend far beyond store count and rollout pace. Even after securing locations, retailers—particularly those without prior Canadian operating history—face a range of challenges that can undermine performance and jeopardize long-term viability:

- **Lack of Retail Operating Experience** – Running profitable retail stores requires deep expertise in staffing, merchandising, inventory control, loss prevention, customer service, and performance metrics—disciplines distinct from real estate development or other commercial ventures. Rooms + Spaces' rapid expansion exposed operational gaps that its leadership was unable to address at scale.

- **No Brand Awareness or Customer Following** – Without existing consumer recognition, retailers must invest heavily in marketing and education to drive traffic. Nordstrom entered with strong brand equity but still struggled to convert awareness into sustained profitability. Rooms + Spaces, by contrast, launched under a completely new banner, making the challenge of attracting and retaining customers even greater.
- **Lack of a Canadian Operating Track Record** – Institutional landlords place significant weight on local performance history. Nordstrom had extensive U.S. experience but still needed to prove it could adapt to Canadian retail economics. Rooms + Spaces had no local track record beyond its inherited store network, leaving landlords with little operational proof to rely on.

Inadequate Market Research and Consumer Insight – Best-in-class retailers invest in understanding Canadian consumer preferences, pricing sensitivities, and competitive dynamics. Nordstrom made adjustments to its merchandising and pricing but could not overcome structural market challenges. Rooms + Spaces appeared to enter without clear differentiation or a compelling value proposition for Canadian shoppers. ([Business of Home, 2024](#))

- **Execution Complexity at Scale** – Opening multiple large-format locations in a short time frame magnifies staffing challenges, supply chain pressures, and operational risk. Nordstrom mitigated this risk through a slow, deliberate rollout, yet still faced headwinds. Rooms + Spaces attempted a near-national launch within months, amplifying execution pressures and accelerating its decline.

In sum, these factors explain why even established, well-capitalized retailers have struggled to achieve lasting success in Canada, and why new-to-market concepts proposing rapid, multi-store launches in their first year present a significantly heightened level of execution risk for landlords. These operational challenges are amplified when a retailer lacks direct control over its inventory, procurement, warehousing, and distribution—functions that, if outsourced entirely, introduce another layer of risk that has proven fatal for both well-capitalized and under-resourced entrants.

52. Department Store Tenant Requirements: In-House Capabilities vs. Outsourcing Inventory, Procurement, Warehousing, and Distribution

It is highly uncommon—if not unprecedented—for a department store of any meaningful scale to outsource *all* core operational functions such as inventory management, procurement, warehousing, and distribution to third parties. These functions are critical to ensuring consistency of product availability, pricing integrity, inventory control, and ultimately, customer satisfaction. They are foundational to the successful operation of a department store and typically require dedicated internal oversight and full integration with the retailer's merchandising strategy, store operations, and point-of-sale systems.

While selective outsourcing of certain functions (e.g., last-mile delivery or third-party logistics for overflow warehousing) is common, full reliance on external providers for all operational pillars is fraught with execution risk. Even well-capitalized retailers with in-house capabilities have faced serious challenges. Target, for example, owned and operated its own Canadian warehouses, yet the new technology platform it implemented for inventory and sales management was poorly understood internally. The result was severe supply chain disruptions—empty shelves, poor in-stock performance, and inconsistent product availability—that undermined Target’s brand promise and contributed significantly to its eventual market exit. ([Canadian Business, 2015](#))

If a fully resourced multinational could fail under those circumstances, the execution risk is even greater for a new-to-market department store attempting to outsource all logistics to a third-party operator. Recent Canadian retail history offers a cautionary parallel: Rooms + Spaces, which attempted a rapid multi-store launch in 2023, faced severe operational breakdowns—including vendor payment delays, inventory management failures, and widespread store closures—within its first year.

Without direct control over inventory and distribution, it is extremely difficult to achieve the reliability, responsiveness, and efficiency required to support a multi-store rollout in today’s retail environment.

VIABILITY OF LIU CIC’S BUSINESS PLAN/RETAIL OPERATIONS

1. Executive Management and Business Readiness

Retail Experience in Canada

This rollout is led by a development-focused operator with no direct retail operating experience in Canada—or in any market in North America. While Central Walk currently operate three shopping centres and a golf course, this experience does not translate to the operational demands of running department stores, which require deep expertise in merchandising, logistics, staffing, and day-to-day problem-solving across dispersed locations.

As discussed above in response to question 50 “New Retailers That Commenced Operations in Canada With 11 to 28 Stores in a Single Year”, no retailer—domestic or foreign—has ever successfully opened 11 to 28 department-sized locations in Canada within an 18-month window, especially within former anchor premises. This pace would strain even the most experienced retail organizations. The absence of retail experience in Canada raises serious concerns about the viability of executing such a large-scale rollout successfully.

Undefined Brand Identity and Positioning

While the business plan outlines a conceptual framework for the Ruby Liu brand — including its messaging tone, logo, tiering strategy, and visual identity — these elements remain entirely aspirational. This brand does not currently hold any recognition, credibility, or equity among Canadian consumers.

Brand identity and brand awareness are distinct but interconnected. Without consumer familiarity, emotional connection, or a proven track record, a brand exists only as a concept. In a retail environment where trust, loyalty, and reputation take years to establish, Liu CIC is starting from zero. Despite the branding narrative in the business plan, Canadian consumers do not yet know what Ruby Liu is — and without a clear value proposition that resonates with a defined target market, building a scalable retail footprint will be extremely challenging.

This lack of brand identity is particularly problematic when fulfilling the role of an anchor tenant, as outlined in the section “Role of Anchor Tenants in a Shopping Centre and How They Benefit Landlords & Other Tenants”, anchors must be proven traffic drivers with established pulling power; without brand awareness or a loyal following, a new entrant cannot credibly deliver on this core function.

Management team and experience

The business plan identifies members of the management team and assigns them various roles; however, neither the Founder nor the CEO have any direct department store operating experience or a proven track record in managing a large-scale, multi-location retail operation in Canada. Several key positions such as the CFO and Chief Technology Officer are not accounted for. In addition, Chief HR Officer and Chief Marketing Officer also retain major roles with Central Walk. This lack of relevant operational expertise is a critical gap, particularly given the complexity of launching and running department stores.

While some team members may have experience in adjacent sectors such as development, marketing, or general retail, these skill sets are not direct substitutes for the capabilities needed to operate a department store format successfully. In my opinion, without leadership that has successfully navigated the Canadian department store landscape, the business will face steep learning curves and heightened execution risk—especially in the critical first years of operation.

Warehousing, Inventory, and Distribution Model

According to the business plan and the supporting J2 Retail Management letter, Liu CIC intends to outsource a significant portion of the warehousing, inventory, and distribution functions to J2 Retail. While J2 Retail appears to offer a platform for warehousing, logistics, and field services, this model places substantial operational reliance on a third party that does not have a proven track record of executing at the scale and complexity required for a multi-regional department store chain.

Outsourcing logistics in retail is not uncommon for smaller retailers—but for a large retailer with no in-house team, no Canadian operational history, and no internal oversight mechanisms, this approach introduces significant execution risk. Even though Target did not outsource its logistics, it encountered significant issues with inventory management, stockouts, and supply chain execution. The absence of a robust internal team with deep operational retail logistics experience further compounds this risk.

Section 2 – Business Model and Merchandising Strategy

Merchandising Strategy

The business plan lacks a detailed, evidence-based merchandising strategy. There is no discussion of product category allocation, pricing architecture, gross margin targets, or positioning versus comparable retailers. Based on my experience, successful merchandising requires clear category focus, supported by market research and customer profiling. The absence of this strategic clarity creates uncertainty as to whether the concept has been properly merchandised for the Canadian consumer.

Product Mix

The proposed product assortment spans a wide range of categories—from apparel and cosmetics to electronics and home goods—but lacks clearly defined customer. Until you know your customer and that the mix relates to your customer, this broad mix risks appearing incoherent or overly diluted, making execution significantly more complex. Successful retailers focus their offering around a core value proposition; this plan lacks that focus which is leading to a haphazard product mix.

E-commerce or Omnichannel Strategy

The business plan provides no meaningful discussion of an e-commerce or omnichannel strategy. In today's environment, this is a significant red flag. Major department stores such as Nordstrom generated 36% of their total 2024 revenue through online channels. Similarly, Walmart reported that online sales outpaced in-store growth in Q1 of its fiscal 2026 year, with e-commerce sales increasing more than 15% year-over-year in each of the last ten quarters (<https://www.digitalcommerce360.com/article/walmart-online-sales/>).

Any retailer entering the Canadian market must be ready to launch its e-commerce platform simultaneously with the opening of its stores. Liu CIC's business plan lacks a comprehensive omnichannel strategy, making only passing reference to online operations without demonstrating any system integration, digital marketing plans, or logistics infrastructure. E-commerce platforms often require customization, refinement and testing before opening to the public which takes significant time to

implement. This is a significant oversight and places the entire business model at a competitive disadvantage.

Projected Staff Requirements of 1,800

The business plan anticipates hiring 1,800 employees across 25 to 28 stores, which equates to an average of approximately 64-72 employees per store (without accounting for back office requirements). This is significantly below staffing levels for comparable department stores in Canada. In my experience touring stores with Walmart's senior management, each store would average between 175 – 225 store associates.

By comparison, Liu CIC's proposed staffing model represents a 60% - 70% reduction in store-level employees relative to Walmart. This would severely limit the ability to properly stock merchandise, provide customer service, execute visual merchandising, handle inventory, and manage loss prevention—particularly during peak periods. In my opinion, the proposed staffing plan is materially insufficient and suggests a lack of understanding of the operational requirements of a multi-regional department store rollout.

Vendors and Suppliers and Timing to Curate Relationships

The business plan does not list any contractually secured vendor or supplier relationships but instead references over 60 letters of expression of interest (EOIs) from potential suppliers. While several EOIs mention a willingness to supply on relatively short timelines, I have reviewed the list and do not recognize most of the brands. Successful large-format retailers in Canada rely on a mix of internationally recognized brands and strong regional players. The lack of identifiable, proven brands raises serious concerns about customer appeal and store sales. Furthermore, "expressions of interest" are not binding commitments and are insufficient to demonstrate operational readiness at the scale proposed. High quality vendors expect proof of concept and a successful track record. Sophisticated landlords would expect confirmed purchase orders, supply agreements, or well-established vendor relationships prior to granting leases to a new tenant of this magnitude.

Timing to Order Seasonal Goods

The business plan does not provide a clearly defined merchandising calendar or purchasing strategy for seasonal inventory — a critical aspect of department store operations, particularly in Canada where winter and back-to-school seasons represent key revenue periods.

While the Vendor EOI's includes several letters from suppliers indicating they can deliver product on short notice or within tight timelines, these assurances must be viewed with caution. In my experience, successful department store retailers in Canada typically begin planning and placing orders for seasonal goods 6 to 12 months

in advance, particularly when dealing with offshore manufacturing, shipping lead times, customs clearance, and multi-regional distribution requirements.

A rollout of this scale — 11-25 locations (possibly 28 locations)— demands a high degree of logistical coordination and early commitment to inventory. Even if select vendors can respond quickly, a retailer cannot rely solely on rapid fulfillment without exposing the business to risks such as understocking, overstocking, or missed seasonal sales windows. Furthermore, the majority of vendors listed are not recognized brands in the Canadian market, which introduces additional risk around product quality, consumer appeal, and delivery reliability.

The absence of a formal seasonal procurement calendar, confirmed vendor purchase orders, and contingency planning represents a material weakness in the business plan's operational feasibility.

Credit Terms for Inventory

The plan does not address how merchandise purchases will be financed. I note that J2 Retail's letter does not reference price or payment terms. In my experience, vendors are unlikely to offer standard 30–60 day credit terms to a new retailer with no operating history, no demonstrated sales, and no published financial statements. Most vendors would require upfront payment, personal guarantees, or third-party financial backing. Without clear disclosure of credit facilities, financial guarantees, or vendor payment structures, the business model presents significant working capital risk.

Section 3: Market Understanding and Demographics

Market Studies

The business plan does not reference any third-party or independent market research commissioned by Liu CIC or its team. In my direct experience working with the Target and Nordstrom expansion teams during their entry into Canada, I personally toured several key urban and suburban markets alongside their internal market research departments. These teams conducted extensive consumer studies, regional modeling, and sales forecasting well in advance of any site selection decisions. This level of diligence is considered standard practice for any large-scale retail entry into a new country.

By contrast, Liu CIC's business plan does not cite any Canadian market study, regional sales model, or consumer behavior research to support the proposed multi-regional rollout. In my opinion, this omission reflects a lack of commercial discipline and would raise serious concerns among experienced landlords and investors assessing execution risk. Without empirical data, it is difficult to validate demand, estimate performance by region, or mitigate market entry risk.

Target Age and Demographic

While the business plan includes a “Target Market and Customer Personas” on page 35, it identifies seven different customer segments ranging from Gen Z to seniors, pet owners to newcomers, and even small business owners. In my view, this breadth undermines the clarity of the merchandising and marketing strategy. When a business attempts to serve everyone, it often ends up resonating with no one in particular.

Successful department stores and large-format retailers typically have a clearly defined primary customer with complementary secondary audiences. There is no evidence that Lic CIC’s team has validated these segments with research, purchase data, or focus groups specific to Canadian regions. Nor is there any mention of how the product mix, store layout, or marketing efforts will be tailored to prioritize any one segment over another.

In short, while the plan claims inclusivity and broad appeal, it lacks the specificity needed to build consumer loyalty and relevance in a competitive marketplace.

Understanding of Canadian Retail Landscape

Based on the business plan and supporting materials, I do not believe that Liu CIC’s business plan demonstrates a strong understanding of the Canadian retail landscape. For example, no mention is made of key regional variations in consumer behavior, lease economics, or brand awareness. During Nordstrom’s Canadian operations, performance varied widely by geography, with Vancouver store materially outperforming those in Toronto and Ottawa on a sales productivity basis—highlighting the risks of a one-size-fits-all rollout.

In addition, the current plan does not appear to account for the rise of value-oriented retailers, the growing importance of e-commerce integration, or the operational complexity of running large-format department stores across diverse markets. These are not academic issues—they are central to the survival and success of any new retail concept, particularly one proposing a multi-regional footprint from day one.

Section 4 – Concept Execution Challenges

Three-Store Format: Strategic Clarity and Operational Complexity

The Liu CIC plan proposes three distinct store formats—Flagship, Platinum, and Standard. While the intent appears to be offering flexibility across different mall locations, this tiered approach introduces operational complexity well beyond what most successful department store chains attempt today.

For comparison, Nordstrom operates only two department store formats—a large flagship model and a smaller full-line model—both built on shared merchandising,

staffing, and operating systems. This standardization allows them to maintain brand consistency and operational efficiency across markets.

By contrast, the Liu CIC model would require the simultaneous creation, staffing, and merchandising of three entirely new formats, each with different footprints, renovation needs, and product assortments. This multiplies execution risk, increases cost, and heightens the likelihood of inconsistent customer experiences—particularly problematic for a brand with no existing recognition in Canada.

Compounding the challenge is the proposed near-simultaneous rollout of multiple stores nationwide. This aggressive expansion strategy mirrors the missteps of Target’s Canadian launch, where more than 100 stores opened in less than two years. Even with an experienced team, Target’s supply chain, real estate, and staffing resources were stretched beyond capacity, leading to execution failures. Liu CIC’s plan risks a similar outcome, but without the advantage of Target’s existing scale or brand familiarity.

Development of Store Plans & Floor Plan Design

The proposal presents a “revitalized” department store concept with claims of high-frequency engagement, best-in-class brand offerings, and a modernized shopping experience. These elements appear to draw inspiration from successful retailers but are not supported by any market research, pilot testing, or customer validation that would normally precede such a major reinvention. Crucially, there is no evidence of consumer or tenant-focused analysis to justify how the proposed departments are positioned within the merchandising plan—analysis that is essential to maximize both foot traffic patterns and sales performance.

The illustrative floor plan (page 32 of the Business Plan) depicts multiple categories—apparel, tech, home, pet, beauty, and accessories—spread across two floors. Yet there is no indication of what consumer shopping data or retail design expertise informed this layout. Without research-driven decisions, department placement risks being arbitrary rather than strategic.

Condition of Building Systems and Timeline Risks

When Nordstrom converted former Sears locations, each property required detailed inspections and extensive base building upgrades to meet current building codes before any tenant improvements could begin. The same principle applies here: without a thorough inspection of all 11–25 proposed locations to identify potential base building deficiencies; Liu CIC’s renovation program cannot even start—let alone be completed on schedule.

Beyond regulatory approvals, the plan faces significant logistical hurdles:

- Locating and procuring major base systems (HVAC, electrical, escalators, elevators) for multiple sites across Canada
- Coordinating shipping and staging for delivery to each property

- Securing qualified local contractors to install, certify, and commission the work

These challenges are compounded by Liu CIC's ambitious construction timelines—6 to 12 months per store, depending on format—which are overly optimistic given the scale of work. The proposed renovations include HVAC replacements, lighting and signage upgrades, flooring installation, accessibility retrofits, and technology system integrations. In my experience with large-scale retail renovation projects, such timelines underestimate both the complexity of the work and the realities of permitting, supply chain delays, and contractor availability.

Moreover, many of these sites are legacy department stores with years of deferred maintenance, increasing the likelihood of unforeseen repairs that could extend schedules by months. These are not minor obstacles—they are foundational risks that directly affect cost, feasibility, and delivery, and could materially derail the rollout plan.

Section 5 – Financial Forecasts and Capital Requirements

Reliability of Financial Forecasts

In my role as a tenant representative and currently as a landlord, I have reviewed numerous tenant financial forecasts. While the business plan includes detailed financial forecasts and a multi-year operating model, these projections are fundamentally based on the historical profit and loss statements of the HBC stores. In my view, this approach is problematic. While HBC's financial results may provide historical context, they do not constitute a reliable or appropriate basis for projecting the future performance of a new retail concept with no operating history.

HBC's financials reflect a mature national retailer with longstanding brand recognition, a loyal customer base, and entrenched operating efficiencies. Liu CIC's concept does not yet exist in the marketplace and lacks any comparable brand equity, management experience, merchandising track record, or supply chain infrastructure. The assumption that this startup venture can replicate or exceed HBC's prior performance metrics — without these foundational elements — is overly optimistic.

Capital Commitment

The plan highlights a proposed equity commitment of \$375 million to fund the rollout of 25 stores across Canada. While this figure appears substantial, history has shown that even well-capitalized entrants have encountered significant challenges in the Canadian retail market. Target's failure, despite investing far more capital, is a clear example.

Moreover, it is unclear whether the proponent has secured this capital or has access to additional funding should unforeseen cost overruns, timeline delays, or revenue shortfalls arise. As a private entity with no disclosed institutional backing or investor

syndicate, the proponent appears to lack the financial depth and flexibility typically required to execute such a large and complex retail rollout.

Projected 2027 Annual Sales of \$420 Million

The business plan forecasts \$420 million in annual sales across 25 locations by 2027, which equates to approximately \$16.8 million per store (\$109 psf). Even if these sales were to materialize (without any brand recognition), the projected sales are extremely low. By comparison, a typical TJX banner in Canada generates approximately \$10 million per store in approximately 25,000 sq. ft. (\$400 psf) while it was generally known in the retail real estate industry that the Nordstrom location at Pacific Centre generated approximately \$200 million at its peak in 225,000 sq. ft. (\$890.00 psf), equating to far higher productivity per square foot.

Additionally, while the financial model attempts to support this sales figure using historical HBC performance data, the assumption that Liu CIC's unproven concept — with no established customer base or brand awareness — can match or exceed these historical results is, in my view, unfounded. The sales target may look achievable on paper but lacks credibility given the operational gaps and execution risks discussed throughout this affidavit.

Proposed Capital Expenditure of \$120 Million

The proposed capital expenditure of \$120 million translates to roughly \$4.8 million per store, based on 25 locations. This is materially lower than precedent examples. Target Canada, for instance, reportedly spent approximately \$10 million per store when entering the market — and still failed. Given the age and condition of many of the former HBC premises, based on my dealings with many different retailers, I believe the proposed renovation budget is inadequate.

The scope of any upgrades is likely to be extensive and vary widely by location. This undercapitalization could pose significant timing and cash flow challenges, especially in the absence of contingency reserves.

Gross Rent Occupancy Costs (GROC) as a % of Sales

According to the business plan, the projected GROC for this concept is approximately 12.3% (\$51.855M in occupancy costs / \$420M in sales). While this is within the industry's historical comfort zone for department stores, it is substantially higher than the benchmarks set by successful Canadian retailers. TJX banners typically operate at ~6.5% GROC, and the ICSC reports that U.S. averages hover around 7.73%.

The higher GROC figure indicates tighter margins and increased vulnerability to downturns in sales or cost overruns. For example, if the store openings are delayed by 2 months in 2027, the GROC increases to almost 15%. It highlights how much financial pressure the concept will face from the outset — particularly given the lack of an existing sales base, brand pull, or merchandising pedigree.

Summary

The financial plan lacks the credibility expected by landlords, lenders, or institutional investors. While HBC's profit and loss data is referenced, it is not reasonable to assume that a new and untested retail concept can match its performance without brand strength or operational history.

The capital commitment of \$375 million remains unverified and appears inadequate compared to known retail expansion benchmarks. The renovation budget and sales projections are aggressive, with \$16.8 million in sales per store and only \$4.8 million allocated per renovation.

The 12.3% GROC ratio exceeds industry norms, leaving little margin for error. In my professional opinion, the financial assumptions presented carry significant risk and do not form a viable basis for the proposed business.

6. Supply Chain and Operational Capabilities

Supply Chain and Logistics (Including Inventory, Warehousing, Distribution)

The business plan proposes a near-simultaneous rollout of 25 stores across British Columbia, Alberta, and Ontario. This scale of multi-regional expansion requires a robust, fully integrated supply chain strategy. Liu CIC's plan references J2 Retail as an extension of the management team, who is positioned to support supplier onboarding, brand integration, and operational logistics. However, no further details are provided regarding the scope, contract status, or depth of this relationship.

J2 Retail may be an experienced third-party firm, but the plan does not disclose whether Liu CIC or its team has worked with them before, nor does it indicate whether J2 Retail has previously executed retail rollouts at this scale and complexity. The cost for this extensive service is not clear in the financial overview. Delegating such a significant operational burden to a third party—with no proven history of collaboration—introduces a considerable execution risk, particularly when opening 25 anchor-sized stores within a 12- to 18-month period.

The plan also fails to outline key logistics elements such as warehousing infrastructure, multi-regional distribution strategies, or last-mile fulfillment processes other than its reliance on J2 Retail in this area of the business. In my experience, even national retailers with decades of operational experience typically scale into new markets gradually—starting with a pilot or regional launch before expanding further. The aggressive timeline and heavy reliance on an untested third-party relationship raise valid concerns about the feasibility of this plan.

Technology Systems and Vendor Readiness

The business plan includes a list of well-known enterprise software systems such as SAP, Oracle, NetSuite, and Microsoft Dynamics. However, it is unclear whether any of these platforms have been selected, contracted, or implemented to support the venture. In this context, their inclusion appears aspirational rather than confirmed. No specific vendors, integrators, or implementation partners are named, and no IT rollout schedule is provided.

Similarly, beyond J2 Retail, the plan offers no transparency regarding confirmed third-party service providers for critical operational areas such as warehousing, inventory management, or back-end logistics. This lack of named vendors or partner commitments stands in contrast to the scale and speed of rollout being proposed.

In a multi-unit multi-regional retail operation—particularly one launching from a standing start—clarity around technology stack and execution partners is paramount. These systems form the backbone of any modern retail business, enabling real-time inventory visibility, accurate demand forecasting, and coordinated logistics. Without firm commitments or clear timelines for customization, implementation and testing, the operational foundation appears underdeveloped and significantly exposed to delay and cost overrun.

7. Anchor Tenant Considerations

Traits Necessary to Act as an Anchor Tenant

As outlined in the sections “Role of Anchor Tenants in a Shopping Centre” and “Undefined Brand Identity and Positioning,” an anchor tenant must possess brand recognition, proven traffic-driving ability, merchandising credibility, operational stability, and a track record of delivering a compelling customer experience. These qualities are essential to attract shoppers, benefit co-tenants, and maintain a strong landlord relationship.

Liu CIC’s concept does not currently exhibit any of these traits. Without them, it cannot credibly fulfil the role of an anchor tenant.

8. Conclusion and Summary Opinion

Based on my review of the business plan and supporting materials submitted by Liu CIC, as well as my professional experience in the retail real estate industry, it is my opinion that the retail concept proposed is not viable in its current form and carries a high likelihood of failure if implemented as described.

The plan is anchored by a new, untested brand with no identity, awareness, or consumer traction in the Canadian market. There is no existing store network, pilot concept, or operational history from which to assess performance or scalability. Despite this, the proposal assumes the rapid opening and renovation of 11-25 former

department store locations within extremely compressed timelines — a feat that is unprecedented, particularly given the current state of those properties and the complexity of upgrading aging base building systems to meet code across multiple jurisdictions.

The financial forecasts and capital structure appear optimistic and unsupported by precedent or internal benchmarks. The projected sales, renovation costs, and gross rent-to-sales ratios exceed industry norms, while the reliance on a single equity commitment of \$375 million offers little margin for error. Other retailers with far greater resources and experience — including Target and Nordstrom — have failed in the Canadian market despite committing significantly more capital and time.

The business model also relies heavily on outsourced third-party consultants and aspirational vendor relationships to execute core operational functions such as supply chain, IT infrastructure, ERP systems, merchandising, and logistics. In my experience, no successful department store chain has ever launched — or scaled — a multi-regional operation relying so extensively on external parties with no demonstrated working history.

Further, the proposed anchor tenant lacks the credibility, consumer pull, and financial resilience typically required to serve as a successful anchor in enclosed malls across Canada. As a result, it is highly likely that co-tenants would seek to include lease protections — such as rent reductions or termination rights — should Liu CIC stores underperform or fail to open, thereby increasing the risk profile for landlords and investors alike.

Finally, the plan demonstrates a lack of understanding of the Canadian retail landscape, including consumer preferences, regional market dynamics, and the challenges of attracting and retaining retail talent at scale. The combination of an unproven team, no operating experience, no brand presence, and a highly compressed rollout timeline presents an unusually high risk of execution failure.

In conclusion, it is my expert opinion that the retail operation proposed by Liu CIC is not feasible as presented, and that the likelihood of achieving commercial success — or even full implementation — is extremely low given the current strategy, resources, and assumptions outlined in the business plan.

If you have any questions regarding the above, please do not hesitate to contact me.

Yours sincerely,



Scott R. Lee

SR Lee Personal Real Estate Corporation

Encl. Acknowledgement of Expert Duty Form 53

Retainer Letter: Camelino Galessiere LLP August 3, 2025

FORM 53

Courts of Justice Act

ACKNOWLEDGMENT OF EXPERT'S DUTY

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
HUDSON'S BAY COMPANY ULC COMPAGNIE DE LA BAIE D'HUDSON SRI, HBC
CANADA PARENT HOLDINGS INC., HBC CANADA PARENT HOLDINGS 2 INC., HBC
BAY HOLDINGS I INC., HBC BAY HOLDINGS II ULC, THE BAY HOLDINGS ULC,
HBC CENTERPOINT GP INC., HBC YSS 1 LP INC., HBC YSS 2 LP INC., HBC
HOLDINGS GP INC., SNOSPMIS LIMITED, 2472596 ONTARIO INC., and 2472598
ONTARIO INC.

ACKNOWLEDGMENT OF EXPERT'S DUTY

1. My name is Scott R. Lee. I live at Vancouver, in the province of British Columbia.
2. I have been engaged by or on behalf of Camelino Galessiere LLP on behalf of the landlords listed below to provide evidence in relation to the above-noted court proceeding.
3. I acknowledge that it is my duty to provide evidence in relation to this proceeding as follows:
 - (a) to provide opinion evidence that is fair, objective and non-partisan;
 - (b) to provide opinion evidence that is related only to matters that are within my area of expertise; and
 - (c) to provide such additional assistance as the court may reasonably require, to determine a matter in issue.
4. I acknowledge that the duty referred to above prevails over any obligation which I may owe to any party by whom or on whose behalf I am engaged.

Date August 9th 2025.....

Signature

NOTE: This form must be attached to any expert report under subrules 53.03(1) or (2) and any opinion evidence provided by an expert witness on a motion or application.

Landlords:

RCP-E 53 (July 22, 2014)

- Ivanhoe Cambridge II
- Morguard Investments Limited
- The Cadillac Fairview Corporation Limited
- Oxford Properties Group Inc.
- Primaris Real Estate Investment Trust
- KingSett Capital Inc.
- Quadreal Property Group Limited Partnership
- Westcliff Management Ltd.



Camelino Galessiere LLP
 Barristers and Solicitors
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 lgalessiere@clegal.ca

August 3, 2025

VIA EMAIL: slee@revescoproperties.com

Mr. Scott Lee
 c/o Revesco Properties Trust
 1090 West Georgia St. Suite 1310
 Vancouver BC V6E 3V7

Dear Mr. Lee:

RE: Expert Opinion – CCAA Insolvency proceeding of Hudson’s Bay Company (“HBC”): Proposed Assignment of HBC Leases Ruby Liu Commercial Investment Corp.

I am writing to confirm that we have agreed to retain you to provide us with your expert opinion relating to various matters in connection with HBC’s request that the court assign certain of its leases to Ruby Liu Commercial Investment Corp. (“**Liu CIC**”). HBC is requesting the assignment of its leases notwithstanding the objections of the landlords impacted by the assignments (“**Forced Assignment Motion**”). Your retainer is on behalf of the following landlords and/or agents and managers of landlords (collectively the “**Landlord and/or Landlords**”):

- Ivanhoe Cambridge II
- Morguard Investments Limited
- The Cadillac Fairview Corporation Limited
- OPGI Management Limited Partnership by its general partner OPGI Management GP Inc.
- .Primaris Real Estate Investment Trust
- KingSett Capital Inc.
- Quadreal Property Group Limited Partnership
- Westcliff Management Ltd.

The locations of each of the Landlord leases and the shopping malls as listed by HBC in its Motion Record is **appended** to this letter.

Background:

On March 7, 2025, HBC and other related entities obtained insolvency protection from the Ontario Superior Court of Justice (Commercial List) under the *Companies' Creditors Arrangement Act* (the “**CCAA Proceedings**”). At the initial hearing the court appointed Alvarez & Marsal Canada Inc. to act as the monitor in the CCAA Proceedings (“**Monitor**”).

HBC is the oldest company in North America and was Canada’s most prominent department store. HBC was founded in 1670 and evolved into a national mercantile business selling a wide variety of products, such that it was the largest department store retailer in Canada. At the commencement of the CCAA Proceedings, HBC’s retail operations were conducted from 96 retail stores across Canada. The HBC’s stores were leased from various landlords.

At the commencement of the CCAA Proceedings, HBC operated: (a) 80 retail locations as “Hudson’s Bay”; (b) three retail locations as “Saks Fifth Avenue”; and (c) 13 retail locations as “Saks OFF 5th”. The following table summarizes the store locations by province and banner on the date of HBC’s CCAA Proceeding.

Location	HBC	Saks Fifth Ave	Saks Off 5 th	Total
Alberta	13	1	2	16
British Columbia	16	0	2	18
Manitoba	2	0	1	3
Nova Scotia	2	0	0	2
Ontario	32	2	7	41
Quebec	13	0	1	14
Saskatchewan	2	0	0	2
Total	80	3	13	96

All of HBC's retail stores were leased, with 68 leases with third-party landlords and 12 in a joint venture between RioCan-HBC. All of the Saks Fifth Avenue and Saks OFF 5th stores were leased with third-party landlords.

Lease Monetization Process

By Order dated March 21, 2025, the court approved a process whereby HBC, with the assistance of Oberfeld Snowcap, would offer for sale the majority of HBC's portfolio of Leases ("**Lease Monetization Process**"). The Lease Monetization Process included the ability of parties to access a data room to review HBC's leases and other information. A deadline was implemented for non-binding bids to be made and thereafter persons with qualified non-binding bids were permitted to submit binding irrevocable bids for one or more leases.

Following the bid deadline for the Lease Monetization Process the Monitor filed a report advising that 12 parties had submitted a Qualified Bid, bidding on a total of 39 individual Leases. Multiple Qualified Bids included the same location(s) such that there was overlap of locations across multiple bids. There were no Qualified Bid submitted for 62 Leases.

As no bids were received for 62 leases, HBC issued Notices of Disclaimer for approximately 59 of such locations.

Pursuant to the Lease Monetization Process, HBC, in consultation with Oberfeld, the Monitor and the HBC's first and second secured lenders assessed and reviewed the bids with a view to finalizing and selecting the successful bidder(s). Landlords were not consulted.

APA with Liu CIC

Late in May 2025 landlords learned through Weihong (Ruby) Liu's social media postings that HBC had entered into one or more Asset Purchase Agreements (each an "**APA**") with Liu CIC, an entity related to Central Walk (the "**Purchaser**") and owned Ms Liu, for the purchase of 28 HBC leases. The remaining 8 locations that were the subject of a binding bid were captured in an

separate APA with another unrelated entity. The other bid is not part of the Forced Assignment Motion.

Central Walk is the landlord of three shopping malls in which HBC stores were located. The Monitor advised the Landlords that the Purchaser had entered into one APA for the purchase of its 3 locations and a separate APA for the purchase of the remaining 25 locations. As such, in total, Liu CIC intended to purchase and operate 28 former HBC stores (i.e. operations at those stores has ceased following the liquidation of inventory by HBC and those stores have been closed).

Central Walk's web page indicates that it is the owner/manager of three shopping malls in B.C. (Mayfair Shopping Centre, Tsawwassen Mills and Woodgrove Centre) and a golf course, Arbutus Ridge Gold Club. Numerous press reports have referred to Ms Liu as a billionaire. Ruby Liu, who is Central Walk's Board Chairwoman, claims to have operated shopping centres in China before immigrating to Canada in 2014.

Neither Central Walk, Ruby Liu nor Liu CIC have operated retail stores.

Following HBC's selection of the Purchaser as the successful bidder, each of the Landlords was invited to meet with Ms Liu and certain of her team members, along with HBC and its counsel, representatives of Oberfeld, and representatives the Monitor and its counsel. The purpose of the meeting was purportedly to provide Landlords with information regarding Liu CIC and to respond to questions Landlords may have regarding the proposed assignment of their leases to Liu CIC. One or two of the Landlords were provided with an 8 page pamphlet regarding Central Walk at or prior to the meeting (**CW Pamphlet is appended to this correspondence**). Landlords were not provided with the APA, a business plan, financial information or other documentation regarding Liu CIC prior to the meetings with Ms Liu, despite written requests for such information. Nor were the Landlords given any of this requested information at the meetings. Except as noted below, none of this information has been provided to the Landlords until the motion materials in respect of the Forced Assignment Motion were served on the Landlords on July 29, 2025.

By letter dated June 6, 2025, the Landlords received correspondence from Ruby Liu's then counsel requesting that Landlord consent to the assignment of their HBC lease to Liu CIC. This letter did append documentation entitled "financial forecasts". By way of example, **a copy of the letter sent to Morguard Investments is appended to this correspondence (without the financial forecasts that were appended).**

By letters dated on or about June 13, 2025, each of the Landlords wrote to advise to advise HBC and/or Ms. Liu that, based on the lack of information provided, they would not consent to...to the assignment of their respective leases and again requesting information regarding her bid and business plans. Several of the Landlords provided specific details as to why Liu CIC was not an appropriate tenant. Over the next several weeks, no additional information was provided to Landlords save that by email dated June 25, 2025, Ms Qin (Central Walk's CEO) sent an email to Landlord counsel advising that as part of Ruby Liu's revitalization strategy," Ms Liu proposes the following three-tiered approach":

1. Flagship Stores

Ruby intends to select up to eight locations to develop into flagship stores in collaboration with the respective landlords. With the support and approval of landlords, for each of these flagship locations, she plans to invest approximately \$30 million in renovation and redevelopment.

2. Operational Continuity Stores

Ten stores will undergo essential repairs to ensure they are functional and customer-ready. These locations are expected to reopen to the public within three months and will operate in a format similar to the original HBC stores.

3. Enhanced Retail Experience Stores

The remaining stores will undergo interior renovation and visual merchandising upgrades to offer an enhanced retail experience. The estimated investment for each of these locations ranges from \$5 million to \$10 million, with a targeted reopening timeline of six months.

A copy of Ms Qin's June 25, 2025, email is appended to this letter.

The Landlords have only recently learned that HBC had serious concerns about Ms Liu's conduct, including alleged breaches of the APA and a failure to diligently pursue Landlord consents. These concerns were set out in a letter from HBC's counsel Stikeman Elliot LLP to Ms Liu's legal counsel dated July 5, 2025, **a copy of which is appended to this letter**. The Monitor has also expressed significant concerns with Ms Liu's bid, as set out on pages, 15-18 para 4.0 of its Sixth Report dated July 14, 2025, **a copy of which is appended to this letter (without appendices)**.

By Order dated June 23, 2025, the court approved the transaction for the assignment of Central Walk's 3 HBC leases to Liu CIC on consent of Central Walk.

It should be noted that although Ms Liu is stated to have wanted to purchase HBC intellectual property, Canadian Tire was the successful bidder and all of HBC's IP and trademarks were sold to Canadian Tire. As a result, Central Walk/Liu CIC are prohibited from using HBC's name, logos, trademarks. It is the Landlords' understanding that Liu CIC intends to operate the retail stores under the banner "Ruby Liu".

Late in July 2025, HBC confirmed its intention to pursue its Forced Assignment Motion requesting that the court assign the 25 HBC lease captured in Ms Liu's bid to Liu CIC.

On July 29, 2025 HBC served its Motion Record for the Forced Assignment Motion and a supporting Motion Record was served by Ms Liu. A copy of the Motion Records filed by HBC and Ms Liu were sent to you by email on June 29 and 30, 2025. These motion materials contained a new business plan (including updated financial projections) not previously seen by or provided to the Landlords or other parties (including the Monitor and HBC's first and second secured lenders).

It appears from Ms Liu's Motion Record, Liu CIC still intends to operate three tiers of stores as referenced in Ms Qin's July 25, 2025 email.

The Landlords are opposed to the assignment of their leases to Liu CIC. The Landlords are of the view that, for numerous reasons, Liu CIC does not intend to, and in any event will not be able to,

abide by the terms of the leases and, further, is not an appropriate tenant for their HBC store locations.

Expert Opinion

We confirm your agreement to provide the Landlords with your expert opinions regarding the various matters outlined below. Your expert opinions will be used in the Forced Assignment Motion to assist the court in its determination of whether the leases should be assigned to Liu CIC despite the objections of the Landlords.

Expert opinion re: Retail Industry Terms and Retail Industry Operations

We request that you provide us with your expert opinion and knowledge in response to the below questions relating to commercial retail terms and operations. More specifically, **in your experience, how does the retail industry in Canada generally understand the terms, phrases and provisions referenced below.**

Anchor Tenant

1. What is an anchor tenant?
2. What are the “features” of anchor premises (size, location etc.)?
3. What are the “features” of an anchor tenants?
4. What role do anchor tenants play in a shopping centre and how do they benefit landlords, and other tenants in a mall, if at all?
5. Do anchor tenants receive favourable lease terms in recognition of the benefits they bestow on landlords? If so, what type of terms, concessions and benefits do they receive in leases?
6. What are building restrictions and why do landlords grant building restrictions to anchor tenants? Do other tenants who are not anchor tenants typically obtain building restrictions in their leases?

7. What impact, if any, can an unsuccessful or poor anchor tenant have on a shopping centre and/or other tenants in the shopping centre (both existing and prospective new tenants)?
8. Is the negative impact, if any, long lasting?
9. What criteria do regular (non-anchor) tenants consider when considering extending leases or entering into leases in a Mall and does the existence and identity of an anchor tenant impact these considerations?
10. Do anchor tenants impact the value of a shopping centre?
11. Do anchor tenants impact the profitability of a shopping centre (e.g., GROC) and the rents that can be charged by landlords?
12. Was HBC intended to be an anchor tenant in the subject shopping centres?

Use Clauses

13. What are “use clauses” and why are they important?
14. What harms, if any, do landlords suffer where “use clauses” are not adhered to by a tenant?

First Class Shopping Centre

15. What is the meaning of a first class shopping Centre?
16. What are the features of a first class shopping Centre?
17. What is a regional shopping centre?
18. What are tier one, two and three tenants– how are they differentiated?
19. What are the operational standards adopted in the leading regional shopping centres in Western Canada?

Department Store

20. What is a department store?
21. What are the types of a department store?
22. What is a first class department store? What is a tier one department store? What differentiates these stores from other department stores?
23. What does a ‘typical Bay conventional department store’ mean?

24. What does a “typical suburban department store” and a “typical Eatons department store” mean?
25. What does it mean to operate in a manner like a national department store like Sears, Simpsons, Eaton’s, the Bay and “Hudson’s Bay Company, etc?”
26. What distinguished the department stores like Sears, Simpsons, Eaton’s, the Bay, Hudson’s Bay Company from discounted or non-first class department stores?”
27. What does ‘a conventional department store organization which is a first-class operation of conventional department stores in accordance with the best merchandising standards (same or better standards as the Bay)’ mean?
28. What does ‘a first rate merchandizing actively in the business of retail department store’ mean?
29. In your experience, what is the best merchandising standards traditionally applied by the Bay
30. What is a major department store?
31. What types of vendors/brands are carried by first class and/or tier one department store?
32. What class of department stores were each of HBC, Eaton’s, and Simpsons, and Sears,
33. Is there a difference between a national department store and a regional department store?
34. What does it mean for the tenant to have to maintain the appearance of being carried on as a ‘single integrated department store’ or to have the appearance of a single department store, including as it relates to concessionaires?”

Merchandizing and Tenant Mix

35. What is the meaning of “merchandizing mix” in a shopping centre?
36. What is the importance of merchandizing mix?
37. What is meant by “first rate merchandising activity”?
38. What are tenant merchandizing plans?
39. What is the importance of tenant merchandizing plans?

40. Do designer/luxury brands have criteria that must be met before a retailer can sell their goods?

41. What is Tenant Mix in a mall and what importance does it play for landlords?

Financial Criteria

42. What financial criteria do landlords typically look for in new tenants and when would guarantees/indemnities/LC's be requested?

43. What type of due diligence does a landlord typically conduct on a new tenant. What would they expect to see in a business plan and/or financial statements?

44. Does tenant brand awareness, track record, length of lease term, impact whether landlords will require indemnities, guarantee, LC?

General Retail Operations

45. Are there regional differences that retailers need to take into account?

46. What is the importance of market studies?

47. Why do landlords prefer to keep locations dark rather than lease to poor and/or unsuitable tenant?

48. In addition to the payment of rent, what other factors/criteria do landlords typically review and require when determining whether to enter into a lease with a tenant and in particular an anchor tenant? How important are the other criteria?

49. Is offering online shopping a key requirement of retail operations today?

50. Has there ever been a new retailer that commenced operations in Canada by opening between 11--28 stores in a year or less (department stores or otherwise)?

51. What are the challenges that new retailers face when starting operations in Canada: Target Canada, Nordstrom Canada?

52. Does a department store tenant need inventory procurement, warehousing, and distribution or is it feasible and economic to outsource all of those functions?

Expert opinion re: Viability of Ms Liu's Business Plan/Retail Operation

Based on the information referenced in Liu CIC's Business Plan, we request that you provide us with your expert opinion regarding the viability and likelihood of success of the proposed retail operations outlined in the business plan submitted. In providing your opinion, we request that you address the importance and impact of the following items:

1. Retail experience;
2. Brand Identity and awareness;
3. Merchandizing strategy
4. Product mix;
5. Market studies;
6. Target age and demographic;
7. Understanding of Canadian Retail landscape;
8. Three store format;
9. Development of Store plans;
10. Reliability of financial forecasts;
11. Capital commitment;
12. Projected 2027 annual sales of \$420M;
13. Proposed capital expenditure on renovations of \$120M
14. E-commerce or Omnichannel strategy;
15. Timing for store renovations and fixturing
16. Projected staff requirements of 1800;
17. Vendors and suppliers and timing to curate relationships;
18. Timing to order seasonal goods;

19. Credit terms for inventory;
20. Management team and experience;
21. Supply chain and logistics / including absence of any inventory procurement, warehousing, and distribution capabilities;
22. GROC (Gross Rent Occupancy Costs) as percent of annual sales;
23. Ability/traits necessary to act as “anchor” tenant in shopping centres;
24. J2 Retail Management role;
25. Technology systems;
26. Listed third party vendors;
27. Floor plan;
28. Overall Timelines and Milestones and timing to curate concept (including permits and renovations / improvements / repairs);
29. Issues and complications that may arise (examples). Issues of growing too fast;

We appreciate your assistance on this matter and look forward to receipt of your report by no later than August 8, 1015.

Expert’s Duty

Finally, we have enclosed **Form 53 “Acknowledgment of Expert’s Duty”**, which confirms each of your obligations as an expert to act in a non-partisan manner. This Form must be completed (which I will assist you with), signed by you and included in any report you prepare.

If you should have any questions or concerns regarding the foregoing, please do not hesitate to contact me.

Yours truly,



Linda Galessiere

Partner

LG/ac

Encls. Expert Duty Form 53

Appendix A: Index of Documents

Appendix A: Index of Documents

1. Copy of Lease Location List
2. Copy of CW Pamphlet
3. June 6, 2025 Letter to Morguard –without financial forecast
4. June 25, 2025 Email from Ms Qin Quine to landlord counsel
5. July 5, 2025 Letter from Stikeman Elliott LLP to Ms Liu’s counsel
6. Monitor’s Sixth Report dated July 14, 2025 (without appendices)
7. Expert Duty Form 53

Previously sent documents

Motion Record of HBC (Central Walk APA Approval)

Supporting Motion Record of Ruby Liu Investment Corp (as amended)

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

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF HUDSON'S BAY COMPANY ULC
COMPAGNIE et. al.**

APPLICANTS

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at TORONTO

AFFIDAVIT OF SCOTT R. LEE
(SWORN AUGUST 9, 2025)

CAMELINO GALESSIERE LLP

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Lawyers for Ivanhoe Cambridge II Inc./Jones Lang LaSalle Incorporated as
landlord and/or authorized agent and manager for the landlords of its retail
stores leased to one or more of the Applicants

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF HUDSON'S BAY COMPANY ULC
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APPLICANTS**

ONTARIO

**SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceeding commenced at TORONTO

**RESPONDING MOTION RECORD OF
IVANHOÉ CAMBRIDGE**

**the owner/landlord of or authorized agent and
manager for various landlords wherein the Applicants
operated retail stores
(Returnable August 28, 2025)**

CAMELINO GALESSIERE LLP
Barristers and Solicitors
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Toronto, ON M5H 2M5

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