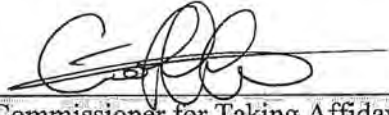


TAB C

THIS IS EXHIBIT "C" TO THE
AFFIDAVIT OF MARK J. WONG
SWORN MAY 19 , 2015



Commissioner for Taking Affidavits

Execution Copy

TARGET CANADA CO.
as the Tenant

- and -

THE BEREZAN REAL ESTATE PARTNERSHIP
as the Landlord

LEASE SURRENDER AGREEMENT
May 6, 2015

OSLER, HOSKIN & HARCOURT LLP

TABLE OF CONTENTS

| | Page |
|---|------|
| ARTICLE 1 DEFINITIONS..... | 2 |
| 1.1 Definitions..... | 2 |
| ARTICLE 2 SURRENDER TRANSACTION..... | 7 |
| 2.1 Offer and Acceptance | 7 |
| 2.2 As Is, Where Is..... | 7 |
| ARTICLE 3 CONSIDERATION | 9 |
| 3.1 Surrender Consideration | 9 |
| 3.2 Deposit | 9 |
| 3.3 Surrender Consideration Allocation | 11 |
| 3.4 Assumed Liabilities | 11 |
| 3.5 Property Claims | 12 |
| 3.6 Letters of Credit and Deposits | 12 |
| 3.7 Trade-Marks..... | 12 |
| ARTICLE 4 ADJUSTMENTS | 12 |
| 4.1 Statement of Adjustments and Absence of Post-Closing Adjustments | 12 |
| 4.2 Items of Adjustments Under the Leases | 13 |
| 4.3 Utilities..... | 14 |
| ARTICLE 5 INTERIM PERIOD & LEASE MATTERS | 14 |
| 5.1 Interim Period | 14 |
| 5.2 Contracts | 15 |
| 5.3 Releases..... | 15 |
| ARTICLE 6 REPRESENTATIONS, WARRANTIES & COVENANTS | 15 |
| 6.1 Tenant’s Representations and Warranties..... | 15 |
| 6.2 Landlord’s Representations and Warranties | 16 |
| 6.3 Landlord’s Covenants | 17 |
| 6.4 Tenant’s Covenants..... | 17 |
| 6.5 Tax Matters | 18 |
| 6.6 Survival of Covenants,..... | 19 |
| ARTICLE 7 CLOSING | 19 |
| 7.1 Conditions of Closing for the Benefit of the Landlord..... | 19 |
| 7.2 Conditions of Closing for the Benefit of the Tenant..... | 19 |
| 7.3 Conditions of Closing for the Mutual Benefit of the Parties | 20 |
| 7.4 Closing Documents..... | 20 |

TABLE OF CONTENTS
(continued)

| | Page |
|--|-------------|
| 7.5 Closing Date..... | 21 |
| 7.6 Confirmation of Satisfaction of Conditions..... | 22 |
| 7.7 Closing..... | 22 |
| 7.8 Filings and Authorizations..... | 23 |
| 7.9 Court Matters..... | 23 |
| 7.10 Termination..... | 24 |
| ARTICLE 8 OTHER PROVISIONS..... | 25 |
| 8.1 Confidentiality..... | 25 |
| 8.2 Leasehold Interest..... | 25 |
| 8.3 Québec Interpretation Clause..... | 25 |
| 8.4 Time of the Essence..... | 25 |
| 8.5 Entire Agreement..... | 25 |
| 8.6 Waiver..... | 26 |
| 8.7 Further Assurances..... | 26 |
| 8.8 Severability..... | 26 |
| 8.9 Governing Law..... | 26 |
| 8.10 English Language..... | 26 |
| 8.11 Statute References..... | 26 |
| 8.12 Headings..... | 27 |
| 8.13 References..... | 27 |
| 8.14 Number and Gender..... | 27 |
| 8.15 Business Days..... | 27 |
| 8.16 Currency and Payment Obligations..... | 27 |
| 8.17 Notice..... | 27 |
| 8.18 Subdivision Control Legislation..... | 29 |
| 8.19 Solicitors as Agent and Tender..... | 29 |
| 8.20 No Registration of Agreement..... | 29 |
| 8.21 Third Party Costs..... | 30 |
| 8.22 Interpretation..... | 30 |
| 8.23 No Third Party Beneficiaries..... | 30 |
| 8.24 Enurement..... | 30 |
| 8.25 Counterparts and Delivery..... | 30 |
| SCHEDULE "A" PREMISES..... | 1 |
| SCHEDULE "B" LEASE PARTICULARS..... | 1 |
| SCHEDULE "C" EXCLUDED ASSETS..... | 1 |
| SCHEDULE "D" SURRENDER CONSIDERATION ALLOCATION..... | 1 |
| SCHEDULE "E" <i>ONTARIO</i> SUPERIOR COURT OF JUSTICE COMMERCIAL LIST..... | 1 |

TABLE OF CONTENTS
(continued)

| | Page |
|--|-------------|
| SCHEDULE “F” LANDLORD’S GST/HST CERTIFICATE, UNDERTAKING AND INDEMNITY | 1 |
| SCHEDULE “G” FORM OF ASSIGNMENT AND ASSUMPTION OF ASSUMED LIABILITIES | 1 |
| SCHEDULE “H” FORM OF AMENDMENT AND SURRENDER OF LEASE | 6 |
| SCHEDULE “I” INTENTIONALLY DELETED | 1 |
| SCHEDULE “J” LIST OF FF&E | 2 |
| SCHEDULE “K” PERMITTED ENCUMBRANCES | - 1 - |
| SCHEDULE “L” FORM OF RELEASE OF PROPERTY CLAIMS | - 1 - |

THIS LEASE SURRENDER AGREEMENT dated with effect as of May 6, 2015

BETWEEN:

TARGET CANADA CO. (the "Tenant")

OF THE FIRST PART,

- and -

THE BEREZAN REAL ESTATE PARTNERSHIP (the "Landlord")

OF THE SECOND PART,

RECITALS:

- A. The Tenant and certain of its affiliates applied for and together with the limited partnerships listed on Schedule "A" to the Initial Order (the Tenant, its affiliates and the limited partnerships being collectively, the "**Applicants**") were granted protection by the Ontario Superior Court of Justice (Commercial List) (the "**Court**") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), and Alvarez & Marsal Canada Inc. (the "**Monitor**") was appointed by the Court as the monitor of the Tenant pursuant to an Order of the Court dated January 15, 2015, as amended and restated on February 11, 2015, and as further amended, restated and/or amended and restated from time to time (collectively, the "**Initial Order**").
- B. On February 11, 2015, the Court entered an order approving the process for the disposition of the Tenant's real property interests and the procedures set forth therein (as same may be amended from time to time, the "**Sale Procedures**").
- C. Pursuant to the Sale Procedures, the Landlord submitted a Landlord LOI for the purchase of certain leases and related interests and/or assets with respect to certain leased premises the Tenant uses or used in its operations, and has been invited to submit a Landlord Qualified Bid in accordance with the Sale Procedures.
- D. The Landlord hereby offers to accept a surrender from the Tenant of the Tenant's right, title and interest in and to the Leases, the Real Property Interests and the Premises and to accept the resiliation of such Leases on the terms and conditions set out herein (the "**Offer**").
- E. This Agreement is subject to approval by the Court, and the completion of the Transaction is subject to the Court issuing the Approval and Vesting Order and the Monitor releasing the Monitor's Certificate, all as more particularly described herein.

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Tenant and the Landlord (individually, a "**Party**" and collectively, the "**Parties**") covenant and agree as follows:

- 2 -

ARTICLE 1 DEFINITIONS

1.1 Definitions

Unless otherwise provided for herein, all capitalized terms set out below when used in this Agreement shall have the meaning ascribed thereto unless the context expressly or by necessary implication otherwise requires:

“**Agency Agreement**” has the meaning ascribed thereto in the Agency Agreement Order.

“**Agency Agreement Order**” means the Approval Order – Agency Agreement of the Court dated February 4, 2015, as amended, restated and/or amended and restated from time to time.

“**Agent**” has the meaning ascribed thereto in the Agency Agreement Order.

“**Agreement**” means this agreement constituted by the Tenant’s acceptance of the Offer together with all schedules and instruments in written amendment or confirmation of it and the expression “**Section**” followed by a number means and refers to the ascribed thereto Section of this Agreement.

“**Applicants**” has the meaning ascribed thereto in Recital A.

“**Approval and Vesting Order**” means an order issued by the Court approving this Agreement and the transactions contemplated by this Agreement, and surrendering to the Landlord all of the Tenant’s right, title and interest in and to the Leases and the Real Property Interests free and clear of all Encumbrances other than the Permitted Encumbrances, which order shall be substantially in the form of Schedule “E”.

“**Assignment and Assumption of Assumed Liabilities**” means an assignment by the Tenant and an assumption by the Landlord of the Tenant’s right, title and interest and all liability, covenants and obligations in, to and under any Assumed Liabilities. The agreement evidencing same shall include an indemnity given by the Landlord in favour of the Tenant from and against any Claims arising pursuant to or in connection with any of the Assumed Liabilities and shall be in substantially the form attached as Schedule “G”.

“**Assumed Liabilities**” has the meaning ascribed thereto in Section 3.4(a).

“**Auctions**” has the meaning ascribed thereto in the Sale Procedures.

“**Authorization**” means, with respect to any Person, any order, permit, approval, waiver, licence or similar authorization of any Governmental Authority having jurisdiction over the Person.

“**Backup Bidder**” has the meaning ascribed thereto in the Sale Procedures.

“**Balance**” has the meaning ascribed thereto in Section 3.1(a).

“**Business Day**” means any day of the year, other than a Saturday, Sunday or any day on which major banks are closed for business in Toronto, Ontario.

“**CCAA**” has the meaning ascribed thereto in Recital A.

“**CCAA Proceedings**” means the proceedings commenced by the Applicants before the Court under the CCAA, court file no. CV-15-10832-00CL.

“**Claims**” means claims, demands, complaints, grievances, actions, applications, suits, causes of action, Orders, charges, indictments, prosecutions, informations or other similar processes, assessments or reassessments, equitable interests, options, preferential arrangements of any kind or nature, assignments, restrictions, financing statements, deposit arrangements, rights of others, leases, sub-leases, licences, rights of first refusal or similar restrictions, judgments, debts, liabilities, expenses, costs, damages or losses, contingent or otherwise, including loss of value, reasonable professional fees, including fees and disbursements of legal counsel on a full indemnity basis, and all actual and documented costs incurred in investigating or pursuing any of the foregoing or any proceeding relating to any of the foregoing.

“**Closing**” has the meaning ascribed thereto in Section 7.5(a).

“**Closing Date**” has the meaning ascribed thereto in Section 7.5(a).

“**Closing Documents**” means those documents and deliveries to be delivered in connection with the Closing as contemplated in this Agreement including those set out in Section 7.4.

“**Competing Bidder**” has the meaning ascribed thereto in the Sale Procedures.

“**Contracts**” means, collectively, all of the Tenant’s contracts and agreements to enter into contracts with respect to the operation, fire protection, servicing, maintenance, repair and cleaning of the Premises, or the furnishing of supplies or services to the Premises, any property management or asset management contracts, any employment contracts and any insurance contracts entered into by the Tenant or any manager or agent on behalf of the Tenant with respect to the Premises or the Leases.

“**Court**” has the meaning ascribed thereto in Recital A.

“**Deposit**” has the meaning ascribed thereto in Section 3.1.

“**Encumbrance**” means any restriction, reservation, easement, servitude, right-of-way, encroachment, mortgage, charge, pledge, hypothec, prior claims, lien (statutory or otherwise), security interest, title retention agreement or arrangement, assignment, claim, prior claim, liability (direct, indirect, absolute or contingent), obligation, trust, deemed trust, right of retention, judgment, writ of seizure or execution, notice of sale, contractual right, option, right of first refusal, or any other right or interest, of any nature or any other arrangement or condition whether or not registered, published or filed, statutory or otherwise, secured or unsecured.

“**Excise Tax Act**” means the *Excise Tax Act*, R.S.C., 1985, c. E-15, as amended, restated, supplemented or substituted from time to time.

“**Excluded Assets**” means those assets (in each case, as of the Closing Date) described in Schedule “C”.

“**Execution Date**” means the date of this Agreement as set out on the top of page 1 hereof.

“**Financial Advisor**” means Lazard Frères & Co. LLC.

“**FF&E**” means the fixtures, improvements, tools, signs, furniture, machinery, equipment, furnishings and fixtures including shelves, counters, video cameras and equipment, security systems, point-of-sales systems and related appurtenances, telecommunications systems and related appurtenances, electric light fixtures, elevating devices and equipment and trade fixtures located at the Premises, in each case, to the extent owned by the Tenant as of the Closing Date, including those items listed on Schedule “J” hereto. However, FF&E excludes the Excluded Assets.

“**Guarantees**” means the promises, assurances, guarantees and/or indemnities provided by or on behalf of Target to the Landlord in respect of any or all of the liabilities and obligations of the Tenant under a Lease and/or with respect to the Premises and/or a Property . The Guarantees related to any one Lease are referred to as a “**Guarantee**”.

“**Governmental Authorities**” means governments, regulatory authorities, governmental departments, agencies, agents, commissions, bureaus, officials, ministers, Crown corporations, courts, bodies, boards, tribunals or dispute settlement panels or other law or regulation-making organizations or entities: (a) having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any other geographic or political subdivision of any of them; or (b) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power.

“**GST/HST Certificate, Undertaking and Indemnity**” mean the Landlord’s certificate to be in substantially the form set out in Schedule “F”.

“**Initial Order**” has the meaning ascribed thereto in Recital A.

“**Interim Period**” means the period between the close of business on the Execution Date and the Closing on the Closing Date.

“**Inventory**” includes all inventory, stock, supplies and all other items to be sold from any of the Premises.

“**Joint Direction**” has the meaning ascribed thereto in Section 3.2.

“**Landlord**” has the meaning ascribed thereto on page 1 hereof.

“**Landlord LOI**” has the meaning ascribed thereto in the Sale Procedures.

“**Landlord Qualified Bid**” has the meaning ascribed thereto in the Sale Procedures.

“**Laws**” means any and all applicable laws, including all statutes, codes, ordinances, decrees, rules, regulations, municipal by-laws, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, decisions, ruling or awards, and general principles of common and civil law and equity, binding on or affecting the Person referred to in the context in which the word is used.

- 5 -

“**Leases**” means the leases and other agreements to occupy the Premises entered into by, or assigned in favour of the Tenant and listed in Schedule “B”. If the Premises comprise more than one leased location, the Leases related to any one leased location are referred to as a “**Lease**”.

“**Lease Amendment and Surrender Agreement**” means, with respect to each Lease, an amendment and surrender of lease in substantially the form attached as Schedule “H”.

“**Letters of Credit**” means letters of credit, letters of guarantee, deposits and/or security deposits provided by or on behalf of the Tenant to any third party in respect of any of the Leases and/or the Premises.

“**Matching Security**” has the meaning ascribed thereto in Section 3.6.

“**Monitor**” has the meaning ascribed thereto in Recital A.

“**Monitor’s Certificate**” means the certificate filed with the Court by the Monitor certifying receipt of confirmation from the Landlord and the Tenant that all conditions of Closing in Sections 7.1, 7.2 and 7.3 of this Agreement have been satisfied or waived.

“**Nominee**” has the meaning ascribed thereto in Section 6.5.

“**Notice**” has the meaning ascribed thereto in Section 8.17.

“**Off-Title Compliance Matters**” means open permits or files, work orders, Orders, deficiency notices, directives, notices of violation, non-compliance and/or complaint and/or other outstanding matters or matters of non-compliance with the zoning and/or other requirements of any Governmental Authorities or any open building permits.

“**Offer**” has the meaning ascribed thereto in Recital D.

“**Orders**” means orders, injunctions, judgments, administrative complaints, decrees, rulings, awards, assessments, directions, instructions, penalties or sanctions issued, filed or imposed by any Governmental Authority or arbitrator.

“**Outside Date**” has the meaning ascribed thereto in the Sale Procedures.

“**Permitted Encumbrances**” means, collectively: (a) any Encumbrances encumbering the freehold or other ownership interest in the Property or any other Landlord’s interest in the Property, but excludes any Encumbrances solely encumbering the Tenant’s leasehold interest in and to any Property situated outside of the Province of Québec on which the Premises are located; (b) Encumbrances resulting from the Landlord’s actions or omissions; and (c) the items identified in Schedule “K” hereto.

“**Person**” means an individual, partnership, corporation, trust, unincorporated organization, company, government, or any department or agency thereof, and the successors and assigns thereof or the heirs, executors, administrators or other legal representatives of an individual.

“**Premises**” means, collectively, the lands and premises which are leased to the Tenant pursuant to the Leases.

- 6 -

“Property” means collectively, the real or immovable property of which the Premises form part for the purposes of the Leases and includes the Landlord’s freehold or other ownership interest, ground leasehold interest or right of emphyteusis therein.

“Property Claims” means any and all Claims which the Landlord ever had, now has or hereafter can, shall or may have against the Tenant or Target in respect of the Leases, the Real Property Interests, the Premises, the Guarantees and/or the Property.

“Qualified Bid Deadline” has the meaning ascribed thereto in the Sale Procedures.

“Real Property Interests” means all properties, assets, interests and rights of the Tenant which are related to the operation at each of the Premises, which for greater certainty do not include Excluded Assets but include: (a) the Tenant’s right, title and interest, including its leasehold interest at common law and its rights as a lessee under civil law, in and to the Leases and the Premises, including, if any, the benefit of all easements, restrictive covenants, access rights, licences to use any common areas or rooftop areas of the buildings or shopping centres of which the Premises form part, rights to renew or extend the term of any Lease, options and similar rights of first offer, first refusal or first opportunity or otherwise to lease or purchase (if any), parking rights and signage rights; and (b) the FF&E which are left on the Premises on the Closing Date.

“Release of Property Claims” means a release by the Landlord of any Property Claims against the Tenant, Target and all predecessors in interest to the Tenant under any of the Leases, in substantially the form attached as Schedule “L”

“Sale Procedures” has the meaning ascribed thereto in Recital B.

“Surrender Consideration” has the meaning ascribed thereto in Section 3.1

“Successful Bid” has the meaning ascribed thereto in the Sale Procedures.

“Successful Bidder” has the meaning ascribed thereto in the Sale Procedures.

“Taxes” means taxes, duties, fees, premiums, assessments, imposts, levies and other similar charges imposed by any Governmental Authority under applicable Laws, including all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Authority in respect thereof, and including those levied on, or measured by, or referred to as, income, gross receipts, profits, capital, transfer, land transfer, registration, sales, goods and services, harmonized sales, use, value-added, excise, stamp, withholding, business, franchising, property, development, and occupancy taxes, all surtaxes, all customs duties and import and export taxes, countervail and anti-dumping, and all licence, franchise and registration fees.

“Target” means Target Corporation and its successors and assigns.

“Tenant” has the meaning ascribed thereto on page 1 hereof.

“Transaction” means collectively the transactions contemplated in this Agreement.

“Transaction Agreement” means the amended and restated transaction agreement dated September 12, 2011 between Zellers Inc., Hudson’s Bay Company, Target and the Tenant.

“Zellers Entity” means Zellers Inc., Hudson’s Bay Company or any of their affiliates.

ARTICLE 2 SURRENDER TRANSACTION

2.1 Offer and Acceptance

- (a) Subject to the Initial Order and the Sale Procedures, the Tenant hereby agrees to surrender and the Landlord hereby agrees to accept a surrender of the Leases and the Real Property Interests on the Closing Date in accordance with the terms and conditions of this Agreement.
- (b) The Offer shall be irrevocable by the Landlord 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 the Landlord is selected as the Successful Bidder, this Offer will remain irrevocable until the closing of the Transaction.
- (c) By submitting this Offer, the Landlord has irrevocably committed and agreed to serve as the Backup Bidder in accordance with the Sale Procedures.
- (d) Upon acceptance of this Offer by the Tenant, this Offer shall constitute a binding agreement to surrender the Leases and the Real Property Interests, on the terms of this Agreement.

2.2 As Is, Where Is

Notwithstanding the foregoing or anything else contained herein or elsewhere, the Landlord acknowledges and agrees in favour of the Tenant that as of the Execution Date and the Closing Date:

- (a) the Landlord is accepting the surrender of the Leases and the Real Property Interests and accepting the Premises on an “as is, where is” basis, without any written or oral statements, representations, warranties, promises or guaranties of any nature or kind whatsoever, either legal or conventional, express or implied (by operation of law or otherwise), as to the state of title thereto, the state of any Encumbrances, the condition of any of the Premises and the Real Property Interests and the status of any of the Leases or the Encumbrances, the existence of any default on the part of the Tenant, the physical, environmental or other condition of, in, on, under or in the vicinity of any of the Premises, the existence of any Encumbrance and/or Off-Title Compliance Matters affecting the Leases, the Real Property Interests, the Premises, the Assumed Liabilities, or the Permitted Encumbrances, the structural integrity or any other aspect of the physical condition of the Premises, the conformity of the Premises to past, current or future applicable zoning or building code requirements or other applicable Laws, the existence of soil instability, past soil repairs, soil additions or conditions of soil fill or any other matter affecting the stability or integrity of the Premises, the sufficiency of any drainage, the availability of public utilities, access, parking and/or services for the Premises, the fitness or suitability of the Premises for occupancy or any intended use (including matters relating to health

- 8 -

and safety), the potential for further development of the Premises, the existence of land use, zoning or building entitlements affecting the Premises, the presence, release or use of wastes of any nature, hazardous materials, pollutants, contaminants or other regulated substances in, under, on or about the Premises or any neighbouring lands; and without limiting the foregoing, any and all conditions or warranties expressed or implied pursuant to the *Sale of Goods Act (Ontario)* will not apply and are hereby waived by the Landlord and the Parties agree to exclude, to the extent applicable, the effect of the legal warranty provided for by Article 1716 of the *Civil Code of Québec* and that the Landlord is accepting a surrender of the Real Property Interests at its own risk within the meaning of Article 1733 of the *Civil Code of Québec*;

- (b) any disclosure in respect of the Leases, the Real Property Interests and/or the Premises, if any, was made available to the Landlord solely as a courtesy but the Landlord is not entitled to rely on such disclosure, and it is expressly acknowledged by the Landlord that no written or oral statement, representation, warranty, promise or guarantee of any nature or kind whatsoever, either legal or conventional, express or implied (by operation of law or otherwise), is made by the Tenant and/or the Monitor and/or their respective legal counsel, the Financial Advisor or other advisors or representatives as to the accuracy, currency or completeness of any such disclosure, and each of them expressly disclaims any and all liabilities with respect to such disclosure and any and all errors therein or omissions therefrom;
- (c) the Landlord hereby unconditionally and irrevocably waives any and all actual or potential rights or Claims the Landlord might have against the Tenant pursuant to any warranty, legal or conventional, express or implied, of any kind or type relating to the Leases, the Real Property Interests, the Premises or the Assumed Liabilities or any other assets or any other aspect of the Transaction. Such waiver is absolute, unlimited and includes, but is not limited to, waiver of express warranties, implied warranties, any warranties at law and/or in equity, warranties of fitness for a particular use, warranties of merchantability, warranties of occupancy, strict liability and Claims of every kind and type, including, but not limited to, Claims regarding defects, whether or not discoverable, product liability Claims, or similar Claims, and to all other extent or later created or conceived of strict liability or strict liability type Claims and rights;
- (d) the Landlord conducted its own independent review, inspection, diligence and investigations and forming its own independent opinions and conclusions in respect of the Leases, the Real Property Interests, the Premises and the Assumed Liabilities. The Landlord's decision to make this Offer and enter into this Agreement was made of its own accord without reference to or reliance upon any disclosure made by the Tenant and/or the Monitor and/or their respective legal counsel, the Financial Advisor or other advisors or representatives. The Landlord acknowledges having been given a reasonable and adequate opportunity to conduct its own independent diligence prior to entering in this Agreement;

- 9 -

- (e) during the Interim Period, the Tenant shall be entitled to remove any and all chattels, personal or movable property, Inventory, FF&E and any other Excluded Assets from all or any of the Premises that the Tenant elects to remove; and
- (f) the Leases, the Real Property Interests, the Premises or the Assumed Liabilities may be subject to certain Off-Title Compliance Matters, municipal requirements, including building or zoning by-laws and regulations, servitudes, easements for hydro, gas, telephone affecting same, and like services to the Premises, and restrictions and covenants affecting the Premises, including but not limited to the Permitted Encumbrances. Without limiting the foregoing, the Tenant shall not be responsible for rectification of any matters disclosed by any Governmental Authority or quasi-governmental authority having jurisdiction.

The Tenant has no and shall have no obligations or responsibility to the Landlord after Closing with respect to any matter relating to the Leases, the Premises or the Property or the condition thereof save and only to the extent expressly provided in this Agreement. This Section 2.2 shall survive and not merge on Closing and all Closing Documents shall incorporate this Section 2.2 by reference.

ARTICLE 3 CONSIDERATION

3.1 Surrender Consideration

The consideration payable by the Landlord to the Tenant for the Transaction shall be ONE MILLION TWO HUNDRED THOUSAND DOLLARS (\$1,200,000) (the “**Surrender Consideration**”) exclusive of all Taxes. The Surrender Consideration shall be paid to the Tenant as follows:

- (a) as to the sum of \$120,000 (the “**Deposit**”), by wire transfer of immediately available funds from any of the five largest (by asset size) Schedule I Canadian chartered banks pursuant to the Large Value Transfer System as administered by the Canadian Payments Association payable to the Monitor, in trust, or as it may direct on the Closing Date, on or prior to 3:00 p.m. (Toronto time) on the Business Day following the Execution Date, to be held in trust as a deposit and invested in accordance with the provisions of Section 3.2 below pending the completion or other termination of this Agreement; and
- (i) as to the balance of the Surrender Consideration (the “**Balance**”), subject only to the adjustments made in accordance with this Agreement, by wire transfer of immediately available funds from any of the five largest (by asset size) Schedule I Canadian chartered banks pursuant to the Large Value Transfer System as administered by the Canadian Payments Association payable to the Monitor or as it may direct on the Closing Date.

3.2 Deposit

- (a) Following receipt, the Deposit shall be invested by the Monitor, in trust, in an interest bearing account or term deposit or guaranteed investment certificate with

- 10 -

or issued by one of the five (5) largest (by asset size) Canadian Schedule I Canadian chartered banks pending completion of the Transaction or earlier termination or non-completion of this Agreement. In holding and dealing with the Deposit and any interest earned thereon pursuant to this Agreement, the Monitor is not bound in any way by any agreement other than this Section 3.2 and the Monitor shall not and shall not be considered to assume any duty, liability or responsibility other than to hold the Deposit, and any interest earned thereon, in accordance with the provisions of this Section 3.2, and to pay the Deposit, and any interest earned thereon, to the Person becoming entitled thereto in accordance with the terms of this Agreement, except in the event of a dispute between the Parties as to entitlement to the Deposit. In the case of such dispute, the Monitor may, in its sole, subjective and unreviewable discretion, or shall, if requested by any of the Parties, pay the Deposit and any and all interest earned thereon into Court, whereupon the Monitor shall have no further obligations relating to the Deposit or any interest earned thereon. The Monitor shall not, under any circumstances, be required to verify or determine the validity of any notice or other document whatsoever delivered to the Monitor and the Monitor is hereby relieved of any liability or responsibility for any Claims which may arise as a result of the acceptance by the Monitor of any such notice or other document in good faith.

- (b) If the Transaction is completed, the Deposit shall be paid to the Tenant forthwith on Closing and applied to the Surrender Consideration. Interest on the Deposit shall accrue from the date of deposit with the Monitor until the Closing or other termination or non-completion of this Agreement. If the Transaction is successfully, completed, all interest earned on the Deposit until Closing shall be paid to the Landlord within five (5) Business Days of Closing.
- (c) If the Transaction is terminated or not completed by reason of a breach by the Landlord of its representations, warranties or covenants or other default of the Landlord under this Agreement, the full amount of the Deposit together with all accrued interest earned thereon, if any, shall become the absolute property of, and may be retained by, the Tenant as liquidated damages (and not as a penalty) to compensate the Tenant for the expenses incurred and the delay caused and opportunities foregone as a result of the failure of the Transaction to close. The entitlement of the Tenant to receive and retain the Deposit together with all accrued interest earned thereon, if any, in such circumstances shall not limit the Tenant's right to exercise any other rights or remedies which the Tenant may have against the Landlord in respect of such breach or default. If the Transaction is terminated or not completed for any other reason, the Deposit together with all interest accrued thereon if, any shall be thereupon returned to the Landlord.
- (d) In holding and dealing with the Deposit and any interest earned thereon pursuant to this Agreement, the Monitor shall release the Deposit and any interest earned thereon to the Persons becoming entitled thereto in accordance with the provisions of this Section 3.2 as evidenced by a joint direction in writing executed by the Tenant and the Landlord (the "**Joint Direction**") except in the event of a dispute between the Parties as to entitlement to the Deposit and any interest

- 11 -

earned thereon in which event the Monitor may, in its sole, unfettered and unreviewable discretion, pay the Deposit and any interest earned thereon into Court, whereupon the Monitor shall have no further obligations relating to the Deposit and any interest earned thereon or otherwise hereunder.

- (e) The Monitor shall not, under any circumstances, be required to verify or determine the validity of the Joint Direction and the Monitor is hereby relieved of any liability or responsibility for any loss or damage which may arise as the result of the acceptance by the Monitor of the Joint Direction in good faith.
- (f) Notwithstanding the foregoing or anything else contained herein or elsewhere, each of the Tenant and the Landlord acknowledges and agrees that: (i) the Monitor's obligations hereunder are and shall remain limited to those specifically set out in this Section 3.2; and (ii) Alvarez & Marsal Canada Inc. is acting solely in its capacity as the Court-appointed Monitor of the Tenant in the CCAA Proceedings and not in its personal or corporate capacity, and the Monitor has no liability in connection with this Agreement whatsoever, in its personal or corporate capacity or otherwise, save and except for and only to the extent of the Monitor's wilful misconduct.
- (g) The Parties acknowledge that the Monitor may rely upon the provisions of this Section 3.2 notwithstanding that the Monitor is not a party to this Agreement. The provisions of this Section 3.2 shall survive the termination or non-completion of the Transaction.

3.3 Surrender Consideration Allocation

On or prior to the Closing Date, the Landlord and the Tenant, each acting reasonably, shall agree as to the allocation of the Surrender Consideration as between the Real Property Interests. The Landlord and the Tenant shall adopt such allocations for the purposes of all tax returns, elections and filings respectively made by them or on their behalf provided that if the parties cannot agree upon such an allocation, on or prior to the Closing Date, the Agreement shall still constitute a binding agreement and the Transaction shall proceed.

3.4 Assumed Liabilities

- (a) The Landlord covenants with the Tenant that it shall, as and from the Closing Date, assume, perform and fulfill (except for money owing by the Tenant to the Landlord as of the Closing Date, if any), as well as discharge all the obligations and liabilities on the part of the Tenant with respect to the Premises and the Property, including without limitation the Permitted Encumbrances in respect of the period on or after the Closing Date, or otherwise arising, incurred or accrued on or after the Closing Date whether in respect of the period before or after the Closing Date, including, any default as a consequence of the closing of the Transaction (collectively, the "Assumed Liabilities").

- 12 -

- (b) Without limiting the foregoing, the Landlord shall execute and deliver to the Tenant on the Closing Date: (i) the Lease Amendment and Surrender Agreement for each Lease; and (ii) the Assignment and Assumption of Assumed Liabilities.

3.5 Property Claims

The Landlord covenants with the Tenant that, provided the Tenant pays all money owing to the Landlord as of the Closing Date, if any, it shall, as and from the Closing Date, assign, release and quit claim to the Tenant and Target all of the Landlord's right, title and interest in and to the Property Claims, together with any and all benefits, advantages, privileges and rights relating thereto or arising and flowing therefrom, to have and to hold the same unto the Tenant, its successors and assigns, forever. On Closing, the Landlord shall execute and deliver to the Tenant and Target a Release of Property Claims.

3.6 Letters of Credit and Deposits

On the Closing Date, the Landlord shall issue replacement letters of credit and/or security deposits for the Letters of Credit and shall use its reasonable commercial efforts to cause the Letters of Credit to be released and returned to the Tenant without any further drawings thereunder. Provided that to the extent that the Landlord is unable to cause all of the Letters of Credit to be released and returned to the Tenant, without any further drawings thereunder, in lieu of issuing the replacement letters of credit and/or security deposits referred to above, the Landlord shall cause matching, unconditional and irrevocable letters of credit and/or security deposits in favour of the Tenant to be provided to the Tenant on the Closing Date (collectively, the "**Matching Security**") which Matching Security may be drawn upon by the Tenant if and to the extent that the Tenant's Letters of Credit are drawn upon from time to time.

3.7 Trade-Marks

Notwithstanding the foregoing or anything else contained herein or elsewhere, the Landlord acknowledges and agrees that: (a) no signs, trade-marks, trade-names, logos, commercial symbols, business names or other intellectual property rights identifying "Target" or "Target Canada" are conveyed or intended to be conveyed to the Landlord as part of the Transaction; and (b) all right, title and interest of the Tenant in and to all of its existing signs, trade-marks, trade-names, logos, commercial symbols, business names or other intellectual property rights identifying "Target" or "Target Canada" or containing the words "Target" are hereby specifically reserved and excluded from the Transaction. This Section shall survive and not merge on Closing.

ARTICLE 4 ADJUSTMENTS

4.1 Statement of Adjustments and Absence of Post-Closing Adjustments

The Tenant shall prepare a draft statement of adjustments and deliver same with supporting documentation to the Landlord for its review and approval no later than two (2) Business Days prior to the Closing Date. If the amount of any adjustments required to be made pursuant to this Agreement cannot be reasonably determined as of the Closing Date, an estimate shall be made by the Landlord and the Tenant as of the Closing Date based upon the best information available

- 13 -

to the Parties at such time, each Party acting reasonably and such estimate shall serve as a final determination. There shall be no further adjustments or readjustments after Closing of any amounts adjusted or intended to be adjusted on the statement of adjustments pursuant to this Agreement and the amounts set out on the statement of adjustments shall be final.

4.2 Items of Adjustments Under the Leases

- (a) The Tenant and the Landlord shall adjust the rent (including basic or minimum rent and additional rent) and other amounts payable under each of the Leases which have been paid or pre-paid to the Landlord in respect of each of the Leases for any period prior to the Closing Date as well as the month in which the Closing Date occurs, with the Closing Date itself to be allocated to the Landlord.
- (b) Without limiting the generality of the foregoing, the Tenant and the Landlord shall as of the Closing Date adjust between themselves the following amounts:
 - (i) in favour of the Landlord, for any money owing by the Tenant to the Landlord for any period prior to the Closing Date for any rent, property taxes, common area costs or otherwise. To the best of the Landlord's knowledge, the only adjustment with respect to rent relates to 2015 realty taxes;
 - (ii) basic or minimum rent for the month in which the Closing occurs;
 - (iii) in favour of the Tenant, on account of any roof repair costs or other costs of improvements paid by the Tenant which were required to be reimbursed to the Tenant by the Landlord;
 - (iv) in favour of the Tenant, on account of any amount owing to the Tenant by the Landlord in respect of unpaid tenant allowance, rent free periods or other tenant inducements; and
 - (v) in favour of the Tenant, on account of any other credit/setoff that the Tenant is entitled to claim from the Landlord, e.g. credit against/deduction from future additional rent charges due to the Tenant having performed certain work or paid for certain costs which were the Landlord's responsibility.
- (c) The Landlord shall be responsible for and pay all applicable Taxes payable in connection with the Transaction.
- (d) The Landlord hereby waives any fees or charges payable to the Landlord under any of the Leases in respect of the Transaction, including, without limitation, any fees, penalties, or charges payable to any Landlord in respect of a surrender of a Lease and any obligation in respect of the payment of accelerated and/or increased rent which arises solely as a result of a surrender of a Lease.

4.3 Utilities

- (a) The Landlord shall not assume any contracts or agreements entered into by or on behalf of the Tenant for the supply of any utilities (including electricity, gas, water, fuel, telephone service, internet services, security and surveillance services or otherwise) at the Premises. On or before the Closing Date, the Tenant shall terminate all of its contracts and agreements for the supply of any utilities to the Premises. For the avoidance of doubt, there shall be no adjustment at Closing in respect of the payment of any utilities. The provisions of this Section 4.4(a) shall survive and not merge on Closing.
- (b) From and after the Closing Date, any and all utility charges and other related fees payable for any of the Premises, pursuant to any invoice or statement issued on or after the Closing Date, shall be the sole responsibility of the Landlord, and there shall be no adjustments between the Tenant and the Landlord of any utility charges or related fees paid by the Landlord pursuant to any such invoice or statement issued on or after the Closing Date.

ARTICLE 5 INTERIM PERIOD & LEASE MATTERS

5.1 Interim Period

- (a) During the Interim Period, the Landlord and the Tenant shall comply with each and every term and condition of the Leases as currently applicable in the CCAA Proceedings, subject only to the provisions of the Initial Order, the Agency Agreement Order, the Sale Procedures and the provisions of this Section.
- (b) During the Interim Period, the Tenant by itself or through its Agent under the Agency Agreement shall be entitled to remove and sell, or permit any other Persons to remove and sell, any and all chattels, personal or movable property, Inventory, FF&E and any other Excluded Assets, from the Premises in accordance with this Agreement, the Initial Order, the Agency Agreement Order and the Sale Procedures.
- (c) Notwithstanding any provision of the Leases, the Tenant shall have no obligation to operate in the Premises during the Interim Period and on Closing the Tenant shall surrender the Premises in a "broom-swept" clean condition and on the condition as of the Execution Date, ordinary wear and tear excepted, and, for greater certainty, the Tenant shall not be required to repair and/or reinstate the Premises.
- (d) In the event that prior to the Closing Date all or a part of the Premises or more is expropriated or notice of expropriation or intent to expropriate all or a part of the Premises is issued by any Governmental Authority, the Landlord shall immediately advise the Tenant thereof by Notice in writing. Notwithstanding the occurrence of any of the foregoing, the Landlord shall complete the Transaction contemplated herein in accordance with the terms hereof without reduction of the Surrender Consideration and all compensation for expropriation shall be payable

- 15 -

to the Landlord and all right and claim of the Tenant to such amounts, if any, shall be assigned to the Landlord on a without recourse basis.

- (e) The Premises shall be and remain until Closing at the risk of the Tenant. In the event of material damage by fire or other hazard to the Premises or any part thereof occurring before the Closing Date, the Tenant shall immediately advise the Landlord thereof by Notice in writing. Notwithstanding the occurrence of any of the foregoing, the Landlord shall complete the Transaction contemplated herein in accordance with the terms hereof without reduction of the Surrender Consideration and the proceeds of any insurance available or actually paid or payable to the Tenant shall be paid and/or assigned to the Landlord on a without recourse basis.

5.2 Contracts

The Tenant covenants to terminate effective as of the Closing Date, at its sole cost and expense, all Contracts insofar as they relate to the Premises.

5.3 Releases

The Landlord shall use reasonable efforts to assist the Tenant and shall co-operate with the Tenant, as reasonably requested, to obtain from third parties a full release of the Tenant's and Target's obligations under the Permitted Encumbrances to the extent that the Tenant or Target is bound thereby, and shall provide such financial and other information and enter into such assumption agreements as such third parties may reasonably require, in form and substance acceptable to each of the parties thereto acting reasonably and without delay.

ARTICLE 6 REPRESENTATIONS, WARRANTIES & COVENANTS

6.1 Tenant's Representations and Warranties

The Tenant represents and warrants to and in favour of the Landlord that as of the Execution Date and as of Closing as to the following and acknowledges and confirms that the Landlord is relying upon such representations and warranties in connection with the entering into of this Agreement:

- (a) the execution, delivery and performance by the Tenant of this Agreement has been duly authorized by all necessary corporate action on the part of the Tenant, subject to the Approval and Vesting Order and authorization as is required by the Court;
- (b) the Tenant is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada); and
- (c) the Tenant is a registrant for the purposes of the tax imposed under Part IX of the *Excise Tax Act*.

6.2 Landlord's Representations and Warranties

The Landlord represents and warrants to and in favour of the Tenant that as of the Execution Date and as of Closing as to the following and acknowledges and confirms that the Tenant is relying upon such representations and warranties in connection with the entering into of this Agreement:

- (a) the Landlord is a partnership and is duly organized and validly subsisting under the Laws of the Province of British Columbia, and has all requisite partnership capacity, power and authority to carry on its business as now conducted by it and to own its properties and assets and is qualified to carry on business under the Laws of the jurisdictions where it carries on a material portion of its business;
- (b) the Landlord and the Nominee are each not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada);
- (c) the Landlord and Nominee are each a registrant for the purposes of the tax imposed under Part IX of the *Excise Tax Act*;
- (d) the execution, delivery and performance by the Landlord of this Agreement:
 - (i) has been duly authorized by all necessary partnership action on the part of the Landlord;
 - (ii) does not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition) require any consent or approval under, result in a breach or a violation of, or conflict with, any of the terms or provisions of its partnership agreement or any contracts or instruments to which it is a party or pursuant to which any of its assets or property may be affected, including any consent or approval from a mortgagee or lender or its respective agent, servicer or *fondé de pouvoir* or such other creditor to the Landlord or its affiliates with security on all or part of a Property; and
 - (iii) will not result in the violation of any Laws;
- (e) the Leases are in good standing, save and except for the CCAA Proceedings;
- (f) the Landlord is the beneficial owner of the Property and the lessor under the Lease and the registered owner of the Property is Sahali Centre Mall Ltd. (the "Nominee");
- (g) this Agreement has been duly executed and delivered by the Landlord and constitutes legal, valid and binding obligations of the Landlord, enforceable against it in accordance with their respective terms subject only to any limitation under applicable Laws relating to (i) bankruptcy, winding-up, insolvency, arrangement and other similar Laws of general application affecting the enforcement of creditors' rights, and (ii) the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction;

- 17 -

- (h) the Landlord has reviewed and is familiar with all of the terms and conditions of the Leases; and
- (i) the Landlord has, and will have at Closing, all funds on hand necessary to pay the Surrender Consideration.

The Landlord's representations and warranties shall survive Closing for a period of one (1) year thereafter.

6.3 Landlord's Covenants

- (a) The Landlord shall use commercially reasonable efforts to take all such actions as are within its power to control, and to cause other actions to be taken which are not within its power to control, so as to ensure compliance with each of the conditions and covenants set forth in Article 7 which are for the benefit of any other Party.
- (b) The Landlord shall take any and all steps in order to avoid the filing of an application for, or the issuance of any interim Order or other Order which would have the effect of delaying or preventing the Closing, and if any such interim Order or other Order is issued, the Landlord shall take any and all steps to have it rescinded, revoked or set aside as soon as possible. For greater certainty, "any and all steps" shall include, committing to or effecting undertakings, a consent agreement, a hold separate arrangement, a consent Order, a hold separate Order, a sale, a divestiture, a disposition or other action, in any such case without any reduction of the Surrender Consideration.
- (c) The Landlord will promptly notify the Tenant and the Tenant will promptly notify the Landlord upon:
 - (i) becoming aware of any Order or any complaint requesting an Order restraining or enjoining the execution of this Agreement or the consummation of the Transactions; or
 - (ii) receiving any notice from any Governmental Authority of its intention:
 - A. to institute a suit or proceeding to restrain or enjoin the execution of this Agreement or the consummation of the transactions contemplated by this Agreement; or
 - B. to nullify or render ineffective this Agreement or such transactions if consummated.

6.4 Tenant's Covenants

The Tenant agrees, that subject to the Initial Order and the Sale Procedures, to thereafter take all commercially reasonable actions as are within its power to control, and to use its commercially reasonable efforts to cause other actions to be taken which are not within its power to control, so as to fulfill the conditions set forth in Article 7 which are in the Tenant's favour.

6.5 Tax Matters

In addition to the representations and warranties set forth in Section 6.2, the Landlord further warrants, represents and covenants to the Tenant, and acknowledges and confirms that the Tenant is relying on such representations and warranties, indemnities and covenants in connection with the entering into of this Agreement, that:

- (a) the Landlord and Nominee are each duly registered under Subdivision (d) of Division V of Part IX of the *Excise Tax Act* with respect to the goods and services tax and harmonized sales tax and that the Landlord's registration number is 82869 6054 RT0011 and the Nominee's registration number shall be provided by the Landlord prior to Closing which registrations shall be in full force and effect and shall not have been cancelled or revoked on the Closing Date;
- (b) the Landlord has entered into this Agreement and is accepting a surrender of the Leases and the Real Property Interests on the Closing Date, as principal for its own account and not as an agent, nominee, trustee or otherwise on behalf of another Person;
- (c) to the extent permitted under subsection 221(2) of the *Excise Tax Act* and any equivalent or corresponding provision under any applicable provincial or territorial legislation, the Landlord and Nominee shall each self-assess and remit directly to the appropriate Governmental Authority any Taxes including goods and services tax or harmonized sales tax, as the case may be, imposed under the *Excise Tax Act* and any similar value added or multi-staged tax or sales tax imposed by any applicable provincial or territorial legislation payable in connection with the Transaction, including the surrender of the Leases and the Real Property Interests;
- (d) on Closing, the Landlord will pay, in addition to the Surrender Consideration, and the Tenant will collect, any Taxes including transfer taxes as well as goods and services tax or harmonized sales tax, as the case may be, imposed under the *Excise Tax Act* and any similar value added or multi-staged tax or sales tax exigible on the Transaction, except to the extent that the Landlord is permitted under subsection 221(2) of the *Excise Tax Act* and any equivalent or corresponding provision under any applicable provincial or territorial legislation to self-assess and remit such Taxes directly to the appropriate Governmental Authority, and the Landlord shall have executed and delivered a certificate, undertaking and indemnity which includes its certification of its registration number issued under the *Excise Tax Act* and incorporates the provisions of this Section 6.5;
- (e) the Landlord and Nominee shall each make and file all required return(s) in accordance with the requirements of subsection 228(4) of the *Excise Tax Act* and any equivalent or corresponding provision under any applicable provincial or territorial legislation; and
- (f) the Landlord shall indemnify and save the Tenant harmless from and against any and all Taxes including transfer taxes and goods and services tax or harmonized

- 19 -

sales tax, as the case may be, imposed under the *Excise Tax Act* and any similar value added or multi-staged tax or sales tax, penalties, costs and/or interest which may become payable by or assessed against the Tenant as a result of any failure by the Tenant to collect and remit any goods and services tax or harmonized sales tax payable under the *Excise Tax Act* or any similar value added or multi-staged tax or sales tax and applicable on the Transaction or as a result of any inaccuracy, misstatement or misrepresentation made by the Landlord on the Closing Date in connection with any matter raised in this Section 6.5 or contained in the GST/HST Certificate, Undertaking and Indemnity or any failure by the Landlord to comply with the provisions of this Section 6.5 or the GST/HST Certificate, Undertaking and Indemnity.

The provisions of this Section 6.5 shall survive and not merge on Closing.

6.6 Survival of Covenants,

Except as otherwise expressly provided in this Agreement to the contrary, no representations, warranties, covenants or agreements of the Tenant or the Landlord in this Agreement shall survive the Closing.

ARTICLE 7 CLOSING

7.1 Conditions of Closing for the Benefit of the Landlord

The Landlord's obligation to complete the Transaction is subject to the following conditions to be fulfilled or performed, on or before the Closing Date, which conditions are for the exclusive benefit of the Landlord and may be waived, in whole or in part, by the Landlord:

- (a) the representations and warranties of the Tenant in Section 6.1 shall be true and correct as of the Closing Date with the same force and effect as if such representations and warranties were made on and as of such date;
- (b) the Tenant shall have performed and complied with all of the other terms and conditions in this Agreement on its part to be performed or complied with at or before Closing in all material respects and shall have executed and delivered or caused to have been executed and delivered to the Landlord at Closing all the Closing Documents contemplated or required to be so executed and delivered in this Agreement;
- (c) the Landlord shall have received the Closing Documents.

7.2 Conditions of Closing for the Benefit of the Tenant

The Tenant's obligation to complete the Transaction is subject to the following conditions to be fulfilled or performed, on or before the Closing Date, which conditions are for the exclusive benefit of the Tenant and may be waived, in whole or in part, by the Tenant:

- 20 -

- (a) the representations and warranties of the Landlord in Section 6.2 shall be true and correct as of the Closing Date with the same force and effect as if such representations and warranties were made on and as of such date;
- (b) subject to paragraph 3.1, the Landlord shall have paid the Balance in its entirety to the Monitor and shall have performed and complied with all of the terms and conditions in this Agreement on its part to be performed or complied with at or before Closing in all material respects and shall have executed and delivered or caused to have been executed and delivered to the Tenant at Closing all the documents contemplated required to be so executed and delivered in this Agreement; and
- (c) the Tenant shall have received the Closing Documents.

7.3 Conditions of Closing for the Mutual Benefit of the Parties

If the bid for the Lease is not subject to an Auction as defined in Schedule B of the Initial Order, the obligations of either the Tenant or the Landlord to complete the Transaction are subject to the following conditions to be fulfilled or performed, on or before the Closing Date, which conditions are for the mutual benefit of each of the parties and may only be waived, in whole or in part, by agreement of the parties to this Agreement:

- (a) the Approval and Vesting Order, substantially in the form attached hereto as Schedule "E", shall have been issued and entered by the Court on or before the date that is the earlier of: (i) October 1, 2015; and (ii) five (5) Business Days prior to the Outside Date (as such date may be amended from time to time), or such other date as may be agreed upon in writing by the Parties, and the Approval and Vesting Order shall not be subject to a stay; and
- (b) the Monitor shall have delivered the Monitor's Certificate.

7.4 Closing Documents

On or before Closing, subject to the provisions of this Agreement, the Tenant and the Landlord shall, execute or cause to be executed and shall deliver or cause to be delivered into escrow (in a sufficient number of copies or counterparts for the Landlord and the Tenant and, where applicable, in registerable form), the following, which shall be in form and substance reasonably satisfactory to the Landlord and the Tenant and their respective solicitors:

- (a) By the Tenant and the Landlord:
 - (i) the Lease Amendment and Surrender Agreement for each Lease;
 - (ii) the Assignment and Assumption of Assumed Liabilities;
 - (iii) a deed of cancellation in registrable form consenting to the cancellation of all registrations made at the land registry office in respect of any Lease for Premises situated in the Province of Québec; and

- 21 -

- (iv) such other documents as each Party or each Party's solicitors shall reasonably require in good faith in accordance with this Agreement or as may be required under applicable Laws.
- (b) By the Tenant:
- (i) the Approval and Vesting Order;
 - (ii) a direction regarding payment of the Deposit and Balance;
 - (iii) the statement of adjustments evidencing the adjustments made at Closing;
 - (iv) all master keys and duplicate keys relating to the Premises, if any, all security cards and access cards relating to the Premises, if any, and all combinations and passwords to vaults and combination locks and other security features located in the Premises, if any, in each case, to the extent in the possession of the Landlord; and
 - (v) such other documents as the Landlord or the Landlord's solicitors shall reasonably require in good faith in accordance with this Agreement or as may be required under applicable Laws.
- (c) By the Landlord:
- (i) the Balance plus all Taxes payable hereunder;
 - (ii) GST/HST Certificate, Undertaking and Indemnity executed by the Landlord and Nominee;
 - (iii) the Matching Security, if applicable;
 - (iv) the Release of Property Claims; and
 - (v) such other documents as the Tenant or the Tenant's solicitors shall reasonably require in good faith in accordance with this Agreement or as may be required under applicable Laws.

7.5 Closing Date

- (a) Subject to the Sale Procedures, the completion of the Transaction contemplated by this Agreement (the "**Closing**") shall take place at 10:00 a.m. (Toronto time) on the date that is three (3) Business Days following the issuance of the Approval and Vesting Order or on such other date and such other time as may be agreed upon in writing by the parties (the "**Closing Date**"), provided that in no event shall the Closing Date take place prior to the completion of any sale of Inventory and/or FF&E at any of the Premises. The exchange of Closing documents shall be in a manner reasonably agreed upon by the Parties, subject to Section 7.7(d), and shall occur by Closing.

- 22 -

- (b) Subject to satisfaction or waiver by the relevant Party or Parties, as applicable, of the conditions of closing in its favour contained in this Article 7, at Closing, the Landlord will pay or satisfy the Surrender Consideration in accordance with Article 3, and the Closing of the Transaction will take effect, pursuant to the Approval and Vesting Order, upon delivery of the Monitor's Certificate.

7.6 Confirmation of Satisfaction of Conditions

On the Closing Date, subject to satisfaction or waiver by the relevant Party or Parties, as applicable, of the conditions of Closing in its favour contained in Article 7, the parties or their respective solicitors shall confirm to the Monitor the satisfaction of all conditions to Closing, whereupon the Monitor shall deliver copies of the Monitor's Certificate to the Parties hereto and release the Surrender Consideration to the Tenant and following Closing forthwith file the Monitor's Certificate with the Court.

7.7 Closing

- (a) the Surrender Consideration shall be held by the Monitor, in trust in a separate interest bearing account, pending completion of the Transaction or earlier termination of this Agreement. In holding and dealing with the funds paid to the Monitor in trust and any interest earned thereon pursuant to this Agreement, the Monitor is not bound in any way by any agreement other than Section 3.2 and this Section 7.7 and the Monitor shall not assume or be deemed to assume any duty, liability or responsibility other than to hold the trust funds and any interest earned thereon in accordance with the provisions of this Section 7.7 and to pay the funds, and any interest earned thereon, to the Party becoming entitled thereto in accordance with the terms of this Agreement, except in the event of a dispute between the parties as to entitlement to the trust funds, of which the Monitor has been given notice in writing, the Monitor may, in its sole, subjective and unreviewable discretion, or shall, if requested by either of the parties, pay the trust funds and any and all interest earned thereon into court, whereupon the Monitor shall have no further obligations relating to the trust funds or any interest earned thereon or otherwise hereunder.
- (b) The Monitor shall not, under any circumstances, be required to verify or determine the validity of any written notice or other document whatsoever delivered to the Monitor in connection with the trust funds and the Monitor is hereby relieved of any liability or responsibility for any loss or damage which may arise as a result of the acceptance by the Monitor of any such written notice or other document in good faith, provided that the Monitor shall not be relieved of any liability or responsibility for any loss or damage which may arise if the Monitor releases the trust funds or any interest thereon to a Party after having received prior written notice from the other Party hereto claiming entitlement to such trust funds or a dispute to such entitlement.
- (c) The Monitor shall be entitled to rely upon any written instructions received from the Tenant in respect of the investment of the trust funds, provided any and all such investments shall be in guaranteed investment certificates or segregated accounts issued by or held at Schedule 1 Canadian chartered bank(s).

- 23 -

- (d) On or before Closing, the parties' respective solicitors shall exchange the Closing Documents in escrow and the Balance shall be delivered to or paid to the order of the Monitor, in trust, and the Surrender Consideration shall remain in escrow with the Monitor until the Monitor has delivered the Monitor's Certificate to the Tenant and the Landlord, upon the occurrence of which the escrow shall be lifted, the Closing Documents shall take effect as of the date and time set out in the Monitor's Certificate, the entire amount of the Surrender Consideration shall be forthwith released to the Tenant and the Closing shall be deemed to have occurred as of such date and time and fully signed Closing Documents shall be released to each of the Tenant and Landlord.
- (e) The parties acknowledge that, notwithstanding that the Monitor is not a party to this Agreement, the Monitor may rely upon the provisions of Section 3.2 and this Section 7.7.
- (f) This Section 7.7 shall survive the Closing or termination of this Agreement.

7.8 Filings and Authorizations

- (a) Each of the Tenant and the Landlord, as promptly as practicable after the execution of this Agreement, will make, or cause to be made, all such filings and submissions under all Laws applicable to it, as may be required for it to consummate the Transaction in accordance with the terms of this Agreement, other than the motion seeking approval of the Transaction and the issuance of the Approval and Vesting Order. The Tenant and the Landlord shall co-ordinate and cooperate with one another in exchanging such information and supplying such assistance as may be reasonably requested by each in connection with the foregoing including, providing each other with all notices and information supplied to or filed with any Governmental Authority (except for notices and information which the Tenant or the Landlord, in each case acting reasonably, considers highly confidential and sensitive which may be filed on a confidential basis), and all notices and correspondence received from any Governmental Authority.
- (b) The Landlord waives compliance with the *Bulk Sales Act* (Ontario) and any other similar bulk sales laws. This waiver shall survive the Closing or termination of this Agreement.
- (c) The Parties acknowledge and agree that the Monitor shall be entitled to file the Monitor's Certificate with the Court, without independent investigation, upon receiving written confirmation from the Tenant and the Landlord or their respective solicitors that all conditions of Closing have been satisfied or waived, and the Monitor shall have no liability to the Tenant or the Landlord or any other Person as a result of filing the Monitor's Certificate.

7.9 Court Matters

If an Approval and Vesting Order are required,

- 24 -

- (a) The Tenant shall consult and co-ordinate with the Landlord and their respective legal advisors regarding the parties upon whom the motion seeking the Approval and Vesting Order will be served.
- (b) The Landlord shall provide such information and take such actions as may be reasonably requested by the Tenant to assist the Tenant in obtaining the Approval and Vesting Order and any other order of the Court reasonably necessary to consummate the transactions contemplated by this Agreement.
- (c) Notwithstanding anything else contained in this Agreement or elsewhere, the Landlord acknowledges and agrees that the Tenant cannot guarantee that it will obtain the Approval and Vesting Order and the Approval and Vesting Order may or may not be granted by the Court. Unless and until an Approval and Vesting Order is issued by the Court in respect of the Transaction contemplated in this Agreement, the Tenant shall, without penalty, be entitled to continue to solicit, negotiate and enter into an agreement of purchase and sale or other agreement for an assignment or transfer of all or some of the Leases with another party, and if the Tenant enters into an agreement of purchase and sale or other agreement for the assignment or transfer of all or some of the Leases and completes such transaction with such other party, the Tenant shall be entitled, in its sole, unfettered and unreviewable discretion, to terminate this Agreement in its entirety, or exclude those Leases which have been sold or assigned from this Agreement and adjust the Surrender Consideration accordingly, in all cases subject to the Sale Procedures and Court approval.

7.10 Termination

This Agreement may, by notice in writing given at or prior to Closing, be terminated:

- (a) by the Landlord if any of the conditions in Section 7.1 have not been satisfied on or before the time ascribed thereto for the satisfaction of such condition and the Landlord has not waived such condition;
- (b) by the Tenant if any of the conditions in Section 7.2 have not been satisfied on or before the time ascribed thereto for the satisfaction of such condition and the Tenant has not waived such condition; or
- (c) by either Party if:
 - (i) any of the conditions precedent in Section 7.3 have not been satisfied on or before the time ascribed thereto for the satisfaction of such condition and the parties have not waived such condition; or
 - (ii) if the Closing has not occurred on or prior to the Outside Date (as defined in the Sale Procedures), or on or before such later date as the parties agree to in writing, provided that a Party may not terminate this Agreement pursuant to this Section if it has failed to perform any one or more of its obligations or covenants under this Agreement and the Closing has not occurred because of such failure.

ARTICLE 8 OTHER PROVISIONS

8.1 Confidentiality

The Landlord acknowledges that this Agreement is a Landlord Qualified Bid under the Sale Procedures. In addition, the Tenant shall be entitled to disclose this Agreement and all information provided by the Landlord in connection herewith, to the Court, the Monitor and parties in interest to the CCAA Proceedings. This Section shall survive and not merge on Closing.

8.2 Leasehold Interest

Notwithstanding any provision of this Agreement to the contrary, for purposes of this Agreement and each Closing Document: (i) all references to "**Lease**" include any sublease or agreement to sublease by which the Tenant (as subtenant) holds its interest in, and/or right to occupy the related Premises, (ii) for the Premises which are subject to a sublease or agreement to sublease (rather than a lease) in favour of the Tenant, all references to the Tenant's "leasehold" interest in such Premises shall mean the Tenant's "subleasehold" interest, where applicable (rather than a leasehold interest) in such Premises, any reference to "Landlord" shall mean the sublandlord under the applicable sublease or agreement to sublease pursuant to which the Tenant (as subtenant) holds its interest in, and/or right to occupy such Premises, and any reference to "**Sublease**" shall mean a sub-sublease in such Premises in favour of the Tenant, and (iii) all other similar references relating to the Leases and Premises shall be interpreted and construed in a similar manner.

8.3 Québec Interpretation Clause

For the purposes of the laws of the Province of Québec in respect of any Lease relating to immovable property situated in the Province of Québec, all references herein to (i) a "surrender" of the Lease shall include a "resiliation" of such Lease, (ii) a "surrender" of any Real Property Interests (other than the rights under the Lease) shall include a "transfer" of such Real Property Interests.

8.4 Time of the Essence

Time shall be of the essence of this Agreement.

8.5 Entire Agreement

This Agreement constitute the entire agreement between the parties with respect to the transactions contemplated in this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties with respect to the subject matter of this Agreement. There are no representations, warranties, covenants, conditions or other agreements, legal or conventional, express or implied, collateral, statutory or otherwise, between the parties in connection with the subject matter of this Agreement, except as specifically set forth in this Agreement. The parties have not relied and are not relying on any other information, discussion or understanding in entering into and completing the transactions contemplated by this Agreement.

8.6 Waiver

- (a) No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar), nor shall such waiver be binding unless executed in writing by the Party to be bound by the waiver.
- (b) No failure on the part of the Tenant or the Landlord to exercise, and no delay in exercising any right under this Agreement shall operate as a waiver of such right; nor shall any single or partial exercise of any such right preclude any other or further exercise of such right or the exercise of any other right.

8.7 Further Assurances

Each of the parties covenants and agrees to do such things, to attend such meetings and to execute such further surrenders, releases, conveyances, transfers, documents and assurances as may be deemed necessary or advisable from time to time in order to effectively surrender the Leases and the Real Property Interests to the Landlord and carry out the terms and conditions of this Agreement in accordance with their true intent.

8.8 Severability

If any provision of this Agreement shall be determined by a court of competent jurisdiction to be illegal, invalid or unenforceable, that provision shall be severed from this Agreement and the remaining provisions shall continue in full force and effect.

8.9 Governing Law

This Agreement shall be governed by and interpreted and enforced in accordance with the laws of Ontario and the federal laws of Canada applicable therein. Each Party irrevocably and unconditionally submits to the jurisdiction of the courts of the Province of Ontario with respect to any action or proceeding arising out of or relating to the Transaction, and waives, to the fullest extent permitted by applicable Laws, any objection that it may now or hereafter have to the venue of any action or proceeding arising out of or relating to the Transaction in any court of the Province of Ontario. Each of the Parties hereby irrevocably waives, to the fullest extent permitted by applicable Laws, the defence of an inconvenient forum to the maintenance of such action or proceeding in any such court.

8.10 English Language

The parties hereto have requested that this Agreement be drafted in English only. *Les parties aux présentes ont demandé à ce que la présente convention soit rédigée en anglais seulement.*

8.11 Statute References

Any reference in this Agreement to any statute or any section thereof shall, unless otherwise expressly stated, be deemed to be a reference to such statute or section as amended, restated or re-enacted from time to time.

8.12 Headings

The division of this Agreement into Sections, the insertion of headings is for convenience of reference only and are not to be considered in, and shall not affect, the construction or interpretation of any provision of this Agreement.

8.13 References

Where in this Agreement reference is made to an article or section, the reference is to an article or section in this Agreement unless the context indicates the reference is to some other agreement. The terms “this Agreement”, “hereof”, “hereunder” and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof and include any agreement supplemental hereto. The word “includes” or “including” shall mean “includes without limitation” or “including without limitation”, respectively. The word “or” is not exclusive.

8.14 Number and Gender

Unless the context requires otherwise, words importing the singular include the plural and vice versa and words importing gender include all genders.

8.15 Business Days

If any payment is required to be made or other action is required to be taken pursuant to this Agreement on a day which is not a Business Day, then such payment or action shall be made or taken on the next Business Day. All actions to be made or taken by a particular Business Day must be made or taken by no later than 4:30 p.m. (Toronto time) on a Business Day and any action made or taken thereafter shall be deemed to have been made and received on the next Business Day.

8.16 Currency and Payment Obligations

Except as otherwise expressly provided in this Agreement all dollar amounts referred to in this Agreement are stated in Canadian Dollars.

8.17 Notice

Any notice, consent or approval required or permitted to be given in connection with this Agreement or the Leases (a “**Notice**”) shall be in writing and shall be sufficiently given if delivered (whether in person, by courier service or other personal method of delivery), or if transmitted by facsimile or e-mail:

- (a) To the Tenant:

Target Canada Co.
5570 Explorer Drive
Mississauga, ON L4W 0C3

Attn: Aaron Alt
Email: aaron.alt@target.com

- 28 -

With a copy to:

Osler, Hoskin & Harcourt LLP
100 King Street West
1 First Canadian Place
Suite 6200, P.O. Box 50
Toronto, ON M5X 1B8

Attn: Tracy Sandler & Heather McKean
Email: tsandler@osler.com & hmcckean@osler.com

With a copy to:

Alvarez & Marsal Canada Inc.
200 Bay St., Suite 2900
P.O. Box 22
Toronto, ON M5J 2J1

Attn: Doug R. McIntosh
Email: dmcintosh@alvarezandmarsal.com

With a copy to:

Goodmans LLP
Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, ON M5H 2S7

Attn: Jay A. Carfagnini & Ken Herlin
Email: jcarfagnini@goodmans.ca & kherlin@goodmans.ca

(b) in the case of a Notice to the Landlord at:

The Berezan Real Estate Partnership
210-8399 200th Street
Langley, BC V2Y 3C2

Attn: Ralph Berezan
Email: rberezan@berezan.ca

With a copy to:

Waterstone Law Group LLP
Barristers & Solicitors
304-20338 65th Avenue,
Langley, BC V2Y 2X3

Attn: Clint S. Harcourt

Email: charcourt@waterstonelaw.com

A Notice is deemed to be given and received (i) if sent by personal delivery or same day courier, on the date of delivery if it is a Business Day and the delivery was made prior to 5:00 p.m. (local time in the place of receipt) and otherwise on the next Business Day, (ii) if sent by overnight courier, on the next Business Day, or (iii) if transmitted by facsimile, on the Business Day following the date of confirmation of transmission by the originating facsimile, or (iv) if sent by email, when the sender receives an email from the recipient acknowledging receipt, provided that an automatic "read receipt" does not constitute acknowledgment of an email for purposes of this section. Any Party may change its address for service from time to time by providing a Notice in accordance with the foregoing. Any subsequent Notice must be sent to the Party at its changed address. Any element of a Party's address that is not specifically changed in a Notice will be assumed not to be changed. Subject to Section 8.19, sending a copy of a Notice to a Party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the Notice to that Party. The failure to send a copy of a Notice to legal counsel does not invalidate delivery of that Notice to a Party.

8.18 Subdivision Control Legislation

This Agreement and the Transaction are subject to compliance with the applicable subdivision control legislation to the extent applicable.

8.19 Solicitors as Agent and Tender

Any Notice, approval, waiver, agreement, instrument, document or communication permitted, required or contemplated in this Agreement (including, without limitation, any agreement to amend this Agreement) may be given or delivered and accepted or received by the Landlord's solicitors on behalf of the Landlord and by the Tenant's solicitors on behalf of the Tenant and any tender of Closing Documents may be made upon the Tenant's solicitors and the Landlord's solicitors, as the case may be.

8.20 No Registration of Agreement

The Landlord covenants and agrees not to register or cause or permit to be registered this Agreement or any notice of this Agreement on title to any of the Properties and that no reference to or notice of it or any caution, certificate of pending litigation or other similar court process in respect thereof shall be registered on title to the Property and/or any part thereof and the Landlord shall be deemed to be in material default under this Agreement if it makes, or causes or permits, any registration to be made on title to the Property and/or any part thereof prior to the successful completion of the Transaction contemplated herein on the Closing Date. The Landlord shall indemnify and save the Tenant harmless from and against any and all Claims whatsoever arising from or with respect to any such registration, including, all the legal fees, on a full indemnity basis, including those incurred by the Tenant with respect to obtaining the removal of such registration. This indemnity shall survive and not merge on the expiration, non-completion and/or termination of this Agreement for any reason.

8.21 Third Party Costs

Each of the Parties hereto shall be responsible for the costs of their own solicitors, respectively, in respect of the Transaction. The Landlord shall be solely responsible for and shall pay, in addition to the Surrender Consideration, any land transfer taxes payable in connection with the Transaction, all registration taxes, fees and other costs payable in respect of registration of any documents to be registered by the Landlord at Closing and all federal and provincial sales and other taxes payable upon or in connection with the Transaction, including, goods and services tax or harmonized sales tax or any similar value added or multi-staged tax imposed by any applicable provincial or territorial legislation, as the case may be, and any other provincial sales taxes. This Section 8.21 shall survive the Closing or the termination of this Agreement.

8.22 Interpretation

The parties hereto acknowledge and agree that: (a) each Party and its counsel reviewed and negotiated the terms and provisions of this Agreement and have contributed to their revision, (b) the rule of construction to the effect that any ambiguities are resolved against the drafting Party shall not be employed in the interpretation of this Agreement, and (c) the terms and provisions of this Agreement shall be construed fairly as to all parties hereto and not in favour of or against any Party, regardless of which Party was generally responsible for the preparation of this Agreement.

8.23 No Third Party Beneficiaries

Each Party hereto intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any Person, other than the Parties hereto and the Monitor, and no Person, other than the Parties hereto and the Monitor, shall be entitled to rely on the provisions hereof in any Claim, proceeding, hearing or other forum.

8.24 Enurement


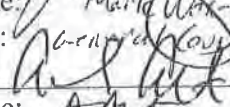
This Agreement shall become effective when executed by the Tenant and the Landlord and after that time shall be binding upon and enure to the benefit of the parties and their respective heirs, executors, personal legal representatives, successors and permitted assigns. The Landlord has and shall have no right to assign, convey and/or transfer its rights and/or obligations hereunder or to effect a "change of control" so as to indirectly effect the foregoing, without in each case first obtaining the prior written consent of the Tenant, which consent may be arbitrarily and unreasonably withheld by the Tenant.

8.25 Counterparts and Delivery

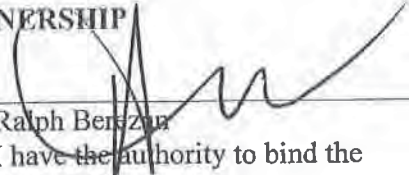
All parties agree that this Agreement may be executed in counterpart and transmitted by telecopier or e-mail (PDF) and that the reproduction of signatures in counterpart by way of telecopier or e-mail (PDF) will be treated as though such reproduction were executed originals.

IN WITNESS WHEREOF the parties have executed this Agreement.

TARGET CANADA CO.

By: 
Name: Mark Ulin
Title: General Counsel
By: 
Name: A. A. Leo
Title: CEO

THE BEREZAN REAL ESTATE PARTNERSHIP

By: 
Ralph Berezan
I have the authority to bind the partnership

SCHEDULE "A"
PREMISES

945 Columbia Street, Kamloops, B.C. and legally described as:

PID: 001-473-697

Lot A Section 6 Township 20 Range 17 W6M, KDYD Plan 25955, Except Plan KAP53797

SCHEDULE "B"
LEASE PARTICULARS

Lease dated the 29th day of May, 2000 between Zellers Inc. and Sahali Centre Mall Ltd.
Estoppel Certificate dated May 11, 2001
Estoppel Certificate and Acknowledgement dated July 22, 2003
Letter Agreement dated October 23, 2002
Letter Agreement dated April 11, 2002
Non-Disturbance Agreement dated May 17, 2001
Notice of Lease dated April 23, 2004
Tenant Acknowledgment dated May 26, 2004
Tenant Acknowledgement dated September 25, 2007
Assignment and Assumption of Lease Agreement dated September 23, 2011
Notice of Assignment dated September 23, 2011

SCHEDULE "C"
EXCLUDED ASSETS

1. All chattels and personal or movable property which are owned by the Tenant;
2. All intellectual property or proprietary rights, whether registered or not, and any intangible property, owned, used or held by the Tenant;
3. All items, materials and signs bearing the logo, trade-mark, trade-name or business name or other mark or design of the Tenant;
4. All Inventory;
5. All FF&E which have been removed from the Premises by or on behalf of the Tenant prior to Closing;
6. All computers and related systems and information storage media;
7. All video cameras and equipment;
8. All point-of-sales systems and all appurtenances thereto;
9. All generators, balers and compactors;
10. Any property belonging to the subtenants, franchisees or licensees of the Tenant or other occupants of the Premises;
11. All insurance policies of the Tenant;
12. Any and all assets not located at a Premises or any asset not used directly and exclusively at the Premises;
13. All rights and interests in trade-marks, trade-names, logos, commercial symbols and business names containing "Target" or any other proprietary wording or intellectual property rights of the Tenant or any of its affiliates (including, the websites); and
14. The FF&E listed on Schedule "J".

SCHEDULE "D"
SURRENDER CONSIDERATION ALLOCATION

N/A

SCHEDULE “E”

Court File No. CV-15-10832-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE) ●, THE ●TH
REGIONAL SENIOR JUSTICE) DAY OF ●, 2015
MORAWETZ)

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 TARGET CANADA CO., TARGET CANADA HEALTH CO., TARGET CANADA MOBILE GP CO., TARGET CANADA PHARMACY (BC) CORP., TARGET CANADA PHARMACY (ONTARIO) CORP., TARGET CANADA PHARMACY CORP., TARGET CANADA PHARMACY (SK) CORP., and TARGET CANADA PROPERTY LLC (collectively the “**Applicants**”)

APPROVAL AND VESTING ORDER – LEASE SURRENDER AGREEMENT

THIS MOTION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. c-36, as amended (the “**CCAA**”) for an order, *inter alia*, approving: the lease surrender and resiliation (the “**Transaction**”) contemplated by a Lease Surrender Agreement among Target Canada Co. (“**TCC**”), as Tenant, and The Berezan Real Estate Partnership as Landlord (the “**Landlord**”) dated May 6, 2015 (said agreement as amended, extended, supplemented, restated and/or amended and restated from time to time being collectively, the “**Lease Surrender Agreement**”) and certain related relief, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion of the Applicants, the Affidavit of ● sworn on ●, 2015 including the exhibits thereto (the “● **Affidavit**”), and the ● Report (the “**Monitor’s ● Report**”) of Alvarez & Marsal Canada Inc., in its capacity as Monitor (the “**Monitor**”), filed, and on hearing the submissions of respective counsel for the Applicants and the Partnerships listed on Schedule “A” hereto, the Monitor, Target Corporation, the Landlord, and such other

counsel as were present, no one else appearing although duly served as appears from the Affidavit of Service of ● sworn ●, 2015, filed:

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 any capitalized term used and not defined herein shall have the meaning ascribed thereto in the Amended and Restated Initial Order in these proceedings dated January 15, 2015 (the “**Initial Order**”), or in the Lease Surrender Agreement, as applicable.

APPROVAL OF THE LEASE SURRENDER AGREEMENT

3. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved and ratified and that the execution of the Lease Surrender Agreement by TCC is hereby approved and ratified with such minor amendments as TCC (with the consent of the Monitor) and the Landlord may agree to in writing. TCC is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction, including the surrender by TCC of its right, title and interest in and to the Leases and the Real Property Interests to the Landlord and the Monitor shall be authorized to take such additional steps in furtherance of its responsibilities under the Lease Surrender Agreement. The legal descriptions and applicable land registry offices with respect to the Premises are as set out on Schedule “C” hereto.

4. THIS COURT ORDERS AND DECLARES that upon the delivery of a Monitor’s certificate to the Landlord substantially in the form attached as Schedule “B” hereto (the “**Monitor’s Certificate**”), all of TCC’s right, title and interest in and to the Leases and the Real Property Interests and the right, title and interest, if any, of any predecessor in interest of TCC in and to the Leases and the Real Property Interests, to the extent same was assigned or otherwise transferred to TCC, shall be surrendered to the Landlord (with the Leases being resiliated) free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, leases, notices of lease, subleases, licenses, levies, restrictions, rights of

retention, judgments, notices of sale, contractual rights, options, liabilities (direct, indirect, absolute or contingent), obligations, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise in respect of the Leases and the Real Property Interests (collectively, the “**Claims**”), including, without limiting the generality of the foregoing:

- A) the Administration Charge, the KERP Charge, the Directors’ Charge, the Financial Advisor Subordinated Charge, the DIP Lender’s Charge, the Agent’s Charge and Security Interest (collectively, the “**CCAA Charges**”);
- B) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (British Columbia) or any other personal property registry system; and
- C) those Claims listed on Schedule “C” hereto;

(all of which are collectively referred to as the “**Encumbrances**”, which term shall not include the Permitted Encumbrances listed on Schedule “D” hereto) and, for greater certainty, this Court orders that all of the Claims and Encumbrances affecting or relating to the Leases, the Real Property Interests and/or the Premises are hereby expunged and discharged as against the Leases, the Real Property Interests and/or the Premises and the real or immovable property described in Schedule “C”

5. THIS COURT ORDERS that upon the registration in the applicable land registry office of a certified copy of this Order in the manner prescribed by the applicable land registry office, the applicable Land Registrar is hereby directed to specifically discharge, cancel, delete and expunge from title to the applicable real or immovable property described in Schedule “C” all of the Encumbrances listed in Schedule “C” hereto.

6. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds received on the Closing of the Transaction shall stand in the place and stead of the Leases and the Real Property Interests and that from and after the delivery of the Monitor’s Certificate all Claims and Encumbrances shall attach to the net proceeds therefrom with the same priority as they had with respect to the Leases and the Real Property Interests

immediately prior to the Closing of the Transaction, as if the Transaction had not been completed.

7. THIS COURT ORDERS AND DIRECTS the Monitor to file with the Court a copy of the Monitor's Certificate, forthwith after delivery thereof.

8. THIS COURT ORDERS that nothing herein or in the Lease Surrender Agreement affects:

- A) the rights and obligations of TCC and the Agent under the Agency Agreement dated January 29, 2015, as amended; and
- B) the terms of the Approval Order – Agency Agreement granted, February 4, 2015 including the Sales Guidelines attached as Schedule "B" thereto.

GENERAL PROVISIONS

9. THIS COURT ORDERS that, notwithstanding:

- A) the pendency of these proceedings;
- B) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of TCC and any bankruptcy order issued pursuant to any such applications; or
- C) any assignment in bankruptcy made in respect of TCC;

the surrender of the Leases and the Real Property Interests to the Landlord and the resiliation of the Leases pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of TCC and shall not be void or voidable by creditors of TCC, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

11. THIS COURT ORDERS AND DECLARES that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario) and any equivalent legislation in any other

jurisdiction in which the Premises are located and that this Order shall be registered notwithstanding the requirements of section 191(1) of the *Land Titles Act*, R.S.A. 2000, c L-4 and any equivalent provisions in equivalent legislation in any other jurisdiction in which the Premises are located.

12. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative bodies, having jurisdiction in Canada or in the United States of America, to give effect to this Order and to assist TCC, 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 TCC 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 TCC and the Monitor and their respective agents in carrying out the terms of this Order.

SCHEDULE "A"
PARTNERSHIPS

Target Canada Pharmacy Franchising LP

Target Canada Mobile LP

Target Canada Property LP

SCHEDULE "B"

Court File No. CV-15-10832-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE) ●, THE ●TH
REGIONAL SENIOR JUSTICE) DAY OF ●, 2015
MORAWETZ)
)

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 TARGET CANADA CO., TARGET
CANADA HEALTH CO., TARGET CANADA MOBILE GP
CO., TARGET CANADA PHARMACY (BC) CORP., TARGET
CANADA PHARMACY (ONTARIO) CORP., TARGET
CANADA PHARMACY CORP., TARGET CANADA
PHARMACY (SK) CORP., and TARGET CANADA
PROPERTY LLC (collectively, the "**Applicants**")

MONITOR'S CERTIFICATE

RECITALS

- A. All undefined terms in this Monitor's Certificate have the meanings ascribed to them in the Order of the Court dated ●, 2015 (the "**Approval Order**") approving the Lease Surrender Agreement entered into among Target Canada Co. ("**TCC**") and The Berezan Real Estate Partnership (the "**Landlord**") dated May 6, 2015 (said agreement as amended, extended, supplemented, restated and/or amended and restated from time to time being collectively, the "**Lease Surrender Agreement**") a copy of which is attached as Exhibit ● to the Affidavit of ● dated ●, 2015.
- B. Pursuant to the Approval Order, the Court approved the Lease Surrender Agreement and provided for the surrender to Landlord of TCC's right, title and interest in and to the Leases and the Real Property Interests, which surrender is to be effective with respect to the Leases and the Real Property Interests upon the delivery by the Monitor to the Landlord and TCC of a certificate confirming (i) the conditions to Closing as set out in sections 7.1, 7.2 and 7.3 of the Lease Surrender Agreement have been satisfied or waived

by the Landlord and TCC, as applicable; and (ii) the Transaction has been completed to the satisfaction of the Monitor.

THE MONITOR CERTIFIES the following:

- 1. The conditions to Closing as set out in section 7.1, 7.2 and 7.3 of the Lease Surrender Agreement have been satisfied or waived by the Landlord and TCC, as applicable; and
- 2. The Transaction has been completed to the satisfaction of the Monitor.

This Monitor's Certificate was delivered by the Monitor at _____ [TIME] on _____ [DATE].

ALVAREZ & MARSAL CANADA INC., in its capacity as Court-appointed Monitor of Target Canada Co., *et al.* and not in its personal or corporate capacity

Per: _____
Name:
Title:

SCHEDULE "C"

| No. | Location/Address | Province | Land Registry Office | Legal Description | Encumbrances to be Expunged/Deleted |
|------------|-------------------------|-----------------|-------------------------------------|------------------------------|--|
| | | | | | |

SCHEDULE "D" - PERMITTED ENCUMBRANCES

"Permitted Encumbrances" means, collectively: (a) any Encumbrances (as defined in the Lease Surrender Agreement) encumbering the freehold or other ownership interest in the Property (as defined in the Lease Surrender Agreement) or any other Landlord's interest in the Property, but excludes any Encumbrances solely encumbering the Tenant's leasehold interest in and to any Property situated outside of the Province of Québec on which the Premises (as defined in the Lease Surrender Agreement) are located; (b) Encumbrances resulting from the Landlord's actions or omissions; and (c) the items identified in Schedule "K" of the Lease Surrender Agreement.

SCHEDULE "F"
LANDLORD'S GST/HST CERTIFICATE, UNDERTAKING AND INDEMNITY

TO: Target Canada Co. (the "Tenant")

RE: Lease Surrender Agreement dated May 6, 2015, made between the Tenant, as Tenant, and The Berezan Real Estate Partnership, as Landlord, (the "Landlord") (said agreement as amended, extended, supplemented, restated and/or amended and restated from time to time being collectively, the "Lease Surrender Agreement") for the surrender of the Leases (as such terms are defined in the Lease Surrender Agreement)

The capitalized expressions used but not otherwise defined herein shall have the meaning ascribed thereto in the Lease Surrender Agreement.

In consideration of the completion of the transaction set out in the Agreement, the Landlord hereby certifies and agrees as follows:

- 1) the Landlord is the landlord of the Lease for the Tenant's Premises (the "Premises") at Sahali Centre Mall (the "Property") and is the beneficial owner of the Property;
- 2) Registered title to the Property is held by Sahali Centre Mall Ltd. (the "Nominee") as nominee for the Landlord;
- 3) the Leases the Real Property Interests are being surrendered to the Landlord as principal for its own account and not as an agent, nominee, trustee or otherwise on behalf of or for another Person;
- 4) the Landlord is registered under Subdivision (d) of Division V of Part IX of the *Excise Tax Act* (Canada) (the "*Excise Tax Act*") for the collection and remittance of goods and services tax and harmonized sales tax ("GST/HST") and its registration number is 82869 6054 RT0011 and such registration is in good standing and has not been varied, cancelled or revoked;
- 5) the Nominee is registered under Subdivision (d) of Division V of Part IX of the *Excise Tax Act* (Canada) (the "*Excise Tax Act*") for the collection and remittance of goods and services tax and harmonized sales tax ("GST/HST") and its registration number is ● and such registration is in good standing and has not been varied, cancelled or revoked;
- 6) the Landlord and Nominee shall each be liable for, shall self-assess and shall remit to the appropriate governmental authority, all GST/HST which is payable under the *Excise Tax Act*, in connection with the surrender of the Leases and the Real Property Interests, all in accordance with the *Excise Tax Act*;
- 7) the Landlord and Nominee shall severally indemnify and save harmless the Tenant from and against any and all GST/HST, penalties, interest and/or other costs which may become payable by or be assessed against the Tenant as a result of any failure by the Tenant to collect and remit any GST/HST applicable on the surrender of the Leases and the Real Property Interests by the Tenant to the Landlord or as a result of any inaccuracy,

misstatement or misrepresentation by either the Landlord or Nominee in this GST/HST Certificate, Undertaking and Indemnity or any failure by the Landlord to comply with the provisions of this GST/HST Certificate, Undertaking and Indemnity; and

- 8) this GST/HST Certificate, Undertaking and Indemnity shall survive and not merge upon closing of the above-noted transaction.
- 9) This GST/HST Certificate, Undertaking and Indemnity may be executed in counterpart and transmitted by telecopier or e-mail (PDF) and the reproduction of signatures in counterpart by way of telecopier or e-mail (PDF) will be treated as though such reproduction were executed originals.

DATED _____, 2015.

**THE BEREZAN REAL ESTATE
PARTNERSHIP**

By: _____
Name: Ralph Berezan
I have the authority to bind the
partnership

SAHALI CENTRE MALL LTD.

By: _____
Name:
Title:
I have the authority to bind the
corporation

SCHEDULE "G"
FORM OF ASSIGNMENT AND ASSUMPTION OF ASSUMED LIABILITIES

THIS AGREEMENT is made as of the ● day of ●, 2015 (the "Effective Date")

B E T W E E N:

TARGET CANADA CO.
 (the "Tenant")

- and -

THE BEREZAN REAL ESTATE PARTNERSHIP
 (the "Landlord")

RECITALS:

- A. The Tenant and certain of its affiliates applied for and together with the limited partnerships listed in Schedule "A" to the Initial Order (the Tenant, its affiliates and the limited partnerships being collectively, the "Applicants") were granted protection by the Ontario Superior Court of Justice (Commercial List) (the "Court") under the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended (the "CCAA"), and Alvarez & Marsal Canada Inc. (the "Monitor") was appointed the monitor of the Tenant, pursuant to an Order of the Court dated January 15, 2015, as amended and restated on February 11, 2015, and as further amended, restated and/or amended and restated from time to time (collectively, the "Initial Order").
- B. The Tenant and the Landlord entered into a lease surrender agreement dated ●, 2015 (said agreement as amended, extended, supplemented, restated and/or amended and restated from time to time being collectively, the "Lease Surrender Agreement"), whereby, among other things, the Tenant agreed to surrender to the Landlord, and the Landlord agreed to accept a surrender of, all of the Tenant's right, title and interest in and to the Lease.
- C. The Lease Surrender Agreement was approved by the Court pursuant to the Order dated ● (the "Approval and Vesting Order").
- D. The Tenant and the Landlord are entering into this Agreement to provide for the Landlord's assumption of the Assumed Liabilities (as defined in section 3.4(a) of the Lease Surrender Agreement) in accordance with the Lease Surrender Agreement and, the Approval and Vesting Order.
- E. Unless otherwise expressly provided for herein, all capitalized terms when used in this Agreement have the same meaning given to such terms in the Lease Surrender Agreement.

THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE 1 ASSIGNMENT

1.1 Assumption by Landlord

The Landlord hereby covenants with the Tenant and Target to assume, discharge, perform and fulfill all the obligations and liabilities on the part of the Tenant with respect to the Assumed Liabilities.

For greater certainty, nothing in this Agreement shall be construed as an attempt to assign to the Landlord any contract or other agreement which, as a matter of law or by its terms, is not assignable in whole or in part without the consent of the other party or parties to such contract or other agreement, unless such consent has been given or the assignment has been approved by the Court in the Approval and Vesting Order.

1.2 Indemnity

The Landlord hereby covenants with the Tenant and Target, as of and from the Effective Date, to indemnify and save the Tenant and Target harmless, from any and all Claims arising from, relating to or in connection with any non-payment, non-observance or non-performance of any of the Assumed Liabilities to be paid, observed or performed from time to time, in respect of the period on or after the Effective Date, or otherwise arising, incurred or accrued on or after the Effective Date whether in respect of the period before or after the Effective Date, including, without limitation, any default as a consequence of the Closing of the Transaction.

1.3 Paramountcy

The rights and obligations of the parties respectively with respect to the Leases shall be governed by the Lease Surrender Agreement. In the event of any conflict, inconsistency or ambiguity between the provisions of this Agreement and of the Lease Surrender Agreement, then the provisions of the Lease Surrender Agreement shall govern and be paramount, and any such provision in this Agreement shall be deemed to be amended, to the extent necessary to eliminate any such conflict, inconsistency, ambiguity or difference.

ARTICLE 2 GENERAL

2.1 Time of the Essence

Time shall be of the essence of this Agreement.

2.2 Enurement

This Agreement shall become effective when executed by the Tenant and the Landlord and after that time shall be binding upon and enure to the benefit of the parties and their respective heirs, executors, personal legal representatives, successors and permitted assigns. Neither this Agreement nor any of the rights or obligations under this Agreement shall be assignable or transferable by either party without the consent of the other party.

2.3 Entire Agreement

This Agreement and the Lease Surrender Agreement constitute the entire agreement between the parties with respect to the assignment and assumption of the Assumed Liabilities and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties with respect to the subject matter of this Agreement. There are no representations, warranties, covenants, conditions or other agreements, legal or conventional, express or implied, collateral, statutory or otherwise, between the parties in connection with the subject matter of this Agreement, except as specifically set forth in this Agreement. The parties have not relied and are not relying on any other information, discussion or understanding in entering into and completing the transactions contemplated by this Agreement.

2.4 Waiver

- (a) No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar), nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.
- (b) No failure on the part of the Tenant or the Landlord to exercise, and no delay in exercising any right under this Agreement shall operate as a waiver of such right; nor shall any single or partial exercise of any such right preclude any other or further exercise of such right or the exercise of any other right.

2.5 Further Assurances

Each of the parties covenants and agrees to do such things, to attend such meetings and to execute such further surrenders, releases, conveyances, transfers, documents and assurances as may be deemed necessary or advisable from time to time in order to effectively assign the Assumed Liabilities to the Landlord and carry out the terms and conditions of this Agreement in accordance with their true intent.

2.6 Severability

If any provision of this Agreement shall be determined to be illegal, invalid or unenforceable, that provision shall be severed from this Agreement and the remaining provisions shall continue in full force and effect.

2.7 Governing Law

This Agreement shall be governed by and interpreted and enforced in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

2.8 CCAA Proceedings

Each party to this Agreement submits to the exclusive jurisdiction of the Court in any action, application, reference or other proceeding arising out of or related to this Agreement or the Lease Surrender Agreement and agrees that all claims in respect of any such actions, application, reference or other proceeding shall be heard and determined in the CCAA Proceedings before the Court.

2.9 English Language

The parties hereto have requested that this Agreement be drafted in English only. *Les parties aux présentes ont demandé à ce que la présente convention soit rédigée en anglais seulement.*

2.10 Statute References

Any reference in this Agreement to any statute or any section thereof shall, unless otherwise expressly stated, be deemed to be a reference to such statute or section as amended, restated or re-enacted from time to time.

2.11 Headings

The division of this Agreement into Sections, the insertion of headings is for convenience of reference only and are not to be considered in, and shall not affect, the construction or interpretation of any provision of this Agreement.

2.12 References

Where in this Agreement reference is made to an article or section, the reference is to an article or section in this Agreement unless the context indicates the reference is to some other agreement. The terms “this Agreement”, “hereof”, “hereunder” and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof and include any agreement supplemental hereto. The word “includes” or “including” shall mean “includes without limitation” or “including without limitation”, respectively. The word “or” is not exclusive.

2.13 Number and Gender

Unless the context requires otherwise, words importing the singular include the plural and vice versa and words importing gender include all genders.

2.14 Business Days

If any payment is required to be made or other action is required to be taken pursuant to this Agreement on a day which is not a Business Day, then such payment or action shall be made or taken on the next Business Day. All actions to be made or taken by a particular Business Day must be made or taken by no later than 4:30 p.m. (Toronto time) on a Business Day and any action made or taken thereafter shall be deemed to have been made and received on the next Business Day.

2.15 Notice

Any notice, consent or approval required or permitted to be given in connection with this Agreement or the Leases (a “Notice”) shall be in writing and shall be sufficiently given if delivered or transmitted in accordance with the Lease Surrender Agreement.

2.16 Counterparts and Delivery

All parties agree that this Agreement may be executed in counterpart and transmitted by telecopier or e-mail (PDF) and that the reproduction of signatures in counterpart by way of telecopier or e-mail (PDF) will be treated as though such reproduction were executed originals.

IN WITNESS WHEREOF the Tenant has executed this Agreement.

TARGET CANADA CO.

By: _____

Name:

Title:

By: _____

Name:

Title:

IN WITNESS WHEREOF the Landlord has executed this Agreement.

**THE BEREZAN REAL ESTATE
PARTNERSHIP**

By: _____

Name: Ralph Berezan

I have the authority to bind the
partnership.

SCHEDULE "H"
FORM OF AMENDMENT AND SURRENDER OF LEASE

THIS AGREEMENT is made as of the ● day of ●, 2015 (the "Effective Date")

B E T W E E N:

TARGET CANADA CO.
(the "Tenant")

- and -

THE BEREZAN REAL ESTATE PARTNERSHIP
(the "Landlord")

RECITALS:

- A. Pursuant to a lease dated ●, 2015, as same is assigned, amended, restated, renewed or supplemented from time to time, including but not limited to those documents listed in Schedule "A" attached hereto (collectively, the "Lease"), the Landlord leased to the Tenant certain premises at 945 Columbia Street in the City of Kamloops, in the Province of British Columbia as more particularly described in the Lease (the "Premises").
- B. The Tenant and certain of its affiliates applied for and together with the limited partnerships listed in Schedule "A" to the Initial Order (the Tenant, its affiliates and the limited partnerships being collectively, the "Applicants") were granted protection by the Ontario Superior Court of Justice (Commercial List) (the "Court") under the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended (the "CCAA"), and Alvarez & Marsal Canada Inc. (the "Monitor") was appointed the monitor of the Tenant, pursuant to an Order of the Court dated January 15, 2015, as amended and restated on February 11, 2015, and as further amended, restated and/or amended and restated from time to time (collectively, the "Initial Order").
- C. The Tenant and the Landlord entered into a lease surrender agreement dated ●, 2015 (said agreement as amended, extended, supplemented, restated and/or amended and restated from time to time being collectively, the "Lease Surrender Agreement") whereby, among other things, the Tenant agreed to surrender to the Landlord, and the Landlord agreed to accept a surrender of, all of the Tenant's right, title and interest in and to the Lease and the resiliation of the Lease.
- D. The Tenant and the Landlord are entering into this Agreement to provide for the surrender and resiliation of the Lease by the Tenant to the Landlord in accordance with the Lease Surrender Agreement and, the Approval and Vesting Order.
- E. Unless otherwise expressly provided for herein, all capitalized terms when used in this Agreement have the same meaning given to such terms in the Lease Surrender Agreement, or if no meaning is given in the Lease Surrender Agreement, in the Lease.

THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

- 7 -

ARTICLE 3 TERMINATION AND SURRENDER

3.1 Amendment and Early Termination of Lease

The Lease is hereby amended and the Landlord and the Tenant hereby agree that the Lease has expired and is terminated, as of 11:59 p.m. on the day immediately preceding the Effective Date (the “**Termination Date**”), and neither the Tenant [**nor Target**] nor the Landlord shall have any further liabilities or obligations under the Lease [**and/or Guarantee**], financial or otherwise, as of and as from the Termination Date.

3.2 Surrender by Tenant

The Tenant hereby surrenders to the Landlord, as of the Termination Date, and the Landlord hereby accepts such surrender from the Tenant, the Lease and the Premises demised by the Lease and all the Tenant’s rights, title and interest thereunder, with the intent that the unexpired residue of the term of the Lease including, without limitation, any rights or options to renew or extend hereby merge and are extinguished in the reversion expectant thereon, on the terms and conditions set out in the Lease Surrender Agreement.

3.3 Adjustments

All adjustments under the Lease shall be dealt with in accordance with the Lease Surrender Agreement.

3.4 Paramountcy

The rights and obligations of the parties respectively with respect to the Lease shall be governed by the Lease Surrender Agreement. In the event of any conflict, inconsistency, ambiguity or difference between the provisions of this Agreement and of the Lease Surrender Agreement, then the provisions of the Lease Surrender Agreement shall govern and be paramount, and any such provision in this Agreement shall be deemed to be amended, to the extent necessary to eliminate any such conflict, inconsistency, ambiguity or difference.

ARTICLE 4 GENERAL

4.1 Time of the Essence

Time shall be of the essence of this Agreement.

4.2 Enurement

This Agreement shall become effective when executed by the Tenant and the Landlord and after that time shall be binding upon and enure to the benefit of the parties and their respective heirs, executors, personal legal representatives, successors and permitted assigns. Neither this Agreement nor any of the rights or obligations under this Agreement shall be assignable or transferable by either party without the consent of the other party.

4.3 Entire Agreement

This Agreement and the Lease Surrender Agreement constitute the entire agreement between the parties with respect to the surrender of the Lease contemplated in the Lease Surrender Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties with respect to the subject matter of this Agreement. There are no representations, warranties, covenants, conditions or other agreements, legal or conventional, express or implied, collateral, statutory or otherwise, between the parties in connection with the subject matter of this Agreement, except as specifically set forth in this Agreement and the Lease Surrender Agreement. The parties have not relied and are not relying on any other information, discussion or understanding in entering into and completing the transactions contemplated by this Agreement and the Lease Surrender Agreement.

4.4 Waiver

- (a) No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar), nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.
- (b) No failure on the part of the Tenant or the Landlord to exercise, and no delay in exercising any right under this Agreement shall operate as a waiver of such right; nor shall any single or partial exercise of any such right preclude any other or further exercise of such right or the exercise of any other right.

4.5 Further Assurances

Each of the parties covenants and agrees to do such things, to attend such meetings and to execute such further surrenders, releases, conveyances, transfers, documents and assurances as may be deemed necessary or advisable from time to time in order to effectively surrender the Lease to the Landlord and carry out the terms and conditions of this Agreement in accordance with their true intent.

4.6 Severability

If any provision of this Agreement shall be determined to be illegal, invalid or unenforceable, that provision shall be severed from this Agreement and the remaining provisions shall continue in full force and effect.

4.7 Governing Law

This Agreement shall be governed by and interpreted and enforced in accordance with the laws of the Province of in which the Premises are located and the federal laws of Canada applicable therein.

4.8 CCAA Proceedings

Each party to this Agreement submits to the exclusive jurisdiction of the Court in any action, application, reference or other proceeding arising out of or related to this Agreement or the Lease Surrender Agreement [**or the Guarantee**] and agrees that all claims in respect of any such

actions, application, reference or other proceeding shall be heard and determined in the CCAA Proceedings before the Court.

4.9 English Language

The parties hereto have requested that this Agreement be drafted in English only. *Les parties aux présentes ont demandé à ce que la présente convention soit rédigée en anglais seulement.*

4.10 Statute References

Any reference in this Agreement to any statute or any section thereof shall, unless otherwise expressly stated, be deemed to be a reference to such statute or section as amended, restated or re-enacted from time to time.

4.11 Headings

The division of this Agreement into Sections, the insertion of headings is for convenience of reference only and are not to be considered in, and shall not affect, the construction or interpretation of any provision of this Agreement.

4.12 References

Where in this Agreement reference is made to an article or section, the reference is to an article or section in this Agreement unless the context indicates the reference is to some other agreement. The terms “this Agreement”, “hereof”, “hereunder” and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof and include any agreement supplemental hereto. The word “includes” or “including” shall mean “includes without limitation” or “including without limitation”, respectively. The word “or” is not exclusive.

4.13 Number and Gender

Unless the context requires otherwise, words importing the singular include the plural and vice versa and words importing gender include all genders.

4.14 Business Days

If any payment is required to be made or other action is required to be taken pursuant to this Agreement on a day which is not a Business Day, then such payment or action shall be made or taken on the next Business Day. All actions to be made or taken by a particular Business Day must be made or taken by no later than 4:30 p.m. (Toronto time) on a Business Day and any action made or taken thereafter shall be deemed to have been made and received on the next Business Day.

4.15 Notice

Any notice, consent or approval required or permitted to be given in connection with this Agreement or the Lease (a “Notice”) shall be in writing and shall be sufficiently given if delivered or transmitted in accordance with the Lease Surrender Agreement.

4.16 Counterparts and Delivery

All parties agree that this Agreement may be executed in counterpart and transmitted by telecopier or e-mail (PDF) and that the reproduction of signatures in counterpart by way of telecopier or e-mail (PDF) will be treated as though such reproduction were executed originals.

IN WITNESS WHEREOF the Tenant has executed this Agreement.

TARGET CANADA CO.

By: _____

Name:

Title:

By: _____

Name:

Title:

IN WITNESS WHEREOF the Landlord has executed this Agreement.

**THE BEREZAN REAL ESTATE
PARTNERSHIP**

By: _____

Name: Ralph Berezan

I have the authority to bind the
partnership.

SCHEDULE "A" – LEASE PARTICULARS

Lease dated the 29th day of May, 2000 between Zellers Inc. and Sahali Centre Mall Ltd.
Estoppel Certificate dated May 11, 2001
Estoppel Certificate and Acknowledgement dated July 22, 2003
Letter Agreement dated October 23, 2002
Letter Agreement dated April 11, 2002
Non-Disturbance Agreement dated May 17, 2001
Notice of Lease dated April 23, 2004
Tenant Acknowledgment dated May 26, 2004
Tenant Acknowledgement dated September 25, 2007
Assignment and Assumption of Lease Agreement dated September 23, 2011
Notice of Assignment dated September 23, 2011

SCHEDULE "I"
INTENTIONALLY DELETED

SCHEDULE "J"
LIST OF FF&E

N/A

SCHEDULE "K"
PERMITTED ENCUMBRANCES

N/A

SCHEDULE "L"
FORM OF RELEASE OF PROPERTY CLAIMS

TO: TARGET CANADA CO. (the "Tenant")

AND TO: TARGET CORPORATION ("Target")

AND TO: ALL PREDECESSORS IN INTEREST TO THE TENANT UNDER ANY OF THE LEASES (the "Predecessors")

FROM: THE BEREZAN REAL ESTATE PARTNERSHIP (the "Landlord")

RE: Lease Surrender Agreement between the Tenant and the Landlord dated April 23, 2015 (as amended, modified, restated and/or supplemented from time to time, the "Lease Surrender Agreement")

WHEREAS:

- A. The Tenant and certain of its affiliates applied for and together with the limited partnerships listed on Schedule "A" to the Initial Order (the Tenant, its affiliates and the limited partnerships being collectively, the "**Applicants**") were granted protection by the Ontario Superior Court of Justice (Commercial List) (the "**Court**") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), and Alvarez & Marsal Canada Inc. was appointed the monitor of the Tenant, pursuant to an Order of the Court dated January 15, 2015, as amended and restated on February 11, 2015, and as further amended, restated and/or amended and restated from time to time (collectively, the "**Initial Order**").
- B. The Tenant and the Landlord entered into a lease surrender agreement dated April 23, 2015 (said agreement as amended, extended, supplemented, restated and/or amended and restated from time to time being collectively, the "**Lease Surrender Agreement**") whereby, among other things, the Tenant agreed to surrender to the Landlord, and the Landlord agreed to accept a surrender of, all of the Tenant's right, title and interest in and to the Leases.
- C. **[On ●, 2015, the Court issued an Approval and Vesting Order approving the Lease Surrender Agreement, pursuant to which the Tenant shall surrender to the Landlord the Leases on the terms and conditions set out in the Lease Surrender Agreement].**
- D. The Lease Surrender Agreement contemplates that provided the Tenant pays all money it owes to the Landlord as of the Closing Date, if any, the Landlord shall execute and deliver a release on the Closing Date to the Tenant and Target pursuant to which the Landlord will release and forever discharge the Tenant and Target from all claims in respect of each of the Leases, the Premises, the Guarantees and the Property.
- E. The Landlord desires to execute and deliver this Release to the Tenant and Target in satisfaction of the foregoing obligation.

-- 2 --

- F. Unless otherwise expressly provided for herein, all capitalized terms when used in this Release have the same meaning given to such terms in the Lease Surrender Agreement.

NOW THEREFORE in consideration of the payment of TEN DOLLARS (\$10.00) and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned agree as follows:

1. The Landlord, on its own behalf and on behalf of its subsidiary, affiliated, and associated corporations and entities and all of their respective successors and assigns (collectively the “**Releasors**”, and individually, a “**Releasor**”), hereby forever fully and unconditionally remises, releases, acquits, waives and forever discharges each of the Tenant, the other Applicants, Target and the Predecessors and each of their respective subsidiaries, affiliates, and associates and each of their respective members, partners, directors, officers, employees, agents, shareholders, successors and permitted assigns (collectively, the “**Releasees**” and individually, a “**Releasee**”) from any and all actual or potential claims, demands, complaints, grievances, actions, applications, proceedings, suits, causes of action, Orders, charges, indictments, prosecutions, informations or other similar processes, assessments or reassessments, judgments, debts, liabilities, expenses, costs, dues, accounts, bonds, damages or losses, contingent or otherwise, whether liquidated or unliquidated, matured or unmatured, disputed or undisputed, contractual, legal or equitable, including loss of value, reasonable professional fees, including fees and disbursements of legal counsel on a full indemnity basis, and all actual and documented costs incurred in investigating or pursuing any of the foregoing or any proceeding relating to any of the foregoing (collectively, the “**Claims**”), whether known or unknown, howsoever arising of every nature and kind whatsoever that the Releasors ever had, now have or hereafter can, shall or may have against any of the Releasees in any way relating to or arising from any of the Leases, the Premises, the Property and/or the Guarantees.
2. Each of the Releasors covenants and agrees not to make any Claims against any Person which might Claim over against any of the Releasees, or who might claim contribution or indemnity from any of the Releasees in connection with the matters which are herein released. In the event that any of the Releasors hereafter makes any Claims against any of the Releasees or against any Person who may Claim over or claim contribution or indemnity against any of the Releasees with respect to any of the matters herein released then:
 - (i) such Releasor shall immediately discontinue such Claim;
 - (ii) such Releasor shall be liable for all legal and related costs and expenses incurred by the affected member of the other on a full indemnity basis; and
 - (iii) this Release contained shall:
 - (A) operate conclusively as an estoppel and complete bar to any such Claim;
 - (B) may be pleaded as a complete defence and reply in the event of such Claim; and

-- 3 --

- (C) may be relied upon in any proceeding to dismiss such Claim and no objection will be raised by the party which commenced such Claim to the effect that the other parties to such Claim are not parties to this Release.
3. Each of the Releasors acknowledges and declares that: (a) it has had an adequate opportunity to read and consider this Release and to obtain such advice in regard to it as it should consider advisable; (b) it fully understands the nature and effect of this Release; and (c) this Release has been duly and voluntarily authorized, executed and delivered and it has the capacity and authority to execute and deliver it.
 4. This Release shall not be deemed to be any admission of liability on the part of the Releasees and liability is specifically denied by each of them.
 5. Each of the Releasors covenants and agrees to do such things, to attend such meetings and to execute such further surrenders, releases, conveyances, transfers, documents and assurances as may be deemed necessary or advisable from time to time in order to effectively carry out the terms and conditions of this Release in accordance with their true intent.
 6. If any provision of this Release shall be determined to be illegal, invalid or unenforceable, that provision shall be severed from this Release and the remaining provisions shall continue in full force and effect.
 7. This Release shall enure to the benefit of each of the Releasees and its heirs, attorneys, guardians, estate trustees, executors, successors, assigns and representatives and be binding upon each of the Releasors and its heirs, attorneys, guardians, estate trustees, executors, successors, assigns and representatives.
 8. This Release shall be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein.
 9. The terms of this Release constitute the entire agreement between the parties relating to the subject matter hereof.
 10. This Release may be executed by the parties in counterparts and may be executed and delivered by facsimile or electronic transmission and all such counterparts and facsimiles or electronic transmissions shall together constitute one and the same agreement.

IN WITNESS OF WHICH the parties have duly executed this Release this ____ day of _____, 2015.

**THE BEREZAN REAL ESTATE
PARTNERSHIP**

By: _____
Name: Ralph Berezan

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 **TARGET CANADA CO., TARGET
CANADA HEALTH CO., TARGET CANADA MOBILE GP
CO., TARGET CANADA PHARMACY (BC) CORP.,
TARGET CANADA PHARMACY (ONTARIO) CORP.,
TARGET CANADA PHARMACY CORP., TARGET
CANADA PHARMACY (SK) CORP., and TARGET CANADA
PROPERTY LLC**

APPLICANTS

MOTION RECORD OF THE APPLICANTS

**(Motion for Approval of Agreement of Purchase and Sale with
Park Place Acquisition Corporation, and Lease Surrender Agreements
with each of The Berezan Real Estate Partnership,
Cominar Real Estate Investment Trust
and Vanprop Investments Ltd.)**

VOLUME 2 OF 2

May 14, 2015

OSLER, HOSKIN & HARCOURT LLP

Box 50, 1 First Canadian Place
Toronto, Canada M5X 1B8

Tracy Sandler (LSUC #: 32443N)
Jeremy Dacks (LSUC #: 41851R)
Shawn Irving (LSUC #: 50035U)
Robert Carson (LSUC #: 57364H)

Tel: (416) 362-2111
Fax: (416) 862-6666

Lawyers for the Applicants

TAB D

THIS IS EXHIBIT "D" TO THE
AFFIDAVIT OF MARK J. WONG
SWORN MAY 19, 2015



Commissioner for Taking Affidavits

EXECUTION COPY

TARGET CANADA CO.
as the Tenant

- and -

COMINAR REAL ESTATE INVESTMENT TRUST
as the Landlord

LEASE SURRENDER AGREEMENT
May 13, 2015

OSLER, HOSKIN & HARCOURT LLP

TABLE OF CONTENTS

| | Page |
|---|------|
| ARTICLE 1 DEFINITIONS..... | 2 |
| 1.1 Definitions..... | 2 |
| ARTICLE 2 SURRENDER TRANSACTION..... | 7 |
| 2.1 Offer and Acceptance | 7 |
| 2.2 As Is, Where Is..... | 7 |
| ARTICLE 3 CONSIDERATION | 9 |
| 3.1 Surrender Consideration | 9 |
| 3.2 Deposit | 9 |
| 3.3 Surrender Consideration Allocation | 11 |
| 3.4 CCAA Proceedings | 11 |
| 3.5 Letters of Credit and Deposits | 11 |
| 3.6 Trade-Marks..... | 11 |
| ARTICLE 4 ADJUSTMENTS | 12 |
| 4.1 Statement of Adjustments and Absence of Post-Closing Adjustments | 12 |
| 4.2 Items of Adjustments Under the Leases | 12 |
| 4.3 Realty Tax Appeals..... | 13 |
| 4.4 Utilities..... | 14 |
| ARTICLE 5 INTERIM PERIOD & LEASE MATTERS | 14 |
| 5.1 Interim Period | 14 |
| 5.2 Contracts | 15 |
| 5.3 Releases..... | 15 |
| ARTICLE 6 REPRESENTATIONS, WARRANTIES & COVENANTS | 15 |
| 6.1 Tenant’s Representations and Warranties..... | 15 |
| 6.2 Landlord’s Representations and Warranties | 16 |
| 6.3 Landlord’s Covenants | 17 |
| 6.4 Tenant’s Covenants..... | 17 |
| 6.5 Tax Matters | 18 |
| 6.6 Survival of Covenants..... | 19 |
| ARTICLE 7 CLOSING | 19 |
| 7.1 Conditions of Closing for the Benefit of the Landlord | 19 |
| 7.2 Conditions of Closing for the Benefit of the Tenant..... | 20 |
| 7.3 Conditions of Closing for the Mutual Benefit of the Parties | 20 |
| 7.4 Closing Documents..... | 20 |

TABLE OF CONTENTS
(continued)

| | Page |
|---|-------------|
| 7.5 Closing Date..... | 21 |
| 7.6 Confirmation of Satisfaction of Conditions..... | 22 |
| 7.7 Closing | 22 |
| 7.8 Filings and Authorizations..... | 23 |
| 7.9 Court Matters | 23 |
| 7.10 Termination..... | 24 |
| ARTICLE 8 OTHER PROVISIONS..... | 24 |
| 8.1 Confidentiality | 24 |
| 8.2 Leasehold Interest | 25 |
| 8.3 Québec Interpretation Clause..... | 25 |
| 8.4 Time of the Essence | 25 |
| 8.5 Entire Agreement | 25 |
| 8.6 Waiver..... | 25 |
| 8.7 Further Assurances..... | 26 |
| 8.8 Severability | 26 |
| 8.9 Governing Law | 26 |
| 8.10 English Language..... | 26 |
| 8.11 Statute References..... | 26 |
| 8.12 Headings | 26 |
| 8.13 References..... | 26 |
| 8.14 Number and Gender..... | 27 |
| 8.15 Business Days | 27 |
| 8.16 Currency and Payment Obligations | 27 |
| 8.17 Notice..... | 27 |
| 8.18 Subdivision Control Legislation | 29 |
| 8.19 Solicitors as Agent and Tender..... | 29 |
| 8.20 No Registration of Agreement..... | 29 |
| 8.21 Third Party Costs | 29 |
| 8.22 Interpretation..... | 30 |
| 8.23 No Third Party Beneficiaries | 30 |
| 8.24 Enurement..... | 30 |
| 8.25 Counterparts and Delivery | 30 |
| 8.26 Acknowledgment..... | 30 |
| SCHEDULE “A” PREMISES | 1 |
| SCHEDULE “B” LEASE PARTICULARS..... | 1 |
| SCHEDULE “C” EXCLUDED ASSETS | 1 |
| SCHEDULE “D” INTENTIONALLY DELETED..... | 1 |
| SCHEDULE “E” <i>ONTARIO</i> SUPERIOR COURT OF JUSTICE COMMERCIAL LIST..... | 1 |

TABLE OF CONTENTS
(continued)

| | Page |
|---|-------------|
| SCHEDULE "F" LANDLORD'S GST/HST AND QST CERTIFICATE, UNDERTAKING AND INDEMNITY | 1 |
| SCHEDULE "G" INTENTIONALLY DELETED | 1 |
| SCHEDULE "H" FORM OF AMENDMENT AND SURRENDER OF LEASE..... | 1 |
| SCHEDULE "I" FORM OF ASSIGNMENT AND ASSUMPTION OF REALTY TAX APPEALS | 1 |
| SCHEDULE "J" LIST OF FF&E | 1 |
| SCHEDULE "K" PERMITTED ENCUMBRANCES..... | - 1 - |
| SCHEDULE "L" INTENTIONALLY DELETED | 2 |

THIS LEASE SURRENDER AGREEMENT dated with effect as of May 13, 2015

BETWEEN:

TARGET CANADA CO. (the "Tenant")

OF THE FIRST PART,

- and -

MICHEL DALLAIRE, ALAIN DALLAIRE, ROBERT DESPRÉS, PIERRE GINGRAS, GHISLAINE LABERGE, GÉRARD COULOMBE, ALBAN D'AMOURS, MARY-ANN BELL AND JOHANNE M. LÉPINE, each in his or her capacity as trustee of and on behalf of Fonds de placement immobilier Cominar/ Cominar Real Estate Investment Trust (the "**Landlord**")

OF THE SECOND PART,

RECITALS:

- A. The Tenant and certain of its affiliates applied for and together with the limited partnerships listed on Schedule "A" to the Initial Order (the Tenant, its affiliates and the limited partnerships being collectively, the "**Applicants**") were granted protection by the Ontario Superior Court of Justice (Commercial List) (the "**Court**") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), and Alvarez & Marsal Canada Inc. (the "**Monitor**") was appointed by the Court as the monitor of the Tenant pursuant to an Order of the Court dated January 15, 2015, as amended and restated on February 11, 2015, and as further amended, restated and/or amended and restated from time to time (collectively, the "**Initial Order**").
- B. On February 11, 2015, the Court entered an order approving the process for the disposition of the Tenant's real property interests and the procedures set forth therein (as same may be amended from time to time, the "**Sale Procedures**").
- C. Pursuant to the Sale Procedures, the Landlord submitted a Landlord LOI for the purchase of certain leases and related interests and/or assets with respect to certain leased premises the Tenant uses or used in its operations, and has been invited to submit a Landlord Qualified Bid in accordance with the Sale Procedures.
- D. The Landlord hereby offers to accept a surrender from the Tenant of the Tenant's right, title and interest in and to the Leases, the Real Property Interests and the Premises and to accept the resiliation of such Leases on the terms and conditions set out herein (the "**Offer**").
- E. This Agreement is subject to approval by the Court, and the completion of the Transaction is subject to the Court issuing the Approval and Vesting Order and the Monitor releasing the Monitor's Certificate, all as more particularly described herein.

- 2 -

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Tenant and the Landlord (individually, a “**Party**” and collectively, the “**Parties**”) covenant and agree as follows:

ARTICLE 1 DEFINITIONS

1.1 Definitions

Unless otherwise provided for herein, all capitalized terms set out below when used in this Agreement shall have the meaning ascribed thereto unless the context expressly or by necessary implication otherwise requires:

“**Agency Agreement**” has the meaning ascribed thereto in the Agency Agreement Order.

“**Agency Agreement Order**” means the Approval Order – Agency Agreement of the Court dated February 4, 2015, as amended, restated and/or amended and restated from time to time.

“**Agent**” has the meaning ascribed thereto in the Agency Agreement Order.

“**Agreement**” means this agreement constituted by the Tenant’s acceptance of the Offer together with all schedules and instruments in written amendment or confirmation of it and the expression “**Section**” followed by a number means and refers to the ascribed thereto Section of this Agreement.

“**Applicants**” has the meaning ascribed thereto in Recital A.

“**Approval and Vesting Order**” means an order issued by the Court approving this Agreement and the transactions contemplated by this Agreement, and surrendering to the Landlord all of the Tenant’s right, title and interest in and to the Leases and the Real Property Interests free and clear of all Encumbrances other than the Permitted Encumbrances, which order shall be substantially in the form of Schedule “E”.

“**Assignment and Assumption of Realty Tax Appeals**” means an assignment by the Tenant and an assumption by the Landlord of the Tenant’s right, title and interest and all liability, covenants and obligations, in respect of the Realty Tax Appeals to be delivered on Closing. The agreement evidencing same shall include an indemnity given by the Landlord in favour of the Tenant from and against any Claims arising pursuant to or in connection with any of the Realty Tax Appeals and shall be in substantially the form attached as Schedule “I”.

“**Auctions**” has the meaning ascribed thereto in the Sale Procedures.

“**Authorization**” means, with respect to any Person, any order, permit, approval, waiver, licence or similar authorization of any Governmental Authority having jurisdiction over the Person.

“**Balance**” has the meaning ascribed thereto in Section 3.1(b).

“**Business Day**” means any day of the year, other than a Saturday, Sunday or any day on which major banks are closed for business in Toronto, Ontario.

- 3 -

“**CCAA**” has the meaning ascribed thereto in Recital A.

“**CCAA Proceedings**” means the proceedings commenced by the Applicants before the Court under the CCAA, court file no. CV-15-10832-00CL.

“**Claims**” means claims, demands, complaints, grievances, actions, applications, suits, causes of action, Orders, charges, indictments, prosecutions, informations or other similar processes, assessments or reassessments, equitable interests, options, preferential arrangements of any kind or nature, assignments, restrictions, financing statements, deposit arrangements, rights of others, leases, sub-leases, licences, rights of first refusal or similar restrictions, judgments, debts, liabilities, expenses, costs, damages or losses, contingent or otherwise, including loss of value, reasonable professional fees, including fees and disbursements of legal counsel on a full indemnity basis, and all actual and documented costs incurred in investigating or pursuing any of the foregoing or any proceeding relating to any of the foregoing.

“**Closing**” has the meaning ascribed thereto in Section 7.5(a).

“**Closing Date**” has the meaning ascribed thereto in Section 7.5(a).

“**Closing Documents**” means those documents and deliveries to be delivered in connection with the Closing as contemplated in this Agreement including those set out in Section 7.4.

“**Competing Bidder**” has the meaning ascribed thereto in the Sale Procedures.

“**Contracts**” means, collectively, all of the Tenant’s contracts and agreements to enter into contracts with respect to the operation, fire protection, servicing, maintenance, repair and cleaning of the Premises, or the furnishing of supplies or services to the Premises, any property management or asset management contracts, any employment contracts, any insurance contracts, and any sublease, license or other right of occupancy entered into by the Tenant or any manager or agent on behalf of the Tenant with respect to the Premises, the Leases or the Real Property Interests.

“**Court**” has the meaning ascribed thereto in Recital A.

“**Deposit**” has the meaning ascribed thereto in Section 3.1(a).

“**Encumbrance**” means any restriction, reservation, easement, servitude, right-of-way, encroachment, mortgage, charge, pledge, hypothec, prior claims, lien (statutory or otherwise), security interest, title retention agreement or arrangement, assignment, claim, prior claim, liability (direct, indirect, absolute or contingent), obligation, trust, deemed trust, right of retention, judgment, writ of seizure or execution, notice of sale, contractual right, option, right of first refusal, or any other right or interest, of any nature or any other arrangement or condition whether or not registered, published or filed, statutory or otherwise, secured or unsecured.

“**Excise Tax Act**” means the *Excise Tax Act*, R.S.C., 1985, c. E-15, as amended, restated, supplemented or substituted from time to time.

“**Excluded Assets**” means those assets (in each case, as of the Closing Date) described in Schedule “C”.

“**Execution Date**” means the date of this Agreement as set out on the top of page 1 hereof.

“Financial Advisor” means Lazard Frères & Co. LLC.

“FF&E” means the fixtures, tools, signs, furniture, machinery, equipment, furnishings and trade fixtures including shelves, counters, video cameras and equipment, security systems, point-of-sales systems and related appurtenances, telecommunications systems and related appurtenances, electric light fixtures and elevating devices located at the Premises, in each case, to the extent owned by the Tenant as of the Closing Date, including those items listed on Schedule “J” hereto. However, FF&E excludes the Excluded Assets.

“Guarantees” means the promises, assurances, guarantees and/or indemnities provided by or on behalf of Target to the Landlord in respect of any or all of the liabilities and obligations of the Tenant under a Lease and/or with respect to the Premises and/or a Property . The Guarantees related to any one Lease are referred to as a **“Guarantee”**.

“Governmental Authorities” means governments, regulatory authorities, governmental departments, agencies, agents, commissions, bureaus, officials, ministers, Crown corporations, courts, bodies, boards, tribunals or dispute settlement panels or other law or regulation-making organizations or entities: (a) having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any other geographic or political subdivision of any of them; or (b) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power.

“GST/HST and QST Certificate, Undertaking and Indemnity” mean the Landlord’s certificate to be in substantially the form set out in Schedule “F”.

“Initial Order” has the meaning ascribed thereto in Recital A.

“Interim Period” means the period between the close of business on the Execution Date and the Closing on the Closing Date.

“Inventory” includes all inventory, stock, supplies and all other items to be sold from any of the Premises.

“Joint Direction” has the meaning ascribed thereto in Section 3.2(d).

“Landlord” has the meaning ascribed thereto on page 1 hereof.

“Landlord LOI” has the meaning ascribed thereto in the Sale Procedures.

“Landlord Qualified Bid” has the meaning ascribed thereto in the Sale Procedures.

“Laws” means any and all applicable laws, including all statutes, codes, ordinances, decrees, rules, regulations, municipal by-laws, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, decisions, ruling or awards, and general principles of common and civil law and equity, binding on or affecting the Person referred to in the context in which the word is used.

“Leases” means the leases and other agreements to occupy the Premises entered into by, or assigned in favour of the Tenant and listed in Schedule “B”. If the Premises comprise more than one leased location, the Leases related to any one leased location are referred to as a **“Lease”**.

- 5 -

“Lease Amendment and Surrender Agreement” means, with respect to each Lease, an amendment and surrender of lease in substantially the form attached as Schedule “H”.

“Letters of Credit” means letters of credit, letters of guarantee, deposits and/or security deposits provided by or on behalf of the Tenant to any third party in respect of any of the Leases and/or the Premises.

“Matching Security” has the meaning ascribed thereto in Section 3.6.

“Monitor” has the meaning ascribed thereto in Recital A.

“Monitor’s Certificate” means the certificate filed with the Court by the Monitor certifying receipt of confirmation from the Landlord and the Tenant that all conditions of Closing in Sections 7.1, 7.2 and 7.3 of this Agreement have been satisfied or waived.

“Nominee” has the meaning ascribed thereto in Section 6.2.

“Notice” has the meaning ascribed thereto in Section 8.17.

“Off-Title Compliance Matters” means open permits or files, work orders, Orders, deficiency notices, directives, notices of violation, non-compliance and/or complaint and/or other outstanding matters or matters of non-compliance with the zoning and/or other requirements of any Governmental Authorities or any open building permits.

“Offer” has the meaning ascribed thereto in Recital D.

“Orders” means orders, injunctions, judgments, administrative complaints, decrees, rulings, awards, assessments, directions, instructions, penalties or sanctions issued, filed or imposed by any Governmental Authority or arbitrator.

“Outside Date” has the meaning ascribed thereto in the Sale Procedures.

“Permitted Encumbrances” means, collectively: (a) any Encumbrances encumbering the freehold or other ownership interest in the Property or any other Landlord’s interest in the Property, but excludes any Encumbrances which were created or caused by the Tenant and any Encumbrances solely encumbering the Tenant’s leasehold interest in and to any Property; (b) Encumbrances resulting from the Landlord’s actions or omissions; and (c) the items identified in Schedule “K” hereto.

“Person” means an individual, partnership, corporation, trust, unincorporated organization, company, government, or any department or agency thereof, and the successors and assigns thereof or the heirs, executors, administrators or other legal representatives of an individual.

“Pre-Assignment Realty Tax Refunds” has the meaning ascribed thereto in Section 4.3(d).

“Premises” means, collectively, the lands and premises which are leased to the Tenant pursuant to the Leases.

- 6 -

“Property” means collectively, the real or immovable property of which the Premises form part for the purposes of the Leases and includes the Landlord’s freehold or other ownership interest, ground leasehold interest or right of emphyteusis therein.

“Property Claims” means any and all Claims which the Landlord ever had, now has or hereafter can, shall or may have against the Tenant or Target in respect of the Leases, the Real Property Interests, the Premises, the Guarantees and/or the Property.

“Qualified Bid Deadline” has the meaning ascribed thereto in the Sale Procedures.

“Real Property Interests” means all properties, assets, interests and rights of the Tenant in all improvements, additions, constructions and works made by the Tenant to the Property or the Premises and all properties, assets, interests and rights of the Tenants which are related to each of the Premises, which for greater certainty do not include Excluded Assets but include: (a) the Tenant’s right, title and interest, including its leasehold interest at common law and its rights as a lessee under civil law, in and to the Leases and the Premises and the Property, and improvements, additions, constructions and works made thereto, including, if any, the benefit of all easements, restrictive covenants, access rights, licences to use any common areas or rooftop areas of the buildings or shopping centres of which the Premises form part, rights to renew or extend the term of any Lease, options and similar rights of first offer, first refusal or first opportunity or otherwise to lease or purchase (if any), parking rights and signage rights; and (b) the FF&E which are left on the Premises on the Closing Date.

“Realty Tax Appeals” has the meaning ascribed thereto in Section 4.3(a).

“Realty Tax Refunds” has the meaning ascribed thereto in Section 4.3(b).

“Sale Procedures” has the meaning ascribed thereto in Recital B.

“Surrender Consideration” has the meaning ascribed thereto in Section 3.1

“Taxes” means taxes, duties, fees, premiums, assessments, imposts, levies and other similar charges imposed by any Governmental Authority under applicable Laws, including all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Authority in respect thereof, and including those levied on, or measured by, or referred to as, income, gross receipts, profits, capital, transfer, land transfer, registration, sales, goods and services, harmonized sales, use, value-added, excise, stamp, withholding, business, franchising, property, development, and occupancy taxes, all surtaxes, all customs duties and import and export taxes, countervail and anti-dumping, and all licence, franchise and registration fees.

“Target” means Target Corporation and its successors and assigns.

“Tenant” has the meaning ascribed thereto on page 1 hereof.

“Transaction” means collectively the transactions contemplated in this Agreement.

“Transaction Agreement” means the amended and restated transaction agreement dated September 12, 2011 between Zellers Inc., Hudson’s Bay Company, Target and the Tenant.

“Unitholder” has the meaning ascribed there to in Section 8.26.30

- 7 -

“Zellers Entity” means Zellers Inc., Hudson’s Bay Company or any of their affiliates.

ARTICLE 2 SURRENDER TRANSACTION

2.1 Offer and Acceptance

- (a) Subject to the Initial Order and the Sale Procedures, the Tenant hereby agrees to surrender and the Landlord hereby agrees to accept a surrender of the Leases and the Real Property Interests on the Closing Date in accordance with the terms and conditions of this Agreement.
- (b) Upon acceptance of this Offer by the Tenant, this Offer shall constitute a binding agreement to surrender the Leases and the Real Property Interests, on the terms of this Agreement.

2.2 As Is, Where Is

Notwithstanding the foregoing or anything else contained herein or elsewhere, the Landlord acknowledges and agrees in favour of the Tenant that as of the Execution Date and the Closing Date:

- (a) the Landlord is accepting the surrender of the Leases and the Real Property Interests and accepting the Premises on an “as is, where is” basis, without any written or oral statements, representations, warranties, promises or guaranties of any nature or kind whatsoever, either legal or conventional, express or implied (by operation of law or otherwise), as to the state of title thereto, the state of any Encumbrances, the condition of any of the Premises and the Real Property Interests and the status of any of the Leases or the Encumbrances, the existence of any default on the part of the Tenant, the physical, environmental or other condition of, in, on, under or in the vicinity of any of the Premises, the existence of any Encumbrance and/or Off-Title Compliance Matters affecting the Leases, the Real Property Interests, the Premises, or the Permitted Encumbrances, the structural integrity or any other aspect of the physical condition of the Premises, the conformity of the Premises to past, current or future applicable zoning or building code requirements or other applicable Laws, the existence of soil instability, past soil repairs, soil additions or conditions of soil fill or any other matter affecting the stability or integrity of the Premises, the sufficiency of any drainage, the availability of public utilities, access, parking and/or services for the Premises, the fitness or suitability of the Premises for occupancy or any intended use (including matters relating to health and safety), the potential for further development of the Premises, the existence of land use, zoning or building entitlements affecting the Premises, the presence, release or use of wastes of any nature, hazardous materials, pollutants, contaminants or other regulated substances in, under, on or about the Premises or any neighbouring lands; and without limiting the foregoing, any and all conditions or warranties expressed or implied pursuant to the *Sale of Goods Act (Ontario)* will not apply and are hereby waived by the Landlord and the Parties agree to exclude, to the extent applicable, the effect of the legal warranty provided for by Article 1716 of the *Civil Code of*

- 8 -

Québec and that the Landlord is accepting a surrender of the Real Property Interests at its own risk within the meaning of Article 1733 of the *Civil Code of Québec*;

- (b) any disclosure in respect of the Leases, the Real Property Interests and/or the Premises, if any, was made available to the Landlord solely as a courtesy but the Landlord is not entitled to rely on such disclosure, and it is expressly acknowledged by the Landlord that no written or oral statement, representation, warranty, promise or guarantee of any nature or kind whatsoever, either legal or conventional, express or implied (by operation of law or otherwise), is made by the Tenant and/or the Monitor and/or their respective legal counsel, the Financial Advisor or other advisors or representatives as to the accuracy, currency or completeness of any such disclosure, and each of them expressly disclaims any and all liabilities with respect to such disclosure and any and all errors therein or omissions therefrom;
- (c) the Landlord hereby unconditionally and irrevocably waives any and all actual or potential rights or Claims the Landlord might have against the Tenant pursuant to any warranty, legal or conventional, express or implied, of any kind or type relating to the Leases, the Real Property Interests, or the Premises or any other assets or any other aspect of the Transaction. Such waiver is absolute, unlimited and includes, but is not limited to, waiver of express warranties, implied warranties, any warranties at law and/or in equity, warranties of fitness for a particular use, warranties of merchantability, warranties of occupancy, strict liability and Claims of every kind and type, including, but not limited to, Claims regarding defects, whether or not discoverable, product liability Claims, or similar Claims, and to all other extent or later created or conceived of strict liability or strict liability type Claims and rights;
- (d) the Landlord conducted its own independent review, inspection, diligence and investigations and forming its own independent opinions and conclusions in respect of the Leases, the Real Property Interests, and the Premises. The Landlord's decision to make this Offer and enter into this Agreement was made of its own accord without reference to or reliance upon any disclosure made by the Tenant and/or the Monitor and/or their respective legal counsel, the Financial Advisor or other advisors or representatives. The Landlord acknowledges having been given a reasonable and adequate opportunity to conduct its own independent diligence prior to entering in this Agreement;
- (e) during the Interim Period, the Tenant shall be entitled to, but not obligated, remove any and all chattels, personal or movable property, Inventory, FF&E and any other Excluded Assets from all or any of the Premises that the Tenant elects to remove; and
- (f) the Leases, the Real Property Interests, or the Premises may be subject to certain Off-Title Compliance Matters, municipal requirements, including building or zoning by-laws and regulations, servitudes, easements for hydro, gas, telephone affecting same, and like services to the Premises, and restrictions and covenants affecting the Premises, including but not limited to the Permitted Encumbrances. Without limiting the foregoing, the Tenant shall not be responsible for rectification

- 9 -

of any matters disclosed by any Governmental Authority or quasi-governmental authority having jurisdiction.

The Tenant has no and shall have no obligations or responsibility to the Landlord after Closing with respect to any matter relating to the Leases, the Premises or the Real Property Interests or the condition thereof save and only to the extent expressly provided in this Agreement. This Section 2.2 shall survive and not merge on Closing and all Closing Documents shall incorporate this Section 2.2 by reference.

ARTICLE 3 CONSIDERATION

3.1 Surrender Consideration

The consideration payable by the Landlord to the Tenant for the Transaction, shall be ONE HUNDRED THOUSAND DOLLARS (\$100,000) (the "Surrender Consideration") exclusive of all GST/HST and QST. Subject only to adjustment in accordance with this Agreement, the Surrender Consideration shall be paid to the Tenant as follows:

- (a) as to the sum of TEN THOUSAND DOLLARS (\$10,000) (the "**Deposit**"), by wire transfer of immediately available funds from any of the five largest (by asset size) Canadian Schedule I chartered banks pursuant to the Large Value Transfer System as administered by the Canadian Payments Association payable to or to the order of the Monitor, in trust, or as it may otherwise direct in writing, on or prior to 3:00 p.m. (Toronto time) on the Business Day following the Execution Date, to be held in trust as a deposit and invested in accordance with the provisions of Section 3.2 below pending the completion or other termination of this Agreement; and
- (b) as to the balance of the Surrender Consideration (the "**Balance**"), subject only to the adjustments made in accordance with this Agreement, by wire transfer of immediately available funds from any of the five largest (by asset size) Schedule I Canadian chartered banks pursuant to the Large Value Transfer System as administered by the Canadian Payments Association payable to the Monitor or as it may direct on the Closing Date.

3.2 Deposit

- (a) Following receipt, the Deposit shall be invested by the Monitor, in trust, in an interest bearing account or term deposit or guaranteed investment certificate with or issued by one of the five (5) largest (by asset size) Canadian Schedule I Canadian chartered banks pending completion of the Transaction or earlier termination or non-completion of this Agreement. In holding and dealing with the Deposit and any interest earned thereon pursuant to this Agreement, the Monitor is not bound in any way by any agreement other than this Section 3.2, and the Monitor shall not and shall not be considered to assume any duty, liability or responsibility other than to hold the Deposit, and any interest earned thereon, in accordance with the provisions of this Section 3.2, and to pay the Deposit, and any interest earned thereon, to the Person becoming entitled thereto in accordance with the terms of this Agreement, except in the event of a dispute between the Parties as to

- 10 -

entitlement to the Deposit. In the case of such dispute, the Monitor may, in its sole, subjective and unreviewable discretion, or shall, if requested by any of the Parties, pay the Deposit and any and all interest earned thereon into Court, whereupon the Monitor shall have no further obligations relating to the Deposit or any interest earned thereon. The Monitor shall not, under any circumstances, be required to verify or determine the validity of any notice or other document whatsoever delivered to the Monitor and the Monitor is hereby relieved of any liability or responsibility for any Claims which may arise as a result of the acceptance by the Monitor of any such notice or other document in good faith.

- (b) If the Transaction is completed, the Deposit shall be paid to the Tenant forthwith on Closing and applied to the Surrender Consideration. Interest on the Deposit shall accrue from the date of deposit with the Monitor until the Closing or other termination or non-completion of this Agreement. If the Transaction is successfully, completed, all interest earned on the Deposit until Closing shall be paid to the Landlord within five (5) Business Days of Closing.
- (c) If the Transaction is terminated or not completed by reason of a breach by the Landlord of its representations, warranties or covenants or other default of the Landlord under this Agreement, the full amount of the Deposit together with all accrued interest earned thereon, if any, shall be become the absolute property of, and may be retained by, the Tenant as liquidated damages (and not as a penalty) to compensate the Tenant for the expenses incurred and the delay caused and opportunities foregone as a result of the failure of the Transaction to close. The entitlement of the Tenant to receive and retain the Deposit together with all accrued interest earned thereon, if any, in such circumstances shall not limit the Tenant's right to exercise any other rights or remedies which the Tenant may have against the Landlord in respect of such breach or default. If the Transaction is terminated or not completed for any other reason, the Deposit together with all interest accrued thereon if, any shall be thereupon returned to the Landlord.
- (d) In holding and dealing with the Deposit and any interest earned thereon pursuant to this Agreement, the Monitor shall release the Deposit and any interest earned thereon to the Persons becoming entitled thereto in accordance with the provisions of this Section 3.2 as evidenced by a joint direction in writing executed by the Tenant and the Landlord (the "**Joint Direction**") except in the event of a dispute between the Parties as to entitlement to the Deposit and any interest earned thereon in which event the Monitor may, in its sole, unfettered and unreviewable discretion, pay the Deposit and any interest earned thereon into Court, whereupon the Monitor shall have no further obligations relating to the Deposit and any interest earned thereon or otherwise hereunder.
- (e) The Monitor shall not, under any circumstances, be required to verify or determine the validity of the Joint Direction and the Monitor is hereby relieved of any liability or responsibility for any loss or damage which may arise as the result of the acceptance by the Monitor of the Joint Direction in good faith.
- (f) Notwithstanding the foregoing or anything else contained herein or elsewhere, each of the Tenant and the Landlord acknowledges and agrees that: (i) the Monitor's

- 11 -

obligations hereunder are and shall remain limited to those specifically set out in this Section 3.2; and (ii) Alvarez & Marsal Canada Inc. is acting solely in its capacity as the Court-appointed Monitor of the Tenant in the CCAA Proceedings and not in its personal or corporate capacity, and the Monitor has no liability in connection with this Agreement whatsoever, in its personal or corporate capacity or otherwise, save and except for and only to the extent of the Monitor's wilful misconduct.

- (g) The Parties acknowledge that the Monitor may rely upon the provisions of this Section 3.2 notwithstanding that the Monitor is not a party to this Agreement. The provisions of this Section 3.2 shall survive the termination or non-completion of the Transaction.

3.3 Surrender Consideration Allocation

- (a) The Tenant and the Landlord agree that the Surrender Consideration is allocated among the Leases as set out on Schedule "D" and the Tenant and the Landlord shall adopt such allocation for the purposes of all tax returns and filings made by them or on their behalf. This Section 3.3 shall survive and not merge on Closing.
- (b) On or prior to the Closing Date, the Landlord and the Tenant, each acting reasonably, shall agree as to the allocation of the Surrender Consideration as between the Real Property Interests. The Landlord and the Tenant shall adopt such allocations for the purposes of all tax returns, elections and filings respectively made by them or on their behalf provided that if the parties cannot agree upon such an allocation, on or prior to the Closing Date, the Agreement shall still constitute a binding agreement and the Transaction shall proceed.

3.4 CCAA Proceedings

Landlord reserves its rights to file pursuant to the CCAA Proceedings, a claim for loss and damages resulting from the early termination of the Leases.

3.5 Letters of Credit and Deposits

On the Closing Date, the Landlord shall use its reasonable commercial efforts to cause the Letters of Credit, if any, to be released and returned to the Tenant without any further drawings thereunder in respect of matters arising after the Closing Date. Provided that to the extent that the Landlord is unable to cause all of the Letters of Credit to be released and returned to the Tenant, without any further drawings thereunder, the Landlord shall cause matching, unconditional and irrevocable letters of credit and/or security deposits in favour of the Tenant or its successors or assigns to be provided to the Tenant on the Closing Date (collectively, the "**Matching Security**") which Matching Security may be drawn upon by the Tenant if and to the extent that the Tenant's Letters of Credit are drawn upon from time to time in respect of matters arising after the Closing Date.

3.6 Trade-Marks

Notwithstanding the foregoing or anything else contained herein or elsewhere, the Landlord acknowledges and agrees that: (a) no signs, trade-marks, trade-names, logos, commercial symbols, business names or other intellectual property rights identifying "Target" or "Target Canada" are

- 12 -

conveyed or intended to be conveyed to the Landlord as part of the Transaction; and (b) all right, title and interest of the Tenant in and to all of its existing signs, trade-marks, trade-names, logos, commercial symbols, business names or other intellectual property rights identifying "Target" or "Target Canada" or containing the words "Target" are hereby specifically reserved and excluded from the Transaction. This Section shall survive and not merge on Closing.

ARTICLE 4 ADJUSTMENTS

4.1 Statement of Adjustments and Absence of Post-Closing Adjustments

The Tenant shall prepare a draft statement of adjustments and deliver same with supporting documentation to the Landlord for its review and approval no later than two (2) Business Days prior to the Closing Date. If the amount of any adjustments required to be made pursuant to this Agreement cannot be reasonably determined as of the Closing Date, an estimate shall be made by the Landlord and the Tenant as of the Closing Date based upon the best information available to the Parties at such time, each Party acting reasonably and such estimate shall serve as a final determination. There shall be no further adjustments or readjustments after Closing of any amounts adjusted or intended to be adjusted on the statement of adjustments pursuant to this Agreement and the amounts set out on the statement of adjustments shall be final.

4.2 Items of Adjustments Under the Leases

- (a) The Tenant and the Landlord shall adjust the rent (including basic or minimum rent and additional rent) and other amounts payable under each of the Leases which have been paid or pre-paid to the Landlord in respect of each of the Leases for any period prior to the Closing Date as well as the month in which the Closing Date occurs, with the Closing Date itself to be allocated to the Landlord.
- (b) Without limiting the generality of the foregoing, the Tenant and the Landlord shall as of the Closing Date adjust between themselves the following amounts:
 - (i) basic or minimum rent for the month in which the Closing occurs;
 - (ii) 2014 and 2015 adjustments for additional rent paid by the Tenant required after reconciliation of actual amounts with estimated amounts. For greater certainty, there shall be no prior year reconciliations;
 - (iii) in favour of the Tenant, on account of any roof repair costs or other costs of improvements paid by the Tenant which were required to be reimbursed to the Tenant by the Landlord;
 - (iv) in favour of the Tenant, on account of any amount owing to the Tenant by the Landlord in respect of unpaid tenant allowance, rent free periods or other tenant inducements; and
 - (v) in favour of the Tenant, on account of any other credit/setoff that the Tenant is entitled to claim from the Landlord, e.g. credit against/deduction from

- 13 -

future additional rent charges due to the Tenant having performed certain work or paid for certain costs which were the Landlord's responsibility.

- (c) The Landlord shall be responsible for and pay all applicable GST and QST payable on any amounts payable by the Landlord in connection with the Transaction.
- (d) The Landlord hereby waives any fees or charges payable to the Landlord under any of the Leases in respect of the Transaction, including, without limitation, any fees, penalties, or charges payable to any Landlord in respect of a surrender of a Lease and any obligation in respect of the payment of accelerated and/or increased rent which arises solely as a result of a surrender of a Lease.

4.3 Realty Tax Appeals

- (a) The Tenant and the Landlord acknowledge that with respect to the Premises the Tenant may have instituted certain appeals and/or claims in respect of realty taxes or assessments for certain periods prior to the Closing Date and possibly including the tax year in which the Closing Date occurs (all such appeals and any associated reassessments are hereinafter collectively referred to as the "**Realty Tax Appeals**").
- (b) There will be no additional adjustments in favour of the Tenant in connection with any expected credit, refund and/or rebate which may arise from any of the Realty Tax Appeals (collectively, the "**Realty Tax Refunds**") for any period that is prior to the Closing Date, and the Tenant shall assign to the Landlord all of its right, title and interest, if any, in and to any such Realty Tax Refunds.
- (c) From and after the Closing Date, the Landlord may, at its sole cost and expense but without any obligation to do so, assume or retain the carriage of the Realty Tax Appeals and continue as the appellant in the Realty Tax Appeals. The Tenant agrees to co-operate with the Landlord with respect to the Realty Tax Appeals and to provide the Landlord with access to any reasonably necessary documents or materials required to continue any Realty Tax Appeals. If the Realty Tax Appeals may only be prosecuted in the name of the Tenant, the Tenant shall cooperate with the Landlord, including granting such authorizations as may be reasonably required, to enable the Landlord to pursue and prosecute such Realty Tax Appeals, at the Landlord's sole cost and expense.
- (d) The Landlord acknowledges and agrees that a Zellers Entity may have initiated the Realty Tax Appeals for any prior tax years or partial tax years in respect of any of the Premises which relates to the period during which a Zellers Entity was a tenant of such Premises (the "**Pre-Assignment Realty Tax Refunds**"). To the extent that the Landlord receives any such Pre-Assignment Realty Tax Refunds, or to the extent the benefit of any Pre-Assignment Realty Tax Refunds will accrue to or be received by the Landlord, in any manner, whether by way of a credit in the Landlord's favour issued by the Landlord (against future rent or other amounts payable under a Lease or otherwise) or by the applicable taxing authority (against future taxes or other amounts payable to such taxing authority) or otherwise, the Landlord shall forthwith endorse and deliver same to the applicable Zellers Entity

- 14 -

or otherwise pay to the applicable Zellers Entity the amount equivalent to the benefit of any such Pre-Assignment Realty Tax Refunds that will accrue to or be received by the Landlord. The Tenant hereby directs the Landlord to pay to the applicable Zellers Entity such portion of the Pre-Assignment Realty Tax Refunds or the benefit thereof in accordance with the Transaction Agreement.

This Section 4.3 shall survive and not merge on Closing.

4.4 Utilities

- (a) The Landlord shall not assume any contracts or agreements entered into by or on behalf of the Tenant for the supply of any utilities (including electricity, gas, water, fuel, telephone service, internet services, security and surveillance services or otherwise) at the Premises and the Real Property Interests. On or before the Closing Date, the Tenant shall terminate all of its contracts and agreements for the supply of any utilities to the Premises and the Real Property Interests. For the avoidance of doubt, there shall be no adjustment at Closing in respect of the payment of any utilities. The provisions of this Section 4.4(a) shall survive and not merge on Closing.
- (b) From and after the Closing Date, any and all utility charges and other related fees payable for any of the Premises and the Real Property Interests in respect of the period after the Closing Date pursuant to any invoice or statement issued on or after the Closing Date, shall be the sole responsibility of the Landlord, and there shall be no adjustments between the Tenant and the Landlord of any utility charges or related fees paid by the Landlord pursuant to any such invoice or statement issued on or after the Closing Date.

ARTICLE 5 INTERIM PERIOD & LEASE MATTERS

5.1 Interim Period

- (a) During the Interim Period, the Landlord and the Tenant shall comply with each and every term and condition of the Leases as currently applicable in the CCAA Proceedings, subject only to the provisions of the Initial Order, the Agency Agreement Order, the Sale Procedures and the provisions of this Section.
- (b) During the Interim Period, the Tenant by itself or through its Agent under the Agency Agreement shall be entitled, but not obligated, to remove and sell, or permit any other Persons to remove and sell, any and all chattels, personal or movable property, Inventory, FF&E and any other Excluded Assets, from the Premises in accordance with this Agreement, the Initial Order, the Agency Agreement Order and the Sale Procedures. For greater certainty and notwithstanding anything to the contrary contained herein, the Tenant shall not be obligated to remove the FF&E or the Excluded Assets.
- (c) Notwithstanding any provision of the Leases, the Tenant shall have no obligation to operate in the Premises during the Interim Period and on Closing the Tenant shall

- 15 -

surrender the Premises in a “broom-swept” clean condition and on the condition as of the Execution Date, ordinary wear and tear excepted, and, for greater certainty, the Tenant shall not be required to repair and/or reinstate the Premises.

- (d) In the event that prior to the Closing Date all or a part of the Premises or more is expropriated or notice of expropriation or intent to expropriate all or a part of the Premises is issued by any Governmental Authority, the Landlord shall immediately advise the Tenant thereof by Notice in writing. Notwithstanding the occurrence of any of the foregoing, the Landlord shall complete the Transaction contemplated herein in accordance with the terms hereof without reduction of the Surrender Consideration and all compensation for expropriation shall be payable to the Landlord and all right and claim of the Tenant to such amounts, if any, shall be assigned to the Landlord on a without recourse basis.
- (e) The Premises shall be and remain until Closing at the risk of the Tenant. In the event of material damage by fire or other hazard to the Premises or any part thereof occurring before the Closing Date, the Tenant shall immediately advise the Landlord thereof by Notice in writing. Notwithstanding the occurrence of any of the foregoing, the Landlord shall complete the Transaction contemplated herein in accordance with the terms hereof without reduction of the Surrender Consideration and the proceeds of any insurance available or actually paid or payable to the Tenant shall be paid and/or assigned to the Landlord on a without recourse basis.

5.2 Contracts

The Tenant covenants to terminate effective as of the Closing Date, at its sole cost and expense, all Contracts insofar as they relate to the Premises, the Leases or the Real Property Interests.

5.3 Releases

The Landlord shall use reasonable efforts to assist the Tenant and shall co-operate with the Tenant, as reasonably requested, to obtain from third parties a full release of the Tenant’s and Target’s obligations under the Permitted Encumbrances to the extent that the Tenant or Target is bound thereby, and shall provide such financial and other information and enter into such assumption agreements as such third parties may reasonably require, in form and substance acceptable to each of the parties thereto acting reasonably and without delay.

ARTICLE 6 REPRESENTATIONS, WARRANTIES & COVENANTS

6.1 Tenant’s Representations and Warranties

The Tenant represents and warrants to and in favour of the Landlord that as of the Execution Date and as of Closing as to the following and acknowledges and confirms that the Landlord is relying upon such representations and warranties in connection with the entering into of this Agreement:

- 16 -

- (a) the execution, delivery and performance by the Tenant of this Agreement has been duly authorized by all necessary corporate action on the part of the Tenant subject to the Approval and Vesting Order and authorization as is required by the Court;
- (b) the Tenant is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada); and
- (c) the Tenant is a registrant for the purposes of the tax imposed under Part IX of the *Excise Tax Act* and for the purposes of *An Act respecting the Québec Sales Tax*.

6.2 Landlord's Representations and Warranties

The Landlord represents and warrants to and in favour of the Tenant that as of the Execution Date and as of Closing as to the following and acknowledges and confirms that the Tenant is relying upon such representations and warranties in connection with the entering into of this Agreement:

- (a) the Landlord has been duly constituted and is validly subsisting under the Laws of the jurisdiction of its constitution, and has all requisite capacity, power and authority to carry on its business as now conducted by it and to own its properties and assets and is qualified to carry on business under the Laws of the jurisdictions where it carries on a material portion of its business;
- (b) the Landlord is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada);
- (c) the Landlord is a registrant for the purposes of the tax imposed under Part IX of the *Excise Tax Act* and for the purposes of *An Act respecting the Québec Sales Tax*;
- (d) the execution, delivery and performance by the Landlord of this Agreement:
 - (i) has been duly authorized by all necessary corporate action on the part of the Landlord;
 - (ii) does not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition) require any consent or approval under, result in a breach or a violation of, or conflict with, any of the terms or provisions of its constituting documents or by-laws or any contracts or instruments to which it is a party or pursuant to which any of its assets or property may be affected, including any consent or approval from a mortgagee or lender or its respective agent, servicer or *fondé de pouvoir* or such other creditor to the Landlord or its affiliates with security on all or part of a Property; and
 - (iii) will not result in the violation of any Laws;
- (e) as of the Execution Date, to the Landlord's knowledge, the Leases are in good standing, save and except for the CCAA Proceedings;
- (f) the Landlord is the beneficial owner of the Property and the lessor under the Lease and the registered owner of the Property is Homburg Trust (186) (the "Nominee");

- 17 -

- (g) this Agreement has been duly executed and delivered by the Landlord and constitutes legal, valid and binding obligations of the Landlord, enforceable against it in accordance with their respective terms subject only to any limitation under applicable Laws relating to (i) bankruptcy, winding-up, insolvency, arrangement and other similar Laws of general application affecting the enforcement of creditors' rights, and (ii) the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction;
- (h) the Landlord has reviewed and is familiar with all of the terms and conditions of the Leases; and
- (i) the Landlord has, and will have at Closing, all funds on hand necessary to pay the Surrender Consideration.

The Landlord's representations and warranties shall survive Closing for a period of one (1) year thereafter.

6.3 Landlord's Covenants

- (a) The Landlord shall use commercially reasonable efforts to take all such actions as are within its power to control, and to cause other actions to be taken which are not within its power to control, so as to ensure compliance with each of the conditions and covenants set forth in Article 7 which are for the benefit of any other Party.
- (b) The Landlord shall take commercially reasonable steps in order to avoid the filing of an application for, or the issuance of any interim Order or other Order which would have the effect of delaying or preventing the Closing, and if any such interim Order or other Order is issued, the Landlord shall take commercially reasonable steps to have it rescinded, revoked or set aside as soon as possible.
- (c) The Landlord will promptly notify the Tenant and the Tenant will promptly notify the Landlord upon:
 - (i) becoming aware of any Order or any complaint requesting an Order restraining or enjoining the execution of this Agreement or the consummation of the Transactions; or
 - (ii) receiving any notice from any Governmental Authority of its intention:
 - (iii) to institute a suit or proceeding to restrain or enjoin the execution of this Agreement or the consummation of the transactions contemplated by this Agreement; or
 - (iv) to nullify or render ineffective this Agreement or such transactions if consummated.

6.4 Tenant's Covenants

The Tenant agrees, that subject to the Initial Order and the Sale Procedures, to thereafter take all commercially reasonable actions as are within its power to control, and to use its commercially

- 18 -

reasonable efforts to cause other actions to be taken which are not within its power to control, so as to ensure compliance with each of the conditions and covenants set forth in Article 7 which are for the benefit of any other Party.

6.5 Tax Matters

In addition to the representations and warranties set forth in Section 6.2, the Landlord further warrants, represents and covenants to the Tenant, and acknowledges and confirms that the Tenant is relying on such representations and warranties, indemnities and covenants in connection with the entering into of this Agreement, that:

- (a) the Landlord and Nominee are duly registered under Subdivision (d) of Division V of Part IX of the *Excise Tax Act* with respect to the goods and services tax and harmonized sales tax and under Division I of Chapter VIII of Title I of *An Act respecting the Québec Sales Tax* with respect to the Québec sales tax, and that the Landlord's registration numbers are: GST - 872 969 795 RT 0001 and QST - 102 113 7916 TQ 0001, and the Nominee's registration numbers are: GST - 833392061RT0001 and QST - 4011534690TQ0001, which registrations shall be in full force and effect and shall not have been cancelled or revoked on the Closing Date;
- (b) the Landlord has entered into this Agreement and is accepting a surrender of the Leases and the Real Property Interests on the Closing Date, as principal for its own account and not as an agent, nominee, trustee or otherwise on behalf of another Person;
- (c) to the extent permitted under subsection 221(2) of the *Excise Tax Act* and any equivalent or corresponding provision under any applicable provincial or territorial legislation, the Landlord shall self-assess and remit directly to the appropriate Governmental Authority any Taxes including goods and services tax or harmonized sales tax, as the case may be, imposed under the *Excise Tax Act* and any similar value added or multi-staged tax or sales tax imposed by any applicable provincial or territorial legislation payable in connection with the Transaction, including the surrender of the Leases and the Real Property Interests;
- (d) on Closing, the Landlord will pay, in addition to the Surrender Consideration, and the Tenant will collect, any Taxes including transfer taxes as well as goods and services tax or harmonized sales tax, as the case may be, imposed under the *Excise Tax Act* and any similar value added or multi-staged tax or sales tax exigible on the Transaction, except to the extent that the Landlord is permitted under subsection 221(2) of the *Excise Tax Act* and any equivalent or corresponding provision under any applicable provincial or territorial legislation to self-assess and remit such Taxes directly to the appropriate Governmental Authority, and the Landlord shall have executed and delivered a certificate, undertaking and indemnity which includes its certification of its registration numbers issued under the *Excise Tax Act* and *An Act respecting the Québec Sales Tax*, and incorporates the provisions of this Section 6.5 (the "**GST/HST and QST Certificate, Undertaking and Indemnity**");

- 19 -

- (e) the Landlord shall make and file all required return(s) in accordance with the requirements of subsection 228(4) of the *Excise Tax Act* and any equivalent or corresponding provision under any applicable provincial or territorial legislation; and
- (f) the Landlord shall indemnify and save the Tenant harmless from and against any and all Taxes including transfer taxes and goods and services tax or harmonized sales tax, as the case may be, imposed under the *Excise Tax Act* and any similar value added or multi-staged tax or sales tax, penalties, costs and/or interest which may become payable by or assessed against the Tenant as a result of any failure by the Tenant to collect and remit any goods and services tax or harmonized sales tax payable under the *Excise Tax Act* or any similar value added or multi-staged tax or sales tax and applicable on the Transaction or as a result of any inaccuracy, misstatement or misrepresentation made by the Landlord on the Closing Date in connection with any matter raised in this Section 6.5 or contained in the GST/HST and QST Certificate, Undertaking and Indemnity or any failure by the Landlord to comply with the provisions of this Section 6.5 or the GST/HST and QST Certificate, Undertaking and Indemnity.

The provisions of this Section 6.5 shall survive and not merge on Closing.

6.6 Survival of Covenants

Except as otherwise expressly provided in this Agreement to the contrary, no representations, warranties, covenants or agreements of the Tenant or the Landlord in this Agreement shall survive the Closing.

ARTICLE 7 CLOSING

7.1 Conditions of Closing for the Benefit of the Landlord

The Landlord's obligation to complete the Transaction is subject to the following conditions to be fulfilled or performed, on or before the Closing Date, which conditions are for the exclusive benefit of the Landlord and may be waived, in whole or in part, by the Landlord:

- (a) the representations and warranties of the Tenant in Section 6.1 shall be true and correct as of the Closing Date with the same force and effect as if such representations and warranties were made on and as of such date;
- (b) the Tenant shall have performed and complied with all of the other terms and conditions in this Agreement on its part to be performed or complied with at or before Closing in all material respects and shall have executed and delivered or caused to have been executed and delivered to the Landlord at Closing all the Closing Documents contemplated or required to be so executed and delivered in this Agreement; and
- (c) the Landlord shall have received the Closing Documents.

7.2 Conditions of Closing for the Benefit of the Tenant

The Tenant's obligation to complete the Transaction is subject to the following conditions to be fulfilled or performed, on or before the Closing Date, which conditions are for the exclusive benefit of the Tenant and may be waived, in whole or in part, by the Tenant:

- (a) the representations and warranties of the Landlord in Section 6.2 shall be true and correct as of the Closing Date with the same force and effect as if such representations and warranties were made on and as of such date;
- (b) the Landlord shall have paid the Balance in its entirety to the Monitor and shall have performed and complied with all of the terms and conditions in this Agreement on its part to be performed or complied with at or before Closing in all material respects and shall have executed and delivered or caused to have been executed and delivered to the Tenant at Closing all the documents contemplated required to be so executed and delivered in this Agreement; and
- (c) the Tenant shall have received the Closing Documents.

7.3 Conditions of Closing for the Mutual Benefit of the Parties

The obligations of either the Tenant or the Landlord to complete the Transaction are subject to the following conditions to be fulfilled or performed, on or before the Closing Date, which conditions are for the mutual benefit of each of the parties and may only be waived, in whole or in part, by agreement of the parties to this Agreement:

- (a) the Approval and Vesting Order, substantially in the form attached hereto as Schedule "E", shall have been issued and entered by the Court on or before the date that is the earlier of: (i) October 1, 2015; and (ii) five (5) Business Days prior to the Outside Date (as such date may be amended from time to time), or such other date as may be agreed upon in writing by the Parties, and the Approval and Vesting Order shall not be subject to a stay; and
- (b) the Monitor shall have delivered the Monitor's Certificate.

7.4 Closing Documents

On or before Closing, subject to the provisions of this Agreement, the Tenant and the Landlord shall, execute or cause to be executed and shall deliver or cause to be delivered into escrow (in a sufficient number of copies or counterparts for the Landlord and the Tenant and, where applicable, in registerable form), the following, which shall be in form and substance reasonably satisfactory to the Landlord and the Tenant and their respective solicitors:

- (a) By the Tenant and the Landlord:
 - (i) the Lease Amendment and Surrender Agreement for each Lease;
 - (ii) the Assignment and Assumption of Realty Tax Appeals;

- 21 -

- (iii) a deed of cancellation in registrable form consenting to the cancellation of all registrations made at the land registry office in respect of any Lease for Premises situated in the Province of Québec; and
 - (iv) such other documents as each Party or each Party's solicitors shall reasonably require in good faith in accordance with this Agreement or as may be required under applicable Laws.
- (b) By the Tenant:
- (i) the Approval and Vesting Order;
 - (ii) a direction regarding payment of the Deposit and the Balance;
 - (iii) the statement of adjustments evidencing the adjustments made at Closing;
 - (iv) all master keys and duplicate keys relating to the Premises, if any, all security cards and access cards relating to the Premises, if any, and all combinations and passwords to vaults and combination locks and other security features located in the Premises, if any, in each case, to the extent in the possession of the Landlord; and
 - (v) such other documents as the Landlord or the Landlord's solicitors shall reasonably require in good faith in accordance with this Agreement or as may be required under applicable Laws.
- (c) By the Landlord:
- (i) the Balance plus all Taxes payable hereunder;
 - (ii) GST/HST and QST Certificate, Undertaking and Indemnity;
 - (iii) the Matching Security, if applicable; and
 - (iv) such other documents as the Tenant or the Tenant's solicitors shall reasonably require in good faith in accordance with this Agreement or as may be required under applicable Laws.

7.5 Closing Date

- (a) Subject to the Sale Procedures, the completion of the Transaction contemplated by this Agreement (the "**Closing**") shall take place at 10:00 a.m. (Toronto time) at the Toronto office of Osler, Hoskin and Harcourt LLP, on the date that is two (2) Business Day following the issuance of the Approval and Vesting Order, or at such other place, on such other date and such other time as may be agreed upon in writing by the parties (the "**Closing Date**"), provided that in no event shall the Closing Date take place prior to the completion of any sale of Inventory and/or FF&E at any of the Premises.

- 22 -

- (b) Subject to satisfaction or waiver by the relevant Party or Parties, as applicable, of the conditions of closing in its favour contained in this Article 7, at Closing, the Landlord will pay or satisfy the Surrender Consideration in accordance with Article 3, and the Closing of the Transaction will take effect, pursuant to the Approval and Vesting Order, upon delivery of the Monitor's Certificate.

7.6 Confirmation of Satisfaction of Conditions

On the Closing Date, subject to satisfaction or waiver by the relevant Party or Parties, as applicable, of the conditions of Closing in its favour contained in Article 7, the parties or their respective solicitors shall confirm to the Monitor the satisfaction of all conditions to Closing, whereupon the Monitor shall deliver copies of the Monitor's Certificate to the Parties hereto and release the Deposit and the Balance to the Tenant and following Closing forthwith file the Monitor's Certificate with the Court.

7.7 Closing

- (a) Subject always to Section 3.2 hereof, the Deposit and the Balance shall be held by the Monitor, in trust in a separate interest bearing account, pending completion of the Transaction or earlier termination of this Agreement. In holding and dealing with the funds paid to the Monitor in trust and any interest earned thereon pursuant to this Agreement, the Monitor is not bound in any way by any agreement other than Section 3.2 and this Section 7.7 and the Monitor shall not assume or be deemed to assume any duty, liability or responsibility other than to hold the trust funds and any interest earned thereon in accordance with the provisions of this Section 7.7 and to pay the funds, and any interest earned thereon, to the Party becoming entitled thereto in accordance with the terms of this Agreement, except in the event of a dispute between the parties as to entitlement to the trust funds, of which the Monitor has been given notice in writing, the Monitor may, in its sole, subjective and unreviewable discretion, or shall, if requested by either of the parties, pay the trust funds and any and all interest earned thereon into court, whereupon the Monitor shall have no further obligations relating to the trust funds or any interest earned thereon or otherwise hereunder.
- (b) The Monitor shall not, under any circumstances, be required to verify or determine the validity of any written notice or other document whatsoever delivered to the Monitor in connection with the trust funds and the Monitor is hereby relieved of any liability or responsibility for any loss or damage which may arise as a result of the acceptance by the Monitor of any such written notice or other document in good faith, provided that the Monitor shall not be relieved of any liability or responsibility for any loss or damage which may arise if the Monitor releases the trust funds or any interest thereon to a Party after having received prior written notice from the other Party hereto claiming entitlement to such trust funds or a dispute to such entitlement.
- (c) The Monitor shall be entitled to rely upon any written instructions received from the Tenant in respect of the investment of the trust funds, provided any and all such investments shall be in guaranteed investment certificates or segregated accounts issued by or held at Schedule 1 Canadian chartered bank(s).

- (d) On or before Closing, the parties' respective solicitors shall exchange the Closing Documents in escrow and the Balance shall be delivered to or paid to the order of the Monitor, in trust, and the Deposit and the Balance shall remain in escrow with the Monitor until the Monitor has delivered the Monitor's Certificate to the Tenant and the Landlord, upon the occurrence of which the escrow shall be lifted, the Closing Documents shall take effect as of the date and time set out in the Monitor's Certificate, the entire amount of the Deposit and the Balance shall be forthwith released to the Tenant and the Closing shall be deemed to have occurred as of such date and time and fully signed Closing Documents shall be released to each of the Tenant and Landlord.
- (e) The parties acknowledge that, notwithstanding that the Monitor is not a party to this Agreement, the Monitor may rely upon the provisions of Section 3.2 hereof and this Section 7.7.
- (f) This Section 7.7 shall survive the Closing or termination of this Agreement.

7.8 Filings and Authorizations

- (a) Each of the Tenant and the Landlord, as promptly as practicable after the execution of this Agreement, will make, or cause to be made, all such filings and submissions under all Laws applicable to it, as may be required for it to consummate the Transaction in accordance with the terms of this Agreement. The Tenant and the Landlord shall co-ordinate and cooperate with one another in exchanging such information and supplying such assistance as may be reasonably requested by each in connection with the foregoing including, providing each other with all notices and information supplied to or filed with any Governmental Authority (except for notices and information which the Tenant or the Landlord, in each case acting reasonably, considers highly confidential and sensitive which may be filed on a confidential basis), and all notices and correspondence received from any Governmental Authority.
- (b) The Landlord waives compliance with the *Bulk Sales Act* (Ontario) and any other similar bulk sales laws. This waiver shall survive the Closing or termination of this Agreement.
- (c) The Parties acknowledge and agree that the Monitor shall be entitled to file the Monitor's Certificate with the Court, without independent investigation, upon receiving written confirmation from the Tenant and the Landlord or their respective solicitors that all conditions of Closing have been satisfied or waived, and the Monitor shall have no liability to the Tenant or the Landlord or any other Person as a result of filing the Monitor's Certificate.

7.9 Court Matters

- (a) The Tenant shall consult and co-ordinate with the Landlord and their respective legal advisors regarding the parties upon whom the motion seeking the Approval and Vesting Order will be served.

- 24 -

- (b) The Landlord shall provide such information and take such actions as may be reasonably requested by the Tenant to assist the Tenant in obtaining the Approval and Vesting Order and any other order of the Court reasonably necessary to consummate the transactions contemplated by this Agreement.
- (c) Notwithstanding anything else contained in this Agreement or elsewhere, the Landlord acknowledges and agrees that the Tenant cannot guarantee that it will obtain the Approval and Vesting Order and the Approval and Vesting Order may or may not be granted by the Court.

7.10 Termination

This Agreement may, by notice in writing given at or prior to Closing, be terminated:

- (a) by the Landlord if any of the conditions in Section 7.1 have not been satisfied on or before the time ascribed thereto for the satisfaction of such condition and the Landlord has not waived such condition;
- (b) by the Tenant if any of the conditions in Section 7.2 have not been satisfied on or before the time ascribed thereto for the satisfaction of such condition and the Tenant has not waived such condition; or
- (c) by either Party if:
 - (i) any of the conditions precedent in Section 7.3 have not been satisfied on or before the time ascribed thereto for the satisfaction of such condition and the parties have not waived such condition; or
 - (ii) if the Closing has not occurred on or prior to the Outside Date (as defined in the Sale Procedures), or on or before such later date as the parties agree to in writing, provided that a Party may not terminate this Agreement pursuant to this Section if it has failed to perform any one or more of its obligations or covenants under this Agreement and the Closing has not occurred because of such failure.

ARTICLE 8 OTHER PROVISIONS

8.1 Confidentiality

The Landlord acknowledges that this Agreement is a Landlord Qualified Bid under the Sale Procedures and the Tenant shall be entitled to disclose this Agreement and all information provided by the Landlord in connection herewith to Competing Bidders, including, in connection with the Auctions. In addition, the Tenant shall be entitled to disclose this Agreement and all information provided by the Landlord in connection herewith, to the Court, the Monitor and parties in interest to the CCAA Proceedings. This Section shall survive and not merge on Closing.

8.2 Leasehold Interest

Notwithstanding any provision of this Agreement to the contrary, for purposes of this Agreement and each Closing Document: (i) all references to “Lease” include any sublease or agreement to sublease by which the Tenant (as subtenant) holds its interest in, and/or right to occupy the related Premises, (ii) for the Premises which are subject to a sublease or agreement to sublease (rather than a lease) in favour of the Tenant, all references to the Tenant’s “leasehold” interest in such Premises shall mean the Tenant’s “subleasehold” interest, where applicable (rather than a leasehold interest) in such Premises, any reference to “Landlord” shall mean the sublandlord under the applicable sublease or agreement to sublease pursuant to which the Tenant (as subtenant) holds its interest in, and/or right to occupy such Premises, and any reference to “Sublease” shall mean a sub-sublease in such Premises in favour of the Tenant, and (iii) all other similar references relating to the Leases and Premises shall be interpreted and construed in a similar manner.

8.3 Québec Interpretation Clause

For the purposes of the laws of the Province of Québec in respect of any Lease relating to immovable property situated in the Province of Québec, all references herein to (i) a “surrender” of the Lease shall include a “resiliation” of such Lease, (ii) a “surrender” of any Real Property Interests shall include a “transfer” of such Real Property Interests.

8.4 Time of the Essence

Time shall be of the essence of this Agreement.

8.5 Entire Agreement

This Agreement constitutes the entire agreement between the parties with respect to the transactions contemplated in this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties with respect to the subject matter of this Agreement. There are no representations, warranties, covenants, conditions or other agreements, legal or conventional, express or implied, collateral, statutory or otherwise, between the parties in connection with the subject matter of this Agreement, except as specifically set forth in this Agreement. The parties have not relied and are not relying on any other information, discussion or understanding in entering into and completing the transactions contemplated by this Agreement.

8.6 Waiver

- (a) No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar), nor shall such waiver be binding unless executed in writing by the Party to be bound by the waiver.
- (b) No failure on the part of the Tenant or the Landlord to exercise, and no delay in exercising any right under this Agreement shall operate as a waiver of such right; nor shall any single or partial exercise of any such right preclude any other or further exercise of such right or the exercise of any other right.

8.7 Further Assurances

Each of the parties covenants and agrees to do such things, to attend such meetings and to execute such further surrenders, releases, conveyances, transfers, documents and assurances as may be deemed necessary or advisable from time to time in order to effectively surrender the Leases and the Real Property Interests to the Landlord and carry out the terms and conditions of this Agreement in accordance with their true intent.

8.8 Severability

If any provision of this Agreement shall be determined by a court of competent jurisdiction to be illegal, invalid or unenforceable, that provision shall be severed from this Agreement and the remaining provisions shall continue in full force and effect.

8.9 Governing Law

This Agreement shall be governed by and interpreted and enforced in accordance with the laws of the Province in which the Premises are located and the federal laws of Canada applicable therein. Each Party irrevocably and unconditionally submits to the jurisdiction of the courts of the Province of Ontario with respect to any action or proceeding arising out of or relating to the Transaction, and waives, to the fullest extent permitted by applicable Laws, any objection that it may now or hereafter have to the venue of any action or proceeding arising out of or relating to the Transaction in any court of the Province of Ontario. Each of the Parties hereby irrevocably waives, to the fullest extent permitted by applicable Laws, the defence of an inconvenient forum to the maintenance of such action or proceeding in any such court.

8.10 English Language

The parties hereto have requested that this Agreement be drafted in English only. *Les parties aux présentes ont demandé à ce que la présente convention soit rédigée en anglais seulement.*

8.11 Statute References

Any reference in this Agreement to any statute or any section thereof shall, unless otherwise expressly stated, be deemed to be a reference to such statute or section as amended, restated or re-enacted from time to time.

8.12 Headings

The division of this Agreement into Sections, the insertion of headings is for convenience of reference only and are not to be considered in, and shall not affect, the construction or interpretation of any provision of this Agreement.

8.13 References

Where in this Agreement reference is made to an article or section, the reference is to an article or section in this Agreement unless the context indicates the reference is to some other agreement. The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof and include any

- 27 -

agreement supplemental hereto. The word “includes” or “including” shall mean “includes without limitation” or “including without limitation”, respectively. The word “or” is not exclusive.

8.14 Number and Gender

Unless the context requires otherwise, words importing the singular include the plural and vice versa and words importing gender include all genders.

8.15 Business Days

If any payment is required to be made or other action is required to be taken pursuant to this Agreement on a day which is not a Business Day, then such payment or action shall be made or taken on the next Business Day. All actions to be made or taken by a particular Business Day must be made or taken by no later than 4:30 p.m. (Toronto time) on a Business Day and any action made or taken thereafter shall be deemed to have been made and received on the next Business Day.

8.16 Currency and Payment Obligations

Except as otherwise expressly provided in this Agreement all dollar amounts referred to in this Agreement are stated in Canadian Dollars.

8.17 Notice

Any notice, consent or approval required or permitted to be given in connection with this Agreement or the Leases (a “Notice”) shall be in writing and shall be sufficiently given if delivered (whether in person, by courier service or other personal method of delivery), or if transmitted by facsimile or e-mail:

(a) To the Tenant:

Target Canada Co.
5570 Explorer Drive
Mississauga, ON L4W 0C3

Attn: Aaron Alt
Email: aaron.alt@target.com

With a copy to:

Osler, Hoskin & Harcourt LLP
100 King Street West
1 First Canadian Place
Suite 6200, P.O. Box 50
Toronto, ON M5X 1B8

Attn: Tracy Sandler & Heather McKean
Email: tsandler@osler.com & hmckean@osler.com

With a copy to:

- 28 -

Alvarez & Marsal Canada Inc.
200 Bay St., Suite 2900
P.O. Box 22
Toronto, ON M5J 2J1

Attn: Doug R. McIntosh
Email: dmcintosh@alvarezandmarsal.com

With a copy to:

Goodmans LLP
Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, ON M5H 2S7

Attn: Jay A. Carfagnini & Ken Herlin
Email: jcarfagnini@goodmans.ca & kherlin@goodmans.ca

(b) in the case of a Notice to the Landlord at:

Cominar Real Estate Investment Trust
Complexe Jules-Dallaire – T3
2820 Laurier Blvd., Suite 850
Québec, QC G1V 0C1

Attention: Sylvain Cossette
Email: sylvain.cossette@cominar.com

with a copy to:

Cominar Real Estate Investment Trust
Complexe Jules-Dallaire – T3
2820 Laurier Blvd., Suite 850
Québec, QC G1V 0C1

Attention: Manon Deslauriers
Email: manon.deslauriers@cominar.com

A Notice is deemed to be given and received (i) if sent by personal delivery or same day courier, on the date of delivery if it is a Business Day and the delivery was made prior to 5:00 p.m. (local time in the place of receipt) and otherwise on the next Business Day, (ii) if sent by overnight courier, on the next Business Day, or (iii) if transmitted by facsimile, on the Business Day following the date of confirmation of transmission by the originating facsimile, or (iv) if sent by email, when the sender receives an email from the recipient acknowledging receipt, provided that an automatic “read receipt” does not constitute acknowledgment of an email for purposes of this section. Any Party may change its address for service from time to time by providing a Notice in accordance with the foregoing. Any subsequent Notice must be sent to the Party at its changed

- 29 -

address. Any element of a Party's address that is not specifically changed in a Notice will be assumed not to be changed. Subject to Section 8.19, sending a copy of a Notice to a Party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the Notice to that Party. The failure to send a copy of a Notice to legal counsel does not invalidate delivery of that Notice to a Party.

8.18 Subdivision Control Legislation

This Agreement and the Transaction are subject to compliance with the applicable subdivision control legislation to the extent applicable.

8.19 Solicitors as Agent and Tender

Any Notice, approval, waiver, agreement, instrument, document or communication permitted, required or contemplated in this Agreement (including, without limitation, any agreement to amend this Agreement) may be given or delivered and accepted or received by the Landlord's solicitors on behalf of the Landlord and by the Tenant's solicitors on behalf of the Tenant and any tender of Closing Documents may be made upon the Tenant's solicitors and the Landlord's solicitors, as the case may be.

8.20 No Registration of Agreement

The Landlord covenants and agrees not to register or cause or permit to be registered this Agreement or any notice of this Agreement on title to any of the Properties and that no reference to or notice of it or any caution, certificate of pending litigation or other similar court process in respect thereof shall be registered on title to the Property and/or any part thereof and the Landlord shall be deemed to be in material default under this Agreement if it makes, or causes or permits, any registration to be made on title to the Property and/or any part thereof prior to the successful completion of the Transaction contemplated herein on the Closing Date. The Landlord shall indemnify and save the Tenant harmless from and against any and all Claims whatsoever arising from or with respect to any such registration, including, all the legal fees, on a full indemnity basis, including those incurred by the Tenant with respect to obtaining the removal of such registration. This indemnity shall survive and not merge on the expiration, non-completion and/or termination of this Agreement for any reason.

8.21 Third Party Costs

Each of the Parties hereto shall be responsible for the costs of their own solicitors, respectively, in respect of the Transaction. The Landlord shall be solely responsible for and shall pay, in addition to the Surrender Consideration, any land transfer taxes payable in connection with the Transaction, all registration taxes, fees and other costs payable in respect of registration of any documents to be registered by the Landlord at Closing and all federal and provincial sales and other taxes payable upon or in connection with the Transaction, including, goods and services tax or harmonized sales tax or any similar value added or multi-staged tax imposed by any applicable provincial or territorial legislation, as the case may be, and any other provincial sales taxes. This Section 8.21 shall survive the Closing or the termination of this Agreement.

8.22 Interpretation

The parties hereto acknowledge and agree that: (a) each Party and its counsel reviewed and negotiated the terms and provisions of this Agreement and have contributed to their revision, (b) the rule of construction to the effect that any ambiguities are resolved against the drafting Party shall not be employed in the interpretation of this Agreement, and (c) the terms and provisions of this Agreement shall be construed fairly as to all parties hereto and not in favour of or against any Party, regardless of which Party was generally responsible for the preparation of this Agreement.

8.23 No Third Party Beneficiaries

Each Party hereto intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any Person, other than the Parties hereto and the Monitor, and no Person, other than the Parties hereto and the Monitor, shall be entitled to rely on the provisions hereof in any Claim, proceeding, hearing or other forum.

8.24 Enurement

This Agreement shall become effective when executed by the Tenant and the Landlord and after that time shall be binding upon and enure to the benefit of the parties and their respective heirs, executors, personal legal representatives, successors and permitted assigns. The Landlord has and shall have no right to assign, convey and/or transfer its rights and/or obligations hereunder or to effect a "change of control" so as to indirectly effect the foregoing, without in each case first obtaining the prior written consent of the Tenant, which consent may be arbitrarily and unreasonably withheld by the Tenant.

8.25 Counterparts and Delivery

All parties agree that this Agreement may be executed in counterpart and transmitted by telecopier or e-mail (PDF) and that the reproduction of signatures in counterpart by way of telecopier or e-mail (PDF) will be treated as though such reproduction were executed originals.

8.26 Acknowledgment

All parties acknowledge and agree that the obligations of the Landlord under this Agreement shall not be binding personally upon the trustees of the Landlord or any unitholder of the Landlord (a "Unitholder") or any participant under a plan of which a Unitholder acts as a trustee or holder, and there is no recourse, and no recourse shall be undertaken, against any of the above-mentioned persons or any such person's assets, and that any recourse shall only be against the Landlord's assets. Any obligation of the Landlord set out herein shall, to the extent required to give effect to such obligation, be deemed to constitute, subject to the provisions set out in the first sentence above, an obligation of the trustees of the Landlord in their capacity as trustees of the Landlord only. Without limiting the generality of the foregoing, each Unitholder and each participant under a plan of which a Unitholder acts as a trustee or holder shall be entitled to the benefits of the second sentence of article 1322 of the *Civil Code of Québec* with respect to the above-mentioned obligations.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF the parties have executed this Agreement.

TARGET CANADA CO.

By: _____

Name:

Title:

By: _____

Name:

Title:

**MICHEL DALLAIRE, ALAIN DALLAIRE,
ROBERT DESPRÉS, PIERRE GINGRAS,
GHISLAINE LABERGE, GÉRARD
COULOMBE, ALBAN D'AMOURS,
MARY-ANN BELL AND JOHANNE M.
LÉPINE, each in his or her capacity as
trustee of and on behalf of Fonds de
placement immobilier Cominar/ Cominar
Real Estate Investment Trust**

By:  _____

Name: Sylvain Cossette

Title: Executive Vice-President and
Chief Operating Officer

By:  _____

Name: Guy Charron

Title: Executive Vice-President,
Operations - Retail

SCHEDULE "A"
PREMISES

| T. Store No. | Description | Address |
|--------------|--------------|---|
| 7000 | Centre Laval | 1600, boulevard Le Corbusier Laval, Québec H7S 1Y9 |

SCHEDULE "B"
LEASE PARTICULARS

Centre Laval, 1600, boulevard Le Corbusier, Laval, Québec H7S 1Y9

- Lease Agreement dated August 8, 2012, by and between Homburg Trust (186) by its trustee 2226009 Ontario Inc. and Target Canada Co.
- Notice of commercial lease dated August 7, 2012

SCHEDULE "C"
EXCLUDED ASSETS

1. All chattels and personal or movable property which are owned by the Tenant;
2. All intellectual property or proprietary rights, whether registered or not, and any intangible property, owned, used or held by the Tenant;
3. All items, materials and signs bearing the logo, trade-mark, trade-name or business name or other mark or design of the Tenant;
4. All Inventory;
5. All FF&E which have been removed from the Premises by or on behalf of the Tenant prior to Closing;
6. All computers and related systems and information storage media;
7. All video cameras and equipment that have been removed from the Premises prior to Closing;
8. All point-of-sales systems and all appurtenances thereto;
9. All generators, balers and compactors that have been removed from the Premises prior to Closing;
10. Any property belonging to the subtenants, franchisees or licensees of the Tenant or other occupants of the Premises;
11. All insurance policies of the Tenant;
12. Any and all assets not located at a Premises or any asset not used directly and exclusively at the Premises;
13. All rights and interests in trade-marks, trade-names, logos, commercial symbols and business names containing "Target" or any other proprietary wording or intellectual property rights of the Tenant or any of its affiliates (including, the websites); and
14. The FF&E listed on Schedule "J".

SCHEDULE "D"
INTENTIONALLY DELETED

SCHEDULE "E"

Court File No. CV-15-10832-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

| | | |
|-------------------------|---|------------------------|
| THE HONOURABLE |) | ●, THE ● TH |
| REGIONAL SENIOR JUSTICE |) | DAY OF ●, 2015 |
| MORAWETZ |) | |
| |) | |

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 TARGET CANADA CO., TARGET
CANADA HEALTH CO., TARGET CANADA MOBILE GP CO.,
TARGET CANADA PHARMACY (BC) CORP., TARGET
CANADA PHARMACY (ONTARIO) CORP., TARGET
CANADA PHARMACY CORP., TARGET CANADA
PHARMACY (SK) CORP., and TARGET CANADA PROPERTY
LLC (collectively the "**Applicants**")

APPROVAL AND VESTING ORDER – LEASE SURRENDER AGREEMENT

THIS MOTION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. c-36, as amended (the "CCAA") for an order, *inter alia*, approving: the lease surrender and resiliation (the "**Transaction**") contemplated by a Lease Surrender Agreement among Target Canada Co. ("**TCC**"), as Tenant, and ● as Landlord (the "**Landlord**") dated ●, 2015 (said agreement as amended, extended, supplemented, restated and/or amended and restated from time to time being collectively, the "**Lease Surrender Agreement**") and certain related relief, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion of the Applicants, the Affidavit of ● sworn on ●, 2015 including the exhibits thereto (the "**● Affidavit**"), and the ● Report (the "**Monitor's ● Report**") of Alvarez & Marsal Canada Inc., in its capacity as Monitor (the "**Monitor**"), filed, and on hearing the submissions of respective counsel for the Applicants and the Partnerships listed on Schedule "A" hereto, the Monitor, Target Corporation, the Landlord, and such other counsel as

were present, no one else appearing although duly served as appears from the Affidavit of Service of ● sworn ●, 2015, filed:

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 any capitalized term used and not defined herein shall have the meaning ascribed thereto in the Amended and Restated Initial Order in these proceedings dated January 15, 2015 (the “**Initial Order**”), or in the Lease Surrender Agreement, as applicable.

APPROVAL OF THE LEASE SURRENDER AGREEMENT

3. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved and ratified and that the execution of the Lease Surrender Agreement by TCC is hereby approved and ratified with such minor amendments as TCC (with the consent of the Monitor) and the Landlord may agree to in writing. TCC is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction, including the surrender by TCC of its right, title and interest in and to the Leases and the Real Property Interests to the Landlord and the Monitor shall be authorized to take such additional steps in furtherance of its responsibilities under the Lease Surrender Agreement. The legal descriptions and applicable land registry offices with respect to the Premises are as set out on Schedule “C” hereto.

4. THIS COURT ORDERS AND DECLARES that upon the delivery of a Monitor’s certificate to the Landlord substantially in the form attached as Schedule “B” hereto (the “**Monitor’s Certificate**”), all of TCC’s right, title and interest in and to the Leases and the Real Property Interests and the right, title and interest, if any, of any predecessor in interest of TCC in and to the Leases and the Real Property Interests, to the extent same was assigned or otherwise transferred to TCC, shall be surrendered to the Landlord (with the Leases being resiliated) free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, leases, notices of lease, subleases, licenses, levies, restrictions, rights of retention,

judgments, notices of sale, contractual rights, options, liabilities (direct, indirect, absolute or contingent), obligations, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise in respect of the Leases and the Real Property Interests (collectively, the “**Claims**”), including, without limiting the generality of the foregoing:

- (a) the Administration Charge, the KERP Charge, the Directors’ Charge, the Financial Advisor Subordinated Charge, the DIP Lender’s Charge, the Agent’s Charge and Security Interest (collectively, the “**CCAA Charges**”);
- (b) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario), the *Civil Code of Québec*, the *Alberta Personal Property Security Act*, the *British Columbia Personal Property Security Act*, the *Nova Scotia Personal Property Security Act* or any other personal property registry system; and
- (c) those Claims listed on Schedule “C” hereto;

(all of which are collectively referred to as the “**Encumbrances**”, which term shall not include the Permitted Encumbrances listed on Schedule “D” hereto) and, for greater certainty, this Court orders that all of the Claims and Encumbrances affecting or relating to the Leases, the Real Property Interests and/or the Premises are hereby expunged and discharged as against the Leases, the Real Property Interests and/or the Premises and the real or immovable property described in Schedule “C”

5. THIS COURT ORDERS that upon the registration in the applicable land registry office of a certified copy of this Order in the manner prescribed by the applicable land registry office, the applicable Land Registrar is hereby directed to specifically discharge, cancel, delete and expunge from title to the applicable real or immovable property described in Schedule “C” all of the Encumbrances listed in Schedule “C” hereto.

6. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds received on the Closing of the Transaction shall stand in the place and stead of the Leases and the Real Property Interests and that from and after the delivery of the Monitor’s Certificate all Claims and Encumbrances shall attach to the net proceeds

therefrom with the same priority as they had with respect to the Leases and the Real Property Interests immediately prior to the Closing of the Transaction, as if the Transaction had not been completed.

7. THIS COURT ORDERS AND DIRECTS the Monitor to file with the Court a copy of the Monitor's Certificate, forthwith after delivery thereof.

8. THIS COURT ORDERS that subject to the terms of the Lease Surrender Agreement nothing herein affects:

- (a) the rights and obligations of TCC and the Agent under the Agency Agreement dated January 29, 2015, as amended (the "**Agency Agreement**"); and
- (b) the terms of the Approval Order – Agency Agreement granted, February 4, 2015 (the "**Agency Agreement Approval Order**") including the Sales Guidelines attached as Schedule "B" thereto.

GENERAL PROVISIONS

9. THIS COURT ORDERS that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of TCC and any bankruptcy order issued pursuant to any such applications; or
- (c) any assignment in bankruptcy made in respect of TCC;

the surrender of the Leases and the Real Property Interests to the Landlord and the resiliation of the Leases pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of TCC and shall not be void or voidable by creditors of TCC, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

10. THIS COURT ORDERS AND DECLARES that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario) and any equivalent legislation in any other jurisdiction in which the Premises are located and that this Order shall be registered notwithstanding the requirements of section 191(1) of the *Land Titles Act*, R.S.A. 2000, c L-4 and any equivalent provisions in equivalent legislation in any other jurisdiction in which the Premises are located.

11. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative bodies, having jurisdiction in Canada or in the United States of America, to give effect to this Order and to assist TCC, 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 TCC 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 TCC and the Monitor and their respective agents in carrying out the terms of this Order.

SCHEDULE "A"
PARTNERSHIPS

Target Canada Pharmacy Franchising LP

Target Canada Mobile LP

Target Canada Property LP

TCC, as applicable; and (ii) the Transaction has been completed to the satisfaction of the Monitor.

THE MONITOR CERTIFIES the following:

- 1. The conditions to Closing as set out in section 7.1, 7.2 and 7.3 of the Lease Surrender Agreement have been satisfied or waived by the Landlord and TCC, as applicable; and
- 2. The Transaction has been completed to the satisfaction of the Monitor.

This Monitor's Certificate was delivered by the Monitor at _____ [TIME] on _____ [DATE].

ALVAREZ & MARSAL CANADA INC., in its capacity as Court-appointed Monitor of Target Canada Co., *et al.* and not in its personal or corporate capacity

Per: _____
Name:
Title:

SCHEDULE "C"

| No. | Location/Address | Province | Land Registry Office | Legal Description | Encumbrances to be Expunged/Deleted |
|------|---|----------|----------------------|---|---|
| 7000 | 1600, boulevard Le Corbusier, Laval (Quebec) H7S 1Y9 | Quebec | Laval | 1 730 881, 2 925 714, 2 925 716, 2 925 717, 2 925 718 and 1 730 879, cadastre of Quebec | Notice of lease registered under #19 320 299 |

SCHEDULE "D" - PERMITTED ENCUMBRANCES

"Permitted Encumbrances" means, collectively: (a) any Encumbrances (as defined in the Lease Surrender Agreement) encumbering the freehold or other ownership interest in the Property (as defined in the Lease Surrender Agreement) or any other Landlord's interest in the Property, but excludes any Encumbrances which were created or caused by the Tenant and any Encumbrances solely encumbering the Tenant's leasehold interest in and to any Property; (b) Encumbrances resulting from the Landlord's actions or omissions; and (c) the items identified in Schedule "K" of the Lease Surrender Agreement.

SCHEDULE "F"
LANDLORD'S GST/HST AND QST CERTIFICATE, UNDERTAKING AND INDEMNITY

TO: Target Canada Co. (the "**Tenant**")

RE: Lease Surrender Agreement dated ●, 2015, made between the Tenant, as Tenant, and Cominar Real Estate Investment Trust, as Landlord, (the "**Landlord**") (said agreement as amended, extended, supplemented, restated and/or amended and restated from time to time being collectively, the "**Lease Surrender Agreement**") for the surrender of the Leases (as such terms are defined in the Lease Surrender Agreement)

The capitalized expressions used but not otherwise defined herein shall have the meaning ascribed thereto in the Agreement.

In consideration of the completion of the transaction set out in the Agreement, the Landlord hereby certifies and agrees as follows:

- a) The Landlord is the landlord of the Lease for the Tenant's Premises (collectively, the "**Premises**") at Centre Laval (collectively, the "**Property**") and is the beneficial owner of the Property.
- b) Registered title to the Property is held by [insert name of registered owner] (the "**Nominee**") as nominee for the Landlord.
- c) the Leases the Real Property Interests are being surrendered to the Landlord as principal for its own account and not as an agent, nominee, trustee or otherwise on behalf of or for another Person;
- d) the Landlord is registered under Subdivision (d) of Division V of Part IX of the *Excise Tax Act* (Canada) (the "**Excise Tax Act**") for the collection and remittance of goods and services tax and harmonized sales tax ("**GST/HST**") and under Division I of Chapter VIII of Title I of *An Act respecting the Québec Sales Tax* (the "**Québec Act**") with respect to the Québec sales tax ("**QST**") and its registration numbers are GST: 872 969 795 RT 0001 and QST: 102 113 7916 TQ 0001 and such registrations are in good standing and have not been varied, cancelled or revoked;
- e) the Nominee is registered under Subdivision (d) of Division V of Part IX of the *Excise Tax Act* (Canada) (the "**Excise Tax Act**") for the collection and remittance of goods and services tax and harmonized sales tax ("**GST/HST**") and under Division I of Chapter VIII of Title I of *An Act respecting the Québec Sales Tax* (the "**Québec Act**") with respect to the Québec sales tax ("**QST**") and its registration numbers are GST: 833392061RT0001 and QST: 4011534690TQ0001 and such registrations are in good standing and have not been varied, cancelled or revoked;
- f) the Landlord and Nominee shall each be liable for, shall self-assess and shall remit to the appropriate governmental authority, all GST/HST which is payable under the *Excise Tax Act* and all QST which is payable under the Québec Act, in connection with the surrender

of the Leases and the Real Property Interests, all in accordance with the *Excise Tax Act* and the *Québec Act* respectively;

- g) the Landlord and Nominee shall severally indemnify and save harmless the Tenant from and against any and all GST/HST, QST, penalties, interest and/or other costs which may become payable by or be assessed against the Tenant as a result of any failure by the Tenant to collect and remit any GST/HST or QST applicable on the surrender of the Leases and the Real Property Interests by the Tenant to the Landlord or as a result of any inaccuracy, misstatement or misrepresentation by either the Landlord or Nominee in this GST/HST and QST Certificate, Undertaking and Indemnity or any failure by the Landlord to comply with the provisions of this GST/HST and QST Certificate, Undertaking and Indemnity; and
- h) this GST/HST and QST Certificate, Undertaking and Indemnity shall survive and not merge upon closing of the above-noted transaction.

This GST/HST and QST Certificate, Undertaking and Indemnity may be executed in counterpart and transmitted by telecopier or e-mail (PDF) and the reproduction of signatures in counterpart by way of telecopier or e-mail (PDF) will be treated as though such reproduction were executed originals.

DATED _____, 2015.

MICHEL DALLAIRE, ALAIN DALLAIRE, ROBERT DESPRÉS, PIERRE GINGRAS, GHISLAINE LABERGE, GÉRARD COULOMBE, ALBAN D'AMOURS, MARY-ANN BELL AND JOHANNE M. LÉPINE, each in his or her capacity as trustee of and on behalf of Fonds de placement immobilier Cominar/ Cominar Real Estate Investment Trust

By: _____

Name: ●
Title: ●

By: _____

Name: ●
Title: ●

[INSERT NAME OF REGISTERED OWNER]

By: _____

Name: ●
Title: ●

By: _____

Name: ●
Title: ●

SCHEDULE "G"
INTENTIONALLY DELETED

SCHEDULE "H"
FORM OF AMENDMENT AND SURRENDER OF LEASE

THIS AGREEMENT is made as of the _____ day of _____, 2015 (the "**Effective Date**")

B E T W E E N:

TARGET CANADA CO.
(the "**Tenant**")

- and -

MICHEL DALLAIRE, ALAIN DALLAIRE, ROBERT DESPRÉS, PIERRE GINGRAS, GHISLAINE LABERGE, GÉRARD COULOMBE, ALBAN D'AMOURS, MARY-ANN BELL AND JOHANNE M. LÉPINE, each in his or her capacity as trustee of and on behalf of Fonds de placement immobilier Cominar/ Cominar Real Estate Investment Trust

(the "**Landlord**")

RECITALS:

- A. Pursuant to a lease dated ●, as same is assigned, amended, restated, renewed or supplemented from time to time, including but not limited to those documents listed in Schedule "A" attached hereto (collectively, the "**Lease**"), the Landlord leased to the Tenant certain premises at ● in the City of ●, in the Province of ● as more particularly described in the Lease (the "**Premises**").
- C. The Tenant and certain of its affiliates applied for and together with the limited partnerships listed in Schedule "A" to the Initial Order (the Tenant, its affiliates and the limited partnerships being collectively, the "**Applicants**") were granted protection by the Ontario Superior Court of Justice (Commercial List) (the "**Court**") under the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), and Alvarez & Marsal Canada Inc. (the "**Monitor**") was appointed the monitor of the Tenant, pursuant to an Order of the Court dated January 15, 2015, as amended and restated on February 11, 2015, and as further amended, restated and/or amended and restated from time to time (collectively, the "**Initial Order**").
- D. The Tenant and the Landlord entered into a lease surrender agreement dated ●, 2015 (said agreement as amended, extended, supplemented, restated and/or amended and restated from time to time being collectively, the "**Lease Surrender Agreement**") whereby, among other things, the Tenant agreed to surrender to the Landlord, and the Landlord agreed to accept a surrender of, all of the Tenant's right, title and interest in and to the Lease and the resiliation of the Lease.
- E. The Tenant and the Landlord are entering into this Agreement to provide for the surrender and resiliation of the Lease by the Tenant to the Landlord in accordance with the Lease Surrender Agreement and the Approval and Vesting Order.

- 2 -

- F. Unless otherwise expressly provided for herein, all capitalized terms when used in this Agreement have the same meaning given to such terms in the Lease Surrender Agreement, or if no meaning is given in the Lease Surrender Agreement, in the Lease.

THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE 1 TERMINATION AND SURRENDER

1.1 Amendment and Early Termination of Lease

The Lease is hereby amended and the Landlord and the Tenant hereby agree that the Lease has expired and is terminated, as of 11:59 p.m. on the day immediately preceding the Effective Date (the "**Termination Date**"), and neither the Tenant nor the Landlord shall have any further liabilities or obligations under the Lease, financial or otherwise, as of and as from the Termination Date. Notwithstanding anything to the contrary, Landlord reserves its rights to file pursuant to the CCAA Proceedings, a claim for loss and damages resulting from the early termination of the Lease.

1.2 Surrender by Tenant

The Tenant hereby surrenders to the Landlord, as of the Termination Date, and the Landlord hereby accepts such surrender from the Tenant, the Real Property Interests (including the Premises) on the terms and conditions set out in the Lease Surrender Agreement.

1.3 Adjustments

All adjustments under the Lease shall be dealt with in accordance with the Lease Surrender Agreement.

1.4 Paramountcy

The rights and obligations of the parties respectively with respect to the Lease shall be governed by the Lease Surrender Agreement. In the event of any conflict, inconsistency, ambiguity or difference between the provisions of this Agreement and of the Lease Surrender Agreement, then the provisions of the Lease Surrender Agreement shall govern and be paramount, and any such provision in this Agreement shall be deemed to be amended, to the extent necessary to eliminate any such conflict, inconsistency, ambiguity or difference.

ARTICLE 2 GENERAL

2.1 Time of the Essence

Time shall be of the essence of this Agreement.

2.2 Enurement

This Agreement shall become effective when executed by the Tenant and the Landlord and after that time shall be binding upon and enure to the benefit of the parties and their respective heirs,

- 3 -

executors, personal legal representatives, successors and permitted assigns. Neither this Agreement nor any of the rights or obligations under this Agreement shall be assignable or transferable by either party without the consent of the other party.

2.3 Entire Agreement

This Agreement and the Lease Surrender Agreement constitute the entire agreement between the parties with respect to the surrender of the Lease contemplated in the Lease Surrender Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties with respect to the subject matter of this Agreement. There are no representations, warranties, covenants, conditions or other agreements, legal or conventional, express or implied, collateral, statutory or otherwise, between the parties in connection with the subject matter of this Agreement, except as specifically set forth in this Agreement and the Lease Surrender Agreement. The parties have not relied and are not relying on any other information, discussion or understanding in entering into and completing the transactions contemplated by this Agreement and the Lease Surrender Agreement.

2.4 Waiver

- (a) No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar), nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.
- (b) No failure on the part of the Tenant or the Landlord to exercise, and no delay in exercising any right under this Agreement shall operate as a waiver of such right; nor shall any single or partial exercise of any such right preclude any other or further exercise of such right or the exercise of any other right.

2.5 Further Assurances

Each of the parties covenants and agrees to do such things, to attend such meetings and to execute such further surrenders, releases, conveyances, transfers, documents and assurances as may be deemed necessary or advisable from time to time in order to effectively surrender the Lease to the Landlord and carry out the terms and conditions of this Agreement in accordance with their true intent.

2.6 Severability

If any provision of this Agreement shall be determined to be illegal, invalid or unenforceable, that provision shall be severed from this Agreement and the remaining provisions shall continue in full force and effect.

2.7 Governing Law

This Agreement shall be governed by and interpreted and enforced in accordance with the laws of the Province in which the Premises are located and the federal laws of Canada applicable therein.

2.8 CCAA Proceedings

Each party to this Agreement submits to the exclusive jurisdiction of the Court in any action, application, reference or other proceeding arising out of or related to this Agreement or the Lease Surrender Agreement and agrees that all claims in respect of any such actions, application, reference or other proceeding shall be heard and determined in the CCAA Proceedings before the Court.

2.9 English Language

The parties hereto have requested that this Agreement be drafted in English only. *Les parties aux présentes ont demandé à ce que la présente convention soit rédigée en anglais seulement.*

2.10 Statute References

Any reference in this Agreement to any statute or any section thereof shall, unless otherwise expressly stated, be deemed to be a reference to such statute or section as amended, restated or re-enacted from time to time.

2.11 Headings

The division of this Agreement into Sections, the insertion of headings is for convenience of reference only and are not to be considered in, and shall not affect, the construction or interpretation of any provision of this Agreement.

2.12 References

Where in this Agreement reference is made to an article or section, the reference is to an article or section in this Agreement unless the context indicates the reference is to some other agreement. The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof and include any agreement supplemental hereto. The word "includes" or "including" shall mean "includes without limitation" or "including without limitation", respectively. The word "or" is not exclusive.

2.13 Number and Gender

Unless the context requires otherwise, words importing the singular include the plural and vice versa and words importing gender include all genders.

2.14 Business Days

If any payment is required to be made or other action is required to be taken pursuant to this Agreement on a day which is not a Business Day, then such payment or action shall be made or taken on the next Business Day. All actions to be made or taken by a particular Business Day must be made or taken by no later than 4:30 p.m. (Toronto time) on a Business Day and any action made or taken thereafter shall be deemed to have been made and received on the next Business Day.

- 5 -

2.15 Notice

Any notice, consent or approval required or permitted to be given in connection with this Agreement or the Lease (a "Notice") shall be in writing and shall be sufficiently given if delivered or transmitted in accordance with the Lease Surrender Agreement.

2.16 Counterparts and Delivery

All parties agree that this Agreement may be executed in counterpart and transmitted by telecopier or e-mail (PDF) and that the reproduction of signatures in counterpart by way of telecopier or e-mail (PDF) will be treated as though such reproduction were executed originals.

[Signature pages follow.]

IN WITNESS WHEREOF the Tenant has executed this Agreement.

TARGET CANADA CO.

By: _____

Name: ●

Title: ●

By: _____

Name: ●

Title: ●

IN WITNESS WHEREOF the Landlord has executed this Agreement.

**MICHEL DALLAIRE, ALAIN DALLAIRE,
ROBERT DESPRÉS, PIERRE GINGRAS,
GHISLAINE LABERGE, GÉRARD
COULOMBE, ALBAN D'AMOURS,
MARY-ANN BELL AND JOHANNE M.
LÉPINE, each in his or her capacity as
trustee of and on behalf of Fonds de
placement immobilier Cominar/ Cominar
Real Estate Investment Trust**

By: _____

Name: ●

Title: ●

By: _____

Name: ●

Title: ●

SCHEDULE "A" – LEASE PARTICULARS**Centre Laval, 1600, boulevard Le Corbusier, Laval, Québec H7S 1Y9**

- Lease Agreement dated August 8, 2012, by and between Homburg Trust (186) by its trustee 2226009 Ontario Inc. and Target Canada Co.
- Notice of commercial lease dated August 7, 2012

SCHEDULE "I"
FORM OF ASSIGNMENT AND ASSUMPTION OF REALTY TAX APPEALS

THIS AGREEMENT is made as of the _____ day of _____, 2015 (the "**Effective Date**")

B E T W E E N:

TARGET CANADA CO.
 (the "**Tenant**")

- and -

MICHEL DALLAIRE, ALAIN DALLAIRE, ROBERT DESPRÉS, PIERRE GINGRAS, GHISLAINE LABERGE, GÉRARD COULOMBE, ALBAN D'AMOURS, MARY-ANN BELL AND JOHANNE M. LÉPINE, each in his or her capacity as trustee of and on behalf of Fonds de placement immobilier Cominar/ Cominar Real Estate Investment Trust

(the "**Landlord**")

RECITALS:

- B. Pursuant to a lease dated August 8, 2012, as same is assigned, amended, restated, renewed or supplemented from time to time, including but not limited to those documents listed in Schedule "A" attached hereto (the "**Lease**"), the Landlord leased to the Tenant certain premises at 1600, boulevard de Corbusier, in the City of Laval, in the Province of Quebec as more particularly described in the Lease (the "**Premises**").
- C. The Tenant and certain of its affiliates applied for and together with the limited partnerships listed in Schedule "A" to the Initial Order (the Tenant, its affiliates and the limited partnerships being collectively, the "**Applicants**") were granted protection by the Ontario Superior Court of Justice (Commercial List) (the "**Court**") under the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), and Alvarez & Marsal Canada Inc. (the "**Monitor**") was appointed the monitor of the Tenant, pursuant to an Order of the Court dated January 15, 2015, as amended and restated on February 11, 2015, and as further amended, restated and/or amended and restated from time to time (collectively, the "**Initial Order**").
- C. The Tenant and the Landlord entered into a lease surrender agreement dated ●, 2015 (said agreement as amended, extended, supplemented, restated and/or amended and restated from time to time being collectively, the "**Lease Surrender Agreement**") whereby, among other things, the Tenant agreed to surrender to the Landlord, and the Landlord agreed to accept a surrender of, all of the Tenant's right, title and interest in and to the Lease.
- D. The Lease Surrender Agreement was approved by the Court pursuant to the Order dated ● (the "**Approval and Vesting Order**").
- E. The Tenant and the Landlord are entering into this Agreement to provide for the assignment of the Realty Tax Appeals and Realty Tax Refunds in respect of the Leases by the Tenant

to the Landlord in accordance with the Lease Surrender Agreement and the Approval and Vesting Order.

- F. Unless otherwise expressly provided for herein, all capitalized terms when used in this Agreement have the same meaning given to such terms in the Lease Surrender Agreement, or if no meaning is given in the Lease Surrender Agreement, in the Lease.

THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE 1 ASSIGNMENT

1.1 Assignment and Assumption

Subject to the terms and conditions contained herein, effective as of the Effective Date, the Tenant hereby assigns, transfers and sets over unto the Landlord all of the Tenant's right, title and interest, if any, in, to the Realty Tax Appeals and any Realty Tax Refunds which may arise from any of the Realty Tax Appeals for any period that is prior to the Closing Date.

1.2 Carriage of Realty Tax Appeals

From and after the Closing Date, the Landlord may, at its sole cost and expense but without any obligation to do so, assume or retain the carriage of the Realty Tax Appeals and continue as the appellant in the Realty Tax Appeals. The Tenant agrees to co-operate with the Landlord with respect to the Realty Tax Appeals and to provide the Landlord with access to any reasonably necessary documents or materials required to continue any Realty Tax Appeals. If the Realty Tax Appeals may only be prosecuted in the name of the Tenant, the Tenant shall co-operate with the Landlord to enable the Landlord to pursue and prosecute the Realty Tax Appeals, at the Landlord's sole cost and expense.

1.3 Authorization and Direction

This assignment shall serve as authorization and direction to the municipal and/or provincial taxing authority to pay to the Landlord, from and after the Effective Date, the Realty Tax Refunds.

1.4 Pre-Assignment Realty Tax Refunds

The Landlord acknowledges and agrees that a Zellers Entity may have initiated the Realty Tax Appeals for any prior tax years or partial tax years in respect of the Premises which relates to the period during which a Zellers Entity was a tenant of the Premises which Realty Tax Appeals will be dealt with in accordance with the Lease Surrender Agreement.

1.5 Paramountcy

The rights and obligations of the parties respectively with respect to the Realty Tax Appeals and Realty Tax Refunds shall be governed by the Lease Surrender Agreement. In the event of any conflict, inconsistency, ambiguity or difference between the provisions of this Agreement and of the Lease Surrender Agreement, then the provisions of the Lease Surrender Agreement shall govern and be paramount, and any such provision in this Agreement shall be deemed to be

amended, to the extent necessary to eliminate any such conflict, inconsistency, ambiguity or difference.

ARTICLE 2 GENERAL

2.1 Time of the Essence

Time shall be of the essence of this Agreement.

2.2 Enurement

This Agreement shall become effective when executed by the Tenant and the Landlord and after that time shall be binding upon and enure to the benefit of the parties and their respective heirs, executors, personal legal representatives, successors and permitted assigns. Neither this Agreement nor any of the rights or obligations under this Agreement shall be assignable or transferable by either party without the consent of the other party.

2.3 Entire Agreement

This Agreement and the Lease Surrender Agreement constitute the entire agreement between the parties with respect to the assignment and assumption of the Realty Tax Appeals contemplated in the Lease Surrender Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties with respect to the subject matter of this Agreement. There are no representations, warranties, covenants, conditions or other agreements, legal or conventional, express or implied, collateral, statutory or otherwise, between the parties in connection with the subject matter of this Agreement, except as specifically set forth in this Agreement and the Lease Surrender Agreement. The parties have not relied and are not relying on any other information, discussion or understanding in entering into and completing the transactions contemplated by this Agreement and the Lease Surrender Agreement.

2.4 Waiver

- (a) No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar), nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver.
- (b) No failure on the part of the Tenant or the Landlord to exercise, and no delay in exercising any right under this Agreement shall operate as a waiver of such right; nor shall any single or partial exercise of any such right preclude any other or further exercise of such right or the exercise of any other right.

2.5 Further Assurances

Each of the parties covenants and agrees to do such things, to attend such meetings and to execute such further surrenders, releases, conveyances, transfers, documents and assurances as may be deemed necessary or advisable from time to time in order to effectively assign the Realty Tax Appeals to the Landlord and carry out the terms and conditions of this Agreement in accordance with their true intent.

2.6 Severability

If any provision of this Agreement shall be determined to be illegal, invalid or unenforceable, that provision shall be severed from this Agreement and the remaining provisions shall continue in full force and effect.

2.7 Governing Law

This Agreement shall be governed by and interpreted and enforced in accordance with the laws of the Province in which the Premises are located and the federal laws of Canada applicable therein.

2.8 CCAA Proceedings

Each party to this Agreement submits to the exclusive jurisdiction of the Court in any action, application, reference or other proceeding arising out of or related to this Agreement or the Lease Surrender Agreement and agrees that all claims in respect of any such actions, application, reference or other proceeding shall be heard and determined in the CCAA Proceedings before the Court.

2.9 English Language

The parties hereto have requested that this Agreement be drafted in English only. *Les parties aux présentes ont demandé à ce que la présente convention soit rédigée en anglais seulement.*

2.10 Statute References

Any reference in this Agreement to any statute or any section thereof shall, unless otherwise expressly stated, be deemed to be a reference to such statute or section as amended, restated or re-enacted from time to time.

2.11 Headings

The division of this Agreement into Sections, the insertion of headings is for convenience of reference only and are not to be considered in, and shall not affect, the construction or interpretation of any provision of this Agreement.

2.12 References

Where in this Agreement reference is made to an article or section, the reference is to an article or section in this Agreement unless the context indicates the reference is to some other agreement. The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof and include any agreement supplemental hereto. The word "includes" or "including" shall mean "includes without limitation" or "including without limitation", respectively. The word "or" is not exclusive.

2.13 Number and Gender

Unless the context requires otherwise, words importing the singular include the plural and vice versa and words importing gender include all genders.

2.14 Business Days

If any payment is required to be made or other action is required to be taken pursuant to this Agreement on a day which is not a Business Day, then such payment or action shall be made or taken on the next Business Day. All actions to be made or taken by a particular Business Day must be made or taken by no later than 4:30 p.m. (Toronto time) on a Business Day and any action made or taken thereafter shall be deemed to have been made and received on the next Business Day.

2.15 Currency and Payment Obligations

Except as otherwise expressly provided in this Agreement all dollar amounts referred to in this Agreement are stated in Canadian Dollars.

2.16 Notice

Any notice, consent or approval required or permitted to be given in connection with this Agreement or the Lease (a "Notice") shall be in writing and shall be sufficiently given if delivered or transmitted in accordance with the Lease Surrender Agreement.

2.17 Counterparts and Delivery

All parties agree that this Agreement may be executed in counterpart and transmitted by telecopier or e-mail (PDF) and that the reproduction of signatures in counterpart by way of telecopier or e-mail (PDF) will be treated as though such reproduction were executed originals.

[Signature pages follow.]

IN WITNESS WHEREOF the Tenant has executed this Agreement.

TARGET CANADA CO.

By: _____

Name: ●

Title: ●

By: _____

Name: ●

Title: ●

IN WITNESS WHEREOF the Landlord has executed this Agreement.

**MICHEL DALLAIRE, ALAIN
DALLAIRE, ROBERT DESPRÉS, PIERRE
GINGRAS, GHISLAINE LABERGE,
GÉRARD COULOMBE, ALBAN
D'AMOURS, MARY-ANN BELL AND
JOHANNE M. LÉPINE, each in his or her
capacity as trustee of and on behalf of Fonds
de placement immobilier Cominar/
Cominar Real Estate Investment Trust**

By: _____

Name: ●

Title: ●

By: _____

Name: ●

Title: ●

SCHEDULE "A" – LEASE PARTICULARS**Centre Laval, 1600, boulevard Le Corbusier, Laval, Québec H7S 1Y9**

- Lease Agreement dated August 8, 2012, by and between Homburg Trust (186) by its trustee 2226009 Ontario Inc. and Target Canada Co.
- Notice of commercial lease dated August 7, 2012

SCHEDULE "J"
LIST OF FF&E

None.

SCHEDULE "K"
PERMITTED ENCUMBRANCES

None

SCHEDULE "L"
INTENTIONALLY DELETED