

Tab B

THIS IS EXHIBIT "B" TO THE
AFFIDAVIT OF MARK J. WONG
SWORN MAY 4, 2015



Commissioner for Taking Affidavits

**TARGET CANADA CO.
as the Tenant**

- and -

**CF/REALTY HOLDINGS INC., ONTREA INC., MARKET MALL LEASEHOLDS INC.,
LES PROMENADES ST-BRUNO LEASEHOLDS INC., LES GALERIES D'ANJOU
LEASEHOLDS INC., and CHINOOK (2014) INC.,
collectively, as the Landlord Entities**

LEASE SURRENDER AGREEMENT

May 4, 2015

TABLE OF CONTENTS

	Page
ARTICLE 1 DEFINITIONS	2
1.1 Definitions.....	2
ARTICLE 2 SURRENDER TRANSACTIONS	8
2.1 Offer and Acceptance	8
2.2 “As Is, Where Is”	8
2.3 Landlord Entities.....	10
2.4 Post-Filing Obligations	11
ARTICLE 3 CONSIDERATION	11
3.1 Surrender Consideration	11
3.2 Deposit	12
3.3 Surrender Consideration Allocation	13
3.4 Surrender of Leases.....	14
3.5 No Assumed Liabilities.....	14
3.6 Property Claims	14
3.7 Tenant Claims	14
3.8 Trade-Marks.....	14
ARTICLE 4 ADJUSTMENTS	15
4.1 Statement of Adjustments and Absence of Post-Closing Adjustments	15
4.2 Items of Adjustments under the Surrendered Leases.....	15
4.3 Realty Tax Appeals.....	16
4.4 Utilities.....	17
4.5 Lease Termination Compensation Payment	17
ARTICLE 5 INTERIM PERIOD AND LEASE MATTERS	17
5.1 Interim Period	17
5.2 Contracts	19
5.3 Approval and Vesting Order.....	19
5.4 Lease Matters	19
ARTICLE 6 REPRESENTATIONS, WARRANTIES & COVENANTS	19
6.1 Tenant’s Representations and Warranties.....	19
6.2 Landlord Entities’ Representations and Warranties	20

TABLE OF CONTENTS
(continued)

	Page
6.3 Landlord Entities' Covenants	22
6.4 Tenant's Covenants.....	22
6.5 Tax Matters	22
6.6 Survival of Covenants, Representations and Warranties.....	24
ARTICLE 7 CLOSING	24
7.1 Conditions of Closing for the Benefit of the Landlord Entities.....	24
7.2 Conditions of Closing for the Benefit of the Tenant.....	24
7.3 Conditions of Closing for the Mutual Benefit of the Parties	25
7.4 Closing Documents.....	25
7.5 Closing Date.....	27
7.6 Confirmation of Satisfaction of Conditions.....	27
7.7 Escrow Closing	27
7.8 Filings and Authorizations.....	29
7.9 Court Matters	29
7.10 Termination.....	30
ARTICLE 8 OTHER PROVISIONS.....	30
8.1 Confidentiality	30
8.2 Leasehold Interest	31
8.3 Québec Interpretation Clause.....	31
8.4 Time of the Essence	31
8.5 Entire Agreement.....	31
8.6 Waiver.....	31
8.7 Further Assurances.....	32
8.8 Severability	32
8.9 Governing Law	32
8.10 English Language.....	32
8.11 Statute References.....	32
8.12 Headings	33
8.13 References.....	33
8.14 Number and Gender.....	33

TABLE OF CONTENTS
(continued)

		Page
8.15	Business Days	33
8.16	Currency and Payment Obligations	33
8.17	Notice	33
8.18	Subdivision Control Legislation	34
8.19	Solicitors as Agent and Tender	34
8.20	No Registration of Agreement	34
8.21	Third Party Costs	34
8.22	Interpretation	35
8.23	No Third Party Beneficiaries	35
8.24	Enurement	35
8.25	Assignability	35
8.26	Counterparts and Delivery	35

TABLE OF CONTENTS
(continued)

SCHEDULES

Schedule "A"	-	PREMISES & LANDLORD ENTITIES
Schedule "B"	-	LEASE PARTICULARS
Schedule "C"	-	EXCLUDED ASSETS
Schedule "D"	-	ALLOCATION OF SURRENDER CONSIDERATION
Schedule "E"	-	FORM OF APPROVAL AND VESTING ORDER
Schedule "F"	-	TAX CERTIFICATE, UNDERTAKING AND INDEMNITY
Schedule "G"	-	INTENTIONALLY DELETED
Schedule "H"	-	FORM OF AMENDMENT AND SURRENDER OF LEASE
Schedule "I"	-	INTENTIONALLY DELETED
Schedule "J"	-	INTENTIONALLY DELETED
Schedule "K"	-	LIST OF ITEMS WHICH SHALL NOT BE REMOVED FROM THE PREMISES
Schedule "L"	-	PERMITTED ENCUMBRANCES
Schedule "M"	-	ADDRESSES FOR NOTICE
Schedule "N"	-	RELEASE OF PROPERTY CLAIMS
Schedule "O"	-	RELEASE OF TENANT CLAIMS
Schedule "P"	-	SOA

THIS LEASE SURRENDER AGREEMENT dated with effect as of May 4, 2015

AMONG:

TARGET CANADA CO.
(the “**Tenant**”)

OF THE FIRST PART,

- and -

CF/REALTY HOLDINGS INC.,
ONTREA INC.,
MARKET MALL LEASEHOLDS INC.,
LES PROMENADES ST-BRUNO LEASEHOLDS INC.,
LES GALERIES D’ANJOU LEASEHOLDS INC., and
CHINOOK (2014) INC.

(collectively, but subject to Section 2.3, the “**Landlord Entities**” and individually a “**Landlord Entity**”).

OF THE SECOND PART,

RECITALS

- A. The Landlord Entities are, respectively, the owner and landlord or ground lessee and sublandlord or head tenant and landlord of the Properties and the Tenant’s Leases and lease the Premises at the Properties to the Tenant as more particularly set out in Schedules “A” and “B” hereto.
- B. 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 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. 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**”).
- D. Pursuant to the Sale Procedures, The Cadillac Fairview Corporation Limited on behalf of the Landlord Entities submitted a Landlord LOI for the acquisition of the Tenant’s Leases for the Premises and has been invited to submit a Landlord Qualified Bid in accordance with the Sale Procedures.

- 2 -

- E. The Landlord Entities hereby offer to accept a surrender from the Tenant of all of the Tenant's right, title and interest in and to each of the Leases, the related Real Property Interests and the Premises, on the terms and conditions set out herein (the "Offer").
- F. 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 issuing 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 Entities (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:

"**Affiliate**" of any Person means, at the time such determination is being made, any other entity controlling, controlled by or under common control with such first entity, in each case, whether directly or indirectly, and "control" and any derivation thereof means the possession, directly or indirectly, of the power to direct or significantly influence the management, policies, business or affairs of an entity whether through the ownership of voting securities or otherwise.

"**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 B.

"**Approval and Vesting Order**" means an order issued by the Court approving this Agreement and the Transaction contemplated by this Agreement, and surrendering to the Landlord Entities all of the Tenant's right, title and interest in and to the Surrendered Leases and Surrendered 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".

- 3 -

“**ARQST**” means *An Act respecting the Quebec Sales Tax*, CQLR, c. T-0.1, as amended, restated, supplemented or substituted from time to time.

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

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

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

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

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

“**CFCL**” means The Cadillac Fairview Corporation Limited and its successors and permitted assigns as manager of the Properties on behalf of the Landlord Entities.

“**Chinook Centre**” means the Property municipally known as the Chinook Centre, 6455 MacLeod Trail SW, Calgary Alberta.

“**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, except the Balance, 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.

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

“**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

- 4 -

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 B.

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

“**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 and furnishings including shelves, counters, video cameras and equipment, security systems, point-of-sales systems and related appurtenances, telecommunications systems and related appurtenances and trade fixtures located at any of the Premises, in each case, to the extent owned or leased by the Tenant or its subtenants or licensees, if any, as of the Closing Date including, in all cases, those items listed in Schedule “J” hereto but excluding, in all cases, the Excluded Assets and the items listed in Schedule “K” hereto.

“**GST/HST**” means goods and services tax or harmonized sales tax under the *Excise Tax Act*.

“**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.

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

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

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

“**Inventory**” means all inventory, stock, supplies and all other items to be sold from any of the Premises, excluding, for greater certainty, the items listed in Schedule “K”.

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

“**Landlord**” means, in respect of an individual Lease or Guarantee, the Landlord Entity that is the landlord under that Lease or the recipient of that Guarantee as shown in Schedule “A” or Schedule “B”.

“**Landlord Entity**” and “**Landlord Entities**” have the meanings ascribed thereto on page 1 hereof, but subject to Section 2.3.

“**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, as same have been amended, restated, renewed or supplemented from time to time, including but not limited to those documents listed on Schedule “B”. If the Premises comprise more than one leased location, the Leases related to any one leased location are referenced to as a “**Lease**”.

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

“**Lease Termination Fee**” has the meaning ascribed thereto in Section 4.5.

“**Les Galeries d’Anjou**” means the Property municipally known as Les Galeries d’Anjou, 7999 Boulevard des Galeries d’Anjou, Montréal, Québec.

“**Les Promenades St-Bruno**” means the Property municipally known as Les Promenades St-Bruno, 1 Boulevard des Promenades, Saint-Bruno-de- Montarville, Québec.

“**Market Mall**” means the Property municipally known as Market Mall, 3625 Shaganappi Trail NW, Calgary, Alberta.

- 6 -

“**Masonville Place**” means the Property municipally known as Masonville Place, 1680 Richmond Street North, London Ontario.

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

“**Monitor’s Certificate**” means the certificate to be filed with the Court by the Monitor certifying receipt of confirmation from CFCL on behalf of the Landlord Entities 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.

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

“**Off-Title Compliance Matters**” means open building permits or files, work 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 and Orders related thereto.

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

“**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 ownership interest in the Properties or any other Landlord Entity’s interest in the Properties, but excludes any Encumbrances solely encumbering the Tenant’s leasehold interest (or the rights of the Tenant as lessee) in and to any Properties situated outside the Province of Quebec on which the Premises are located; (b) Encumbrances resulting from any Landlord Entity’s actions or omissions; and (c) the items identified in Schedule “L” 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.

“**Property Claims**” means any and all Claims which the Landlord Entities ever had, now have or hereafter can, shall or may have against the Tenant or Target in respect of the Surrendered Leases, the Surrendered Real Property Interests, the Surrendered Premises, the Properties of which any Surrendered Premises form a part or the Guarantees in respect of any Surrendered Leases.

“**Properties**” means, collectively, the real or immovable properties of which the Premises form part for the purposes of the Leases and includes the Landlord Entities’ freehold or other ownership interest, ground leasehold interest or right of emphyteusis therein or rights as head

- 7 -

tenant and landlord; and **“Property”** refers to any one of such Properties of which the Premises for one leased location form a part for the purposes of an individual Lease.

“QST” means Quebec sales tax under the ARQST.

“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; (b) any FF&E which are left on the Premises on the Closing Date; and (c) the items listed on Schedule “K”.

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

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

“Release of Tenant Claims” means a release by the Tenant and Target of any Claims against any of the Landlord Entities in respect of any of the Surrendered Leases, in substantially the form attached as Schedule “O”.

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

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

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

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

“Surrendered Assets” means, collectively, the Surrendered Leases and the Surrendered Real Property Interests.

“Surrendered Leases” means the Leases.

“Surrendered Premises” means the lands and premises which are leased by the Tenant pursuant to a Surrendered Lease.

“Surrendered Real Property Interests” means the Real Property Interests.

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

- 8 -

“**Tax Certificate, Undertaking and Indemnity**” means the certificate to be delivered by each Landlord Entity (other than CF/Realty Holdings Inc.) in substantially the form set out in Schedule “F”.

“**Taxes**” means land transfer, mutation, sales, goods and services, harmonized sales, use, value added, excise, stamp or similar taxes 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, including, without limitation, QST and GST/HST.

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

“**Transaction**” means the surrender of the Leases and the related Real Property Interests and the transactions related thereto as contemplated in this Agreement.

ARTICLE 2 SURRENDER TRANSACTIONS

2.1 Offer and Acceptance

- (a) Subject to the Initial Order and the Sale Procedures, the Tenant hereby agrees to surrender to the Landlord Entities, and the Landlord Entities hereby agree to accept a surrender from the Tenant, of all of the Leases and the related Real Property Interests in each case on the Closing Date and otherwise 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 between the Tenant and the Landlord Entities for the surrender of 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, each Landlord Entity hereby acknowledges and agrees, on behalf of itself, that as of the Execution Date and the Closing Date:

- (a) Except as expressly stated in this Agreement including the Tenant’s covenant to leave the Premises in a broom-swept condition on the Closing Date as set out in Section 5.1(c), the Landlord Entities are accepting the surrender of the Surrendered Leases and the Surrendered Real Property Interests and accepting the Surrendered Premises on an “as is, where is” basis, without any written or oral statements, representations, warranties, promises or guarantees 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 Surrendered Premises and the Surrendered 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 Surrendered

- 9 -

Premises, the existence of any Encumbrance and/or Off-Title Compliance Matters affecting the Surrendered Leases, the Surrendered Real Property Interests, the Surrendered Premises, or the Permitted Encumbrances, the structural integrity or any other aspect of the physical condition of the Surrendered Premises, the conformity of the Surrendered 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 Surrendered Premises, the sufficiency of any drainage, the availability of public utilities, access, parking and/or services for the Surrendered Premises, the fitness or suitability of the Surrendered Premises for occupancy or any intended use (including matters relating to health and safety), the potential for further development of the Surrendered Premises, the existence of land use, zoning or building entitlements affecting the Surrendered 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 Surrendered 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 Surrendered Real Property Interests at its own risk within the meaning of Article 1733 of the *Civil Code of Québec*;

- (b) It is expressly acknowledged by the Landlord Entities that, except as expressly stated in this Agreement, 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 other representatives as to the accuracy, currency or completeness of any disclosure in respect of any of the Real Property Interests, the Premises, the Leases or any Encumbrances made to the Landlord Entities, 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 Entities hereby unconditionally and irrevocably waive any and all actual or potential rights or Claims the Landlord Entities might have against the Tenant pursuant to any warranty, legal or conventional, express or implied, of any kind or type relating to the Surrendered Leases, the Surrendered Real Property Interests, the Surrendered Premises or any other aspect of the Transaction, save and except the representations, warranties and covenants of the Tenant expressly stated in this Agreement. 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

- 10 -

later created or conceived of strict liability or strict liability type Claims and rights;

- (d) The Landlord Entities were given the opportunity to conduct their own independent review, inspection, diligence and investigations and to form their own independent opinions and conclusions in respect of the Leases, the Real Property Interests, and the Premises prior to entering into this Agreement. The Landlord Entities' decision to make this Offer and enter into this Agreement was made of their 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;
- (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 but shall not remove any of the items listed in Schedule "K"; 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 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 Surrendered Leases, the Surrendered Premises or the Properties of which any Surrendered Premises form a part or the condition thereof save and only to the extent expressly provided in this Agreement.

The provisions of this Section 2.2 shall survive and shall not merge on Closing.

2.3 Landlord Entities

- (a) Each Landlord Entity is entering into this Agreement and delivering the documents in connection with the Closing as an individual party on its own behalf, and not on behalf of any other Landlord Entity (as to the respective interest of such Landlord Entity in the Leases and the Properties.
- (b) Notwithstanding anything to the contrary contained herein or elsewhere, each of the Landlord Entities shall be jointly and severally liable until Closing in respect of any representations or warranties or any covenants, liabilities, obligations or indemnities made or incurred by any other Landlord Entity in or pursuant to this Agreement. However, following the successful completion of the Transaction, no Landlord Entity shall have any further obligation or liability in respect of any representations or warranties or any covenants, liabilities, obligations or indemnities made or incurred by any other Landlord Entity in or pursuant to this

- 11 -

Agreement and/or any of the Closing Documents and the Closing Documents , where practicable, will be prepared on an individual Lease and Property basis

- (c) In the event of any conflict, inconsistency or ambiguity between the provisions of this Section 2.3 and any other provisions of this Agreement and/or any of the documents delivered in connection with the Closing, the provisions of this Section 2.3 shall prevail.

2.4 Post-Filing Obligations

Each and every one of the obligations, undertakings, covenants, representations and warranties of the Tenant to the Landlord Entities contained herein or in any Closing Document shall constitute "post-filing" obligations of the Tenant within the CCAA Proceedings.

ARTICLE 3 CONSIDERATION

3.1 Surrender Consideration

- (a) The aggregate consideration (the "**Consideration**") payable by the Landlord Entities to the Tenant for the surrender of all of the Leases and related Real Property Interests, exclusive of all Taxes, shall be TWENTY NINE MILLION ONE HUNDRED AND SEVENTY-TWO THOUSAND DOLLARS (CDN\$29,172,000). The actual amount of the Consideration payable by the Landlord Entities to the Tenant on Closing shall be the aggregate of the amounts allocated to each Surrendered Lease as set forth on Schedule "D", exclusive of all Taxes (the "**Surrender Consideration**"). Subject to only the adjustment in accordance with this Agreement, the Surrender Consideration shall be paid to the Tenant as follows:
- (i) as to an amount equal to 10% of the Surrender Consideration for each Surrendered Lease as set forth on Schedule "D" (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, on or prior to 3:00 p.m. (Toronto time) on the second (2nd) Business Day following the date on which the Tenant accepts this Offer, 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;
 - (ii) by deducting from the Surrender Consideration payable by the Landlord Entities for each Surrendered Lease, the Lease Termination Fee payable by the Tenant pursuant to Section 4.5 for such Surrendered Lease as set forth on Schedule "D"; and
 - (iii) as to the balance of the Surrender Consideration, plus or minus the net amount of adjustments to be made in accordance with this Agreement (the

- 12 -

“**Balance**”), 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 in writing 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 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 CFCL on behalf of the Landlord Entities within five (5) Business Days of Closing.
- (c) If the Transaction is terminated or not completed by reason of a breach by any of the Landlord Entities of its representations, warranties or covenants or other default of any of the Landlord Entities 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

- 13 -

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 Entities 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 CFCL on behalf of the Landlord Entities. The provisions of this Section 3.2(c) shall survive the termination of this Agreement or if the Transaction is not successfully completed for any reason.

- (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 CFCL on behalf of the Landlord Entities (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 Entities 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 Sections 7.6 and 7.7; 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 gross negligence or 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.
- (h) The provisions of this Section 3.2 shall survive the termination of this Agreement or non-completion of the Transaction.

3.3 Surrender Consideration Allocation

- (a) The Tenant and the Landlord Entities agree that the Consideration is allocated among each of the Leases as set out on Schedule "D" and the Tenant and the

- 14 -

Landlord Entities shall adopt such allocation for the purposes of all tax returns and filings made by them or on their behalf.

- (b) On or prior to the Closing Date, the Landlord Entities and the Tenant, each acting reasonably, shall attempt to agree as to the allocation of the Surrender Consideration as between the Surrendered Real Property Interests for each Surrendered Lease. If the Landlord Entities and the Tenant agree on such allocations on or prior to the Closing Date, they 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 and each Party shall be entitled to use its own allocation.

3.4 Surrender of Leases

The Tenant and the Landlord Entities shall execute and deliver on the Closing Date a Lease Amendment and Surrender Agreement for each Surrendered Lease and the Real Property Interests under each such Surrendered Lease, effective as of 11:59 p.m. on the day immediately preceding the Closing Date. For greater certainty, no surrender of a Surrendered Lease shall take effect unless and until Closing occurs.

3.5 No Assumed Liabilities

The Landlord Entities shall not assume any obligations or liabilities of the Tenant to third parties with respect to the Surrendered Premises or the Surrendered Real Property Interests, whether in respect of the period on, before or after the Closing Date, or otherwise arising, incurred or accrued on or after the Closing Date whether in respect of the period on, before or after the Closing Date. The foregoing shall be further incorporated in each Lease Amendment and Surrender Agreement. The provisions of this Section 3.5 shall survive and shall not merge upon Closing.

3.6 Property Claims

On Closing, the Landlord Entities shall execute and deliver to the Tenant the Release of Property Claims in favour of the Tenant and Target.

3.7 Tenant Claims

On Closing, the Tenant and Target shall execute and deliver to the Landlord Entities the Release of Tenant Claims in favour of the Landlord Entities.

3.8 Trade-Marks

Notwithstanding the foregoing or anything else contained herein or elsewhere, the Landlord Entities acknowledge and agree 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 Entities pursuant to the

- 15 -

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 3.8 shall survive and shall not merge on Closing.

ARTICLE 4 ADJUSTMENTS

4.1 Statement of Adjustments and Absence of Post-Closing Adjustments

- (a) The Landlord Entities have prepared and deliver herewith to the Tenant a statement of adjustments on a leased location by leased location basis in accordance with the Leases and based on a Closing Date of June 1, 2015, which statement is attached as Schedule "P" (the "SOA"). The Landlord Entities and the Tenant shall co-operate and provide any supporting documentation, particulars and information necessary for verifying the SOA. If the Closing Date occurs on a date other than June 1, 2015, the Landlord Entities shall prepare and deliver to the Tenant a revised SOA with supporting documentation for Tenant's review and approval, acting reasonably, no later than two (2) Business Days prior to the Closing Date.
- (b) 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 CFCL, on behalf of the Landlord Entities, 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.
- (c) There shall be no further adjustments or re-adjustments after Closing of any amounts adjusted or intended to be adjusted on the SOA pursuant to this Agreement and, subject to Section 4.1(a), the amounts set out on the SOA shall be final.
- (d) This Section 4.1 shall survive and shall not merge on Closing.

4.2 Items of Adjustments under the Surrendered Leases

- (a) On Closing, the Tenant and the Landlord Entities shall adjust the rent (including basic or minimum rent and additional rent) and other amounts payable under each of the Surrendered 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 Entities, as provided for in the SOA. The Tenant shall be responsible for all third party expenses incurred by or on behalf of the Tenant relating to the Surrendered Premises for the period ending on the day before the Closing Date (other than those that are the responsibility of a Landlord Entity pursuant to the Leases), and the Landlord Entities shall be responsible for all

- 16 -

expenses relating to the Properties wherein the Surrendered Premises are situated for the period from and including the Closing Date.

- (b) Without limiting the generality of the foregoing, the Tenant and the Landlord Entities shall as of the Closing Date adjust between themselves the following amounts in respect of each of the Surrendered Leases:
 - (i) basic or minimum rent;
 - (ii) reconciliations of CAM, operating expenses, realty taxes and other additional rent payable by the Tenant to the Landlord Entities pursuant to the Surrendered Leases, including any utilities invoiced by the Landlord Entities to or paid by the Tenant to the Landlord Entities as part of additional rent for 2014 and the stub period in 2015 up to but excluding the Closing Date, based on actual or estimated amounts agreed to by the Tenant and the Landlord Entities, each acting reasonably. For greater certainty, there shall be no reconciliations for prior years;
 - (iii) in favour of the Landlord Entities, an amount equal to the GST/HST and/or QST deemed to be included in the Lease Termination Fee pursuant to section 182 of the *Excise Tax Act* and/or section 318 of the ARQST; and
 - (iv) those other adjustments, if any, set out in the SOA attached as Schedule "P".
- (c) The Landlord Entities shall be responsible for and pay all applicable Taxes payable in connection with the surrender of the Surrendered Leases and the related Surrendered Real Property Interests, other than Taxes relating to the Lease Termination Fee.
- (d) Each of the Landlord Entities hereby waives any fees or charges payable to it under any of the Surrendered Leases in respect of the Transaction, including, without limitation, any fees, penalties, or charges payable to any Landlord Entity in respect of the surrender of a Surrendered Lease and any obligation in respect of the payment of accelerated and/or increased rent which arises solely as a result of the surrender of a Surrendered Lease.
- (e) This Section 4.2 shall survive and shall not merge on Closing.

4.3 Realty Tax Appeals

- (a) The Tenant and the Landlord Entities acknowledge that with respect to the Surrendered 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, claims and any associated reassessments are hereinafter collectively referred to as the "**Realty Tax Appeals**").

- 17 -

- (b) From and after the Closing Date, the Tenant shall, at its sole cost and expense, cease and discontinue all Realty Tax Appeals with respect to the Surrendered Premises.
- (c) This Section 4.3 shall survive and shall not merge on Closing.

4.4 Utilities

- (a) The Landlord Entities 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 Surrendered 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 Surrendered Premises. For the avoidance of doubt, except for adjustments to be made under the Surrendered Leases as specifically provided in Section 4.2, there shall be no adjustment at Closing in respect of the payment of any utilities at the Surrendered Premises, provided that the Tenant shall be responsible for all charges for utilities used at the Surrendered Premises for the period prior to the Closing Date. The provisions of this Section 4.4(a) shall survive and shall not merge on Closing.
- (b) Any and all utility charges and other related fees payable for any of the Surrendered Premises for the period from and 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 Entities and there shall be no adjustments between the Tenant and the Landlord Entities of any utility charges or related fees paid by the Landlord Entities pursuant to any such invoice or statement issued on or after the Closing Date.

4.5 Lease Termination Compensation Payment

On Closing Tenant shall pay by way of any adjustment in favour of the Landlord Entities on Closing, the sum of TWO MILLION FIVE HUNDRED SEVENTY-TWO THOUSAND NINE HUNDRED AND FIFTY-ONE DOLLARS (\$2,572,951) as is allocated to the Surrendered Leases as shown on Schedule "D" hereto as compensation for loss of rent under the Surrendered Leases for the period from June 1, 2015 to October 31, 2015 (the "**Lease Termination Fee**"). In the event that the Closing Date occurs later than June 1, 2015, the Lease Termination Fee shall be adjusted to reflect the rent payable under the Surrendered Leases for the period from the Closing Date to October 31, 2015.

ARTICLE 5 INTERIM PERIOD AND LEASE MATTERS

5.1 Interim Period

- (a) During the Interim Period, the Landlord Entities 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

- 18 -

Agency Agreement Order and the Sale Procedures and the provisions of this Section 5.1.

- (b) During the Interim Period, the Tenant by itself or through its Agent under the Agency Agreement shall be entitled to remove or sell, or permit any other Persons to remove or sell, any and all chattels, personal or movable property, Inventory, FF&E and any other Excluded Assets (but excluding: (i) any property or assets owned by any of the Landlord Entities or an owner of any Property, and (ii) any items listed in Schedule "K") from any of the Premises in accordance with this Agreement, the Initial Order, the Agency Agreement Order and the Sale Procedures. For greater certainty, the Tenant shall remove from the Premises prior to Closing the items listed in Schedule "C" but shall not remove or sell or permit the removal or sale from the Premises of any property or assets owned by any of the Landlord Entities or an owner of any Property or any items listed in Schedule "K".
- (c) Notwithstanding any provision of the Leases, the Tenant shall have no obligation to operate in any of the Premises during the Interim Period and on Closing the Tenant shall surrender the Surrendered 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 Surrendered Premises is expropriated or notice of expropriation or intent to expropriate all or a part of the Surrendered Premises is issued by any Governmental Authority, the Landlord Entities or the Tenant, as the case may be, shall immediately advise the other thereof by Notice in writing. Notwithstanding the occurrence of any of the foregoing, the Landlord Entities 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 Entities of the Surrendered Premises affected by such expropriation and all right and claim of the Tenant to such amounts, if any, shall be assigned to the Landlord Entities on a without recourse basis.
- (e) The Surrendered 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 Surrendered Premises or any part thereof occurring before the Closing Date, the Tenant shall immediately advise the Landlord Entities thereof by Notice in writing. Notwithstanding the occurrence of any of the foregoing, the Landlord Entities 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 applicable Landlord Entities of the Surrendered Premises affected by such damage on a without recourse basis. The Tenant shall maintain its existing insurance coverage (including any self-insurance if currently existing) on the Premises until the Closing Date.

- 19 -

- (f) During the Interim Period, except as provided in this Agreement, the Landlord Entities' rights and remedies in respect of the Leases shall be subject to the provisions of the Initial Order and the Agency Agreement Order.
- (g) The provisions of this Section 5.1 shall survive and shall not merge on Closing.

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 Surrendered Premises.

5.3 Approval and Vesting Order

The Tenant and the Landlord Entities shall use their commercially reasonable efforts to seek as part of the Approval and Vesting Order, the provision contained in Section 9 thereof as set out in Schedule "E".

5.4 Lease Matters

- (a) The Tenant and the Landlord Entities hereby agree to amend, as the Landlord Entities may reasonably require and the Tenant may reasonably agree, any Surrendered Lease, which amendments shall be conditional upon the successful Closing of the Transaction with respect to such Surrendered Lease, and shall take effect immediately prior to the surrender of such Surrendered Lease, or shall form part of the Lease Amendment and Surrender Agreement for such Surrendered Lease, provided that: (a) such amendments may only relate to the release or cancellation of rights to renew or extend the Surrendered Lease term; (b) such amendments do not create any greater obligations on the Tenant or on Target which are not released on Closing by the Release of the Property Claims pursuant to Section 3.6; and (c) Landlord Entities indemnifies the Tenant and Target in respect of any Claims arising from or relating to such amendments.
- (b) The Tenant agrees to terminate, prior to Closing, any sublease, licence or other agreement granted by Tenant in favour of any Person and providing for a right of occupancy in all or any portion of the Surrendered Premises. However, during the Interim Period, the Tenant shall be permitted to conduct through its Agent the Sale (as defined in the Agency Agreement Order) on the Premises in accordance with such Order and the Initial Order until the Sale Termination Date (as defined in the Agency Agreement).

ARTICLE 6 REPRESENTATIONS, WARRANTIES & COVENANTS

6.1 Tenant's Representations and Warranties

The Tenant represents and warrants to and in favour of each Landlord Entity, as of the Execution Date and as of Closing, as to the following and acknowledges and confirms that the Landlord

- 20 -

Entities are relying upon such representations and warranties in connection with the entering into of this Agreement:

- (a) the Tenant is an unlimited liability company incorporated pursuant to the laws of the Province of Nova Scotia and, subject to the issuance of the Approval and Vesting Order, has all necessary corporate power, authority and capacity to enter into this Agreement, to carry out its obligations hereunder;
- (b) 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;
- (c) the Tenant is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada);
- (d) Tenant is duly registered under the *Excise Tax Act* with respect to the GST/HST and under the ARQST with respect to the QST and its tax numbers are listed as follows:
 - (i) GST/HST: 835536608RT0001; and
 - (ii) QST: 1217234367TQ0001.
- (e) subject to obtaining the Approval and Vesting Order, this Agreement will constitute a valid and binding obligation of the Tenant enforceable against it in accordance with its terms;
- (f) subject to obtaining the Approval and Vesting Order, the Tenant is not party to, bound or affected by or subject to any material: (i) indenture, mortgage, lease, agreement, obligation or instrument, (ii) charter or by-law provision, or (iii) Laws, which in each case would be violated, breached by, or under which default would occur as a result of its execution and delivery of, or the performance of its obligations under, this Agreement or any other agreement to be entered into under the terms of this Agreement; and
- (g) the Financial Advisor and the Broker (as defined in the Sale Procedures) are the only real estate agents or brokers that the Tenant has used in connection with the Transaction.

6.2 Landlord Entities' Representations and Warranties

Subject to Section 2.2, each Landlord Entity represents and warrants on behalf of itself only, 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:

- 21 -

- (a) the Landlord Entity has been duly incorporated and is validly subsisting under the Laws of the jurisdiction of its incorporation, and has all requisite corporate 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 Entity is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada);
- (c) other than CF/Realty Holdings Inc. which holds its interest in the Lease at Masonville Place as a nominee for Ontrea Inc., the Landlord Entity is a registrant for the purposes of the tax imposed under Part IX of the *Excise Tax Act* and, in the case of Les Promenades St-Bruno Leaseholds Inc. and Les Galeries d'Anjou Leaseholds Inc., for the purposes of the ARQST;
- (d) the execution, delivery and performance by the Landlord Entity of this Agreement:
 - (i) has been duly authorized by all necessary corporate action on the part of the Landlord Entity;
 - (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 constating 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 Entity 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 Landlord Entity is the registered or beneficial owner, ground lessee, emphyteutic lessee or head tenant of the Property set out opposite to its name in Schedule "A" and the registered or beneficial lessor under the Lease of the Premises which form part of such Property as set out in Schedule "A";
- (f) this Agreement has been duly executed and delivered by the Landlord Entity and constitutes legal, valid and binding obligations of the Landlord Entity, 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;
- (g) the Landlord Entity has reviewed and is familiar with all of the terms and conditions of its Leases; and

- 22 -

- (h) the Landlord Entities have, and will have at Closing, all funds on hand necessary to pay the Consideration.

6.3 Landlord Entities' Covenants

- (a) The Landlord Entities shall take all commercially reasonable actions as are within their respective power or control, and shall use commercially reasonable efforts to cause other actions to be taken which are not within their respective power or control, so as to fulfill each of the conditions set forth in Article 7 which are for the benefit of the Tenant.
- (b) The Landlord Entities will promptly notify the Tenant and the Tenant will promptly notify the Landlord Entities 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 Transaction; 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 Transaction; or
 - (B) to nullify or render ineffective this Agreement or the Transaction if consummated.

6.4 Tenant's Covenants

Subject to the Initial Order and the Sale Procedures, the Tenant shall take all commercially reasonable actions as are within its power to control, and shall use commercially 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 5 and to fulfill the conditions set forth in Article 7 which are for the benefit of the Landlord Entities.

6.5 Tax Matters

In addition to the representations and warranties set forth in Section 6.2, each Landlord Entity (other than CF/Realty Holdings Inc.), on behalf of itself only, 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) it is duly registered under Subdivision (d) of Division V of Part IX of the *Excise Tax Act* with respect to the GST/HST and, if applicable, under Division I of Chapter VIII of Title I of the ARQST with respect to the QST, each of which registrations are and shall remain in full force and effect and shall not have been cancelled or revoked on the Closing Date. The relevant registration numbers of

- 23 -

each Landlord Entity shall be provided in its Tax Certificate, Undertaking and Indemnity;

- (b) it shall warrant and represent, in its Tax Certificate, Undertaking and Indemnity that it is accepting a surrender of the Surrendered Assets of which it holds the beneficial interest as Landlord 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) in accordance with subsections 221(2) and 228(4) of the *Excise Tax Act* and, if applicable, sections 423 and 438 of the ARQST, it shall self-assess and remit directly to the appropriate Governmental Authority any GST/HST imposed under the *Excise Tax Act* and any QST imposed under the ARQST payable in connection with the surrender of its Surrendered Leases and Surrendered Real Property Interests;
- (d) on Closing, it will pay, in addition to the Surrender Consideration, and the Tenant will collect, any GST/HST imposed under the *Excise Tax Act* and any QST imposed under the ARQST exigible on its Transaction (other than GST/HST and/or QST relating to the Lease Termination Fee), except to the extent that the Landlord Entity is required under subsections 221(2) and 228(4) of the *Excise Tax Act* and, if applicable, sections 423 and 438 of the ARQST, to self-assess and remit such GST/HST and/or QST directly to the appropriate Governmental Authority, and it shall have executed and delivered a certificate, undertaking and indemnity which includes a certification of all appropriate registration numbers issued under the *Excise Tax Act* and/or the ARQST and incorporates the provisions of this Section 6.5 (a “**Tax Certificate, Undertaking and Indemnity**”);
- (e) it shall make and file all required return(s) in accordance with the requirements of subsection 228(4) of the *Excise Tax Act* and, if applicable, section 438 of the ARQST; and
- (f) except to the extent of the Tenant’s failure to remit the Taxes collected on Closing, if any, to the applicable Governmental Authority, it shall indemnify and save the Tenant harmless from and against any and all transfer taxes, GST/HST and QST, as the case may be, imposed under the *Excise Tax Act* and the ARQST, 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 GST/HST payable under the *Excise Tax Act* or any QST payable under the ARQST in connection with its Transaction, or as a result of any inaccuracy, misstatement or misrepresentation made by such Landlord Entity on the Closing Date in connection with any matter raised in this Section 6.5 or contained in its Tax Certificate, Undertaking and Indemnity or any failure by such Landlord Entity to comply with the provisions of this Section 6.5 or its Tax Certificate, Undertaking and Indemnity.

- 24 -

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

6.6 Survival of Covenants, Representations and Warranties

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

ARTICLE 7 CLOSING

7.1 Conditions of Closing for the Benefit of the Landlord Entities

The Landlord Entities' 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 Entities and may be waived, in whole or in part, by the Landlord Entities in their sole discretion:

- (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 and the Landlord Entities shall have received a certificate from an officer of the Tenant confirming, to his or her knowledge, without personal liability the truth and correctness of such representations and warranties; and
- (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 Entities at Closing all the Closing Documents contemplated or required to be so executed and delivered in this Agreement.

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 in its sole discretion:

- (a) the representations and warranties of each Landlord Entity 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 and the Tenant shall have received a certificate from an officer of each Landlord Entity confirming, to his or her knowledge, without personal liability the truth and correctness of such representations and warranties; and
- (b) the Landlord Entities shall have paid the Balance in its entirety to the Monitor, in trust, and shall have performed and complied with all of the other terms and conditions in this Agreement on their part to be performed or complied with at or

- 25 -

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 Closing Documents contemplated or required to be so executed and delivered in this Agreement.

7.3 Conditions of Closing for the Mutual Benefit of the Parties

The obligations of each of the Tenant and the Landlord Entities 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:

- (a) the Approval and Vesting Order, substantially in the form attached as Schedule "E" (other than paragraph 9 thereof) 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;
- (b) the Monitor shall have delivered the Monitor's Certificate; and
- (c) no Order shall have been issued which restricts or prevents the completion of the Transaction.

7.4 Closing Documents

On or before Closing, subject to the provisions of this Agreement, the Tenant and the Landlord Entities shall execute or cause to be executed and shall deliver or cause to be delivered into escrow as provided for in Section 7.7 (in a sufficient number of copies or counterparts for each Landlord Entity and the Tenant and, where applicable, in registerable form) the following, which shall be in form and substance reasonably satisfactory to the Landlord Entities and the Tenant and their respective solicitors:

- (a) By the Tenant and the Landlord Entities:
 - (i) if requested by the Landlord Entities, the amendment to the Surrendered Leases and the indemnity relating thereto in accordance with Section 5.4(a), unless they are incorporated in the Lease Amendment and Surrender Agreements;
 - (ii) the Lease Amendment and Surrender Agreements for each of the Surrendered Leases;
 - (iii) a deed of cancellation in registerable form consenting to the cancellation of all registrations made at the land registry office in respect of any Surrendered Lease for Surrendered Premises situated in the Province of Québec, which shall be prepared by the solicitors of the Landlord Entities

- 26 -

at the sole cost and expense of the Landlord Entities and approved by the Tenant's solicitors acting reasonably; 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) all master keys and duplicate keys relating to the Surrendered Premises, if any, all security cards and access cards relating to the Surrendered Premises, if any, and all combinations and passwords to vaults and combination locks and other security features located in the Surrendered Premises, if any, in each case, to the extent in the possession of the Tenant;
 - (iv) the Release of Tenant Claims required pursuant to Section 3.7;
 - (v) if requested by Landlord Entities, duly executed discharges, in registerable form, of each and every notice of Lease or similar notice, memorandum or other deed or document of record or registered against title to any of the properties on which the Surrendered Premises are located, which shall be prepared by the solicitors of the Landlord Entities at the sole cost and expense of the Landlord Entities and approved by the Tenant's solicitors acting reasonably; and
 - (vi) such other documents as the Landlord Entities or the Landlord Entities' solicitors shall reasonably require in good faith in accordance with this Agreement or as may be required under applicable Laws.
- (c) By the Landlord Entities:
- (i) the Balance plus all Taxes required to be collected by the Tenant pursuant to Section 6.5(d), if any;
 - (ii) the final SOA evidencing the adjustments made at Closing;
 - (iii) each Tax Certificate, Undertaking and Indemnity required pursuant to Section 6.5;
 - (iv) the Release of Property Claims required pursuant Section 3.6;
 - (v) a beneficial owner direction given by (i) Ontrea Inc. to CF/Realty Holdings Inc. in respect of Masonville Place and (ii) Chinook (2014) Inc.

- 27 -

to Ontrea Inc. in respect of the Chinook Centre, in each case directing the nominee to execute and deliver the relevant Closing Documents on behalf of such beneficial owner, which direction shall state that the relevant nominee can bind the beneficial owner and that the Tenant shall be entitled to rely on same as confirmation that the beneficial owner has indeed given said direction and is bound by the relevant Closing Documents; and

- (vi) 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 and issuance of the Approval and Vesting Order, the completion of the Transaction (the "**Closing**") shall take place at 10:00 a.m. (Toronto time) at the Toronto office of Osler, Hoskin and Harcourt LLP, on the later of (i) June 1, 2015 or (ii) the date that is three (3) Business Days following the issuance of the Approval and Vesting Order, or at such other place, on such other date and at 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 the Surrendered Premises.
- (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 Entities shall pay or satisfy the Surrender Consideration in accordance with Section 4.1 and the Closing of the Transaction will take effect, pursuant to the Approval and Vesting Order, upon delivery of the Monitor's Certificate. The Closing shall be deemed to be effective as of the date and time set out on 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 this Article 7, the Parties or their respective solicitors shall confirm to the Monitor the satisfaction of all conditions to Closing, whereupon the Monitor shall execute and 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 Escrow 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

- 28 -

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 Entities, 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 the Landlord Entities.
- (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 Entities, 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 Entities 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 Entities, 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 Entities waive 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 Entities 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 Entities or any other Person as a result of filing the Monitor's Certificate. The Monitor shall execute, deliver and file the Monitor's Certificate upon the Approval and Vesting Order having been issued and entered and the Landlord Entities and the Tenant or their respective solicitors confirming to the Monitor that the conditions to Closing have been satisfied or waived.

7.9 Court Matters

- (a) The Tenant shall consult and co-ordinate with the Landlord Entities and their respective legal advisors regarding the parties upon whom the motion seeking the Approval and Vesting Order will be served. In this regard, the Tenant shall provide the Landlord Entities with draft motion materials (including for purpose of clarity any affidavit in support thereof) prior to serving same.
- (b) The Landlord Entities 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 Transaction.
- (c) Notwithstanding anything else contained in this Agreement or elsewhere, the Landlord Entities acknowledge and agree that the Tenant cannot guarantee that it

- 30 -

will obtain the Approval and Vesting Order and the Approval and Vesting Order may or may not be granted by the Court. From the Execution Date until the earlier of the Closing or termination of this Agreement, the Tenant shall not solicit or approach another party or enter into or participate in any negotiations or discussions with another party, or invite another party to submit any offer, regarding any transaction for all or part of the Surrendered Leases.

7.10 Termination

The Transaction under this Agreement may, by notice in writing given at or prior to Closing, be terminated:

- (a) by CFCL on behalf of the Landlord Entities if any of the conditions in Section 7.1 with respect to such Transaction have not been satisfied on or before the time ascribed for the satisfaction of such condition and the Landlord Entities have not waived such condition;
- (b) by the Tenant if any of the conditions in Section 7.2 with respect to such Transaction have not been satisfied on or before the time ascribed for the satisfaction of such condition and the Tenant has not waived such condition; or
- (c) by either the Tenant or CFCL on behalf of the Landlord Entities if:
 - (i) any of the conditions in Section 7.3 with respect to such Transaction have not been satisfied on or before the time ascribed for the satisfaction of such condition and the parties have not waived such condition; or
 - (ii) if the Closing of such Transaction 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 Entities acknowledge 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 Entities 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 Entities in connection herewith to the Court, the Monitor, and parties in interest to the CCAA Proceedings. This Section shall survive and shall 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 a "Lease" include any sublease or agreement to sublease made by or with a Landlord Entity (as sublandlord) pursuant to 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) made by a Landlord Entity 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. For greater certainty, the provisions of this Section 8.2 do not apply to any subleases or sub-subleases or agreements to sublease or sub-sublease made by the Tenant (as sublandlord) in favour of any other Person (as subtenant), all of which shall be terminated by the Tenant on or before Closing in accordance with Section 5.4(b).

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 constitutes the entire agreement between the parties with respect to the Transaction 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 Transaction.

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 any of the Landlord Entities 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 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 Surrendered Leases and the Surrendered Real Property Interests to the Landlord Entities and carry out the terms and conditions of this Agreement in accordance with their true intent. The provisions of this Section 8.7 shall survive and shall not merge on Closing.

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

Notwithstanding anything to the contrary in the Leases, this Agreement and, except as hereinafter provided, all Closing Documents shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. The Lease Amendment and Surrender Agreements shall be governed by the Laws of the applicable Province in which the Surrendered Premises are located and to which such agreements relate. 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 this Agreement or 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 this Agreement or 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

- (a) Notwithstanding anything to the contrary in any Lease, 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 to the address for notice of the relevant party set out in Schedule “M”.
- (b) 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,

- 34 -

or (iii) if transmitted by facsimile with confirmation of transmission by the originating facsimile before 5:00 p.m. (local time in the place of receipt) on a Business Day, on the same Business Day and otherwise on the next Business Day following the date of confirmation of transmission by the originating facsimile, or (iv) if sent by email before 5:00 p.m. (local time in the place of receipt) on a Business Day, on the same Business Day and otherwise on the next Business Day following the date of sending. 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 Entities' solicitors on behalf of the Landlord Entities 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 Entities' solicitors, as the case may be.

8.20 No Registration of Agreement

Each of the Parties hereto 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 Properties and/or any part thereof and the Landlord Entities or the Tenant, as the case may be, shall be deemed to be in material default under this Agreement if either of them makes, or causes or permits, any registration to be made on title to the Properties and/or any part thereof prior to the successful completion of the Transaction contemplated herein on the Closing Date.

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 Entities 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 fees and other costs payable in respect of registration of any documents to be registered by the Landlord Entities at Closing. The Tenant shall be solely responsible for and shall pay all fees, expenses and commissions payable to the Monitor, the

Financial Advisor and/or Northwest Atlantic (Canada) Inc. in respect of the Transaction pursuant to this Agreement. 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 and delivered by the Tenant and the Landlord Entities and after that time shall be binding upon and enure to the benefit of the Parties and their respective successors and permitted assigns.

8.25 Assignability

Except for assignments by any Landlord Entity to its Affiliate, in each case where such Affiliate has executed and delivered a written covenant in favour of the Tenant to assume and be jointly and severally responsible with the Landlord Entities for any and all covenants, obligations and liabilities of the Landlord Entities under this Agreement in respect of such interest assigned, 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. In the event of an assignment by any Landlord Entity, the assignor Landlord Entity shall also execute and deliver the Release of Property Claims.

8.26 Counterparts and Delivery

All Parties agree that this Agreement and any amendments hereto (and any other agreements, Notices, or documents contemplated hereby) may be executed in counterparts 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.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF the Tenant has executed this Lease Surrender Agreement.

TARGET CANADA CO.

By: 

Name: *Mark Wang*

Title: *General Counsel*

By: 

Name: *A. ALT*

Title: *CEO*

IN WITNESS WHEREOF each of the Landlord Entities has executed this Lease Surrender Agreement.

CF/REALTY HOLDINGS INC.

By: *Rene J.*

Name:

Title:

By: *S. Garcia*

Name:

Title:

ONTREA INC.

By: *Rene J.*

Name:

Title:

By: *S. Garcia*

Name:

Title:

MARKET MALL LEASEHOLDS INC.

By: *Rene J.*

Name:

Title:

By: *S. Garcia*

Name:

Title:

**LES PROMENADES ST-BRUNO
LEASEHOLDS INC.**

By: *Renee I*
Name:
Title:

By: *S. L...*
Name:
Title:

**LES GALERIES D'ANJOU
LEASEHOLDS INC.**

By: *Renee I*
Name:
Title:

By: *S. L...*
Name:
Title:

CHINOOK (2014) INC.

By: *Renee I*
Name:
Title:

By: *S. L...*
Name:
Title:

INTERVENTION

TARGET CORPORATION HEREBY INTERVENES to this Agreement for the purpose of acknowledging and agreeing to provide the Release of Tenant Claims in Section 3.7.

TARGET CORPORATION

By: 
Name: Corey L. Haaland
Title: SUP. Fin'l Planning & Analysis

By: _____
Name:
Title:

SCHEDULE "A"
PREMISES & LANDLORD ENTITIES

Store#	Location	Address	Postal Code	City	Prov	Landlord Entity(ies)
3706	Masonville Place	1680 Richmond St. N.	N6G 2N2	London	ON	CF/Realty Holdings Inc. (registered owner/landlord) Ontrea Inc. (beneficial owner/landlord)
3772	Chinook Centre	6455 Macleod Trail SW	T2H 0K8	Calgary	AB	Ontrea, Inc. (registered owner/landlord) Chinook (2014) Inc. (beneficial owner/landlord)
3714	Market Mall	3625 Shaganappi Trail NW	T3A 0E2	Calgary	AB	Market Mall Leaseholds Inc. (registered and beneficial landlord)
3709	Les Promenades Saint-Bruno	1, boul. des Promenades	J3V 5J5	Saint-Bruno-de-Montarville	QC	Les Promenades St-Bruno Leaseholds Inc. (registered and beneficial landlord)
3647	Les Galeries d'Anjou	7999, boul. des-Galeries-d'Anjou, bureau 167	H1M 1W9	Montréal	QC	Les Galeries d'Anjou Leaseholds Inc. (registered and beneficial landlord)

SCHEDULE "B"
LEASE PARTICULARS

T# Store ID	Named Landlord on Lease	List of All Leasing and Related Documents
3706 (Z0423) Masonville Place London Ontario	CF/Realty Holdings Inc.	<p>Lease dated January 17, 2001 between CF/Realty Holdings Inc. as landlord and Zellers Inc. as tenant.</p> <p>Indemnification Agreement dated January 17, 2001 between Ontrea Inc. and Zellers Inc. regarding Lease dated January 17, 2001 between CF/Realty Holdings Inc. as landlord and Zellers Inc. as tenant.</p> <p>Letter to Ontrea Inc. from Zellers Inc., dated May 4, 2001, acknowledging use restrictions.</p> <p>Assignment and Assumption of Lease Agreement made as of May 27, 2011 between Zellers Inc. as assignor and Target Canada Co. as assignee</p> <p>Notice of Assignment of Lease registered May 31, 2011 (LRO#33, ER767018).</p> <p>First Amendment to Lease dated May 27, 2011 between Ontrea Inc. as Landlord and Target Canada Co. as Tenant</p> <p>Notice of Lease Amending Agreement registered June 3, 2011 (LRO#33, ER767936).</p> <p>Limited Guarantee of Lease dated May 27, 2011 made by Target Corporation as guarantor in favour of Ontrea Inc. as landlord.</p> <p>Non-Disturbance Agreement dated May 17, 2011 between Ontrea Inc. as "Head Landlord" and Target Canada Co. as "Tenant".</p> <p>Notice of Exercise of Option to Extend dated June 27, 2013.</p>
3772 (Z0498) Chinook Centre Calgary Alberta	Ontrea Inc. (now Chinook (2014) Inc. as assignee)	<p>Lease dated May 16, 1997 between Ontrea Inc. as landlord and Zellers Inc. as tenant.</p> <p>Lease Amending Agreement dated December 18, 1997 between Ontrea Inc. as landlord and Zellers Inc. as tenant.</p> <p>Landlord Consent dated December 5, 2000 regarding placement of a Ticketmaster operation in the store.</p> <p>Assignment and Assumption of Lease Agreement made as of May 27, 2011 between Zellers Inc. as assignor and Target Canada Co. as assignee.</p> <p>Transfer of Caveat (Instrument # 991 034 162) by Zellers Inc. to Target Canada Co dated May 27, 2011.</p>

T# Store ID	Named Landlord on Lease	List of All Leasing and Related Documents
		<p>Second Amendment to Lease dated May 27, 2011 between Ontrea Inc. as landlord and Target Canada Co. as tenant. Caveat dated June 2, 2011 (Instrument #111139187) regarding Second Amendment of Lease.</p> <p>Limited Guarantee of Lease dated May 27, 2011 made by Target Corporation as guarantor in favour of Ontrea Inc. as landlord.</p> <p>Notice of Exercise of Option to Extend dated April 23, 2012.</p> <p>Assumption Agreement dated October 30, 2014 made by Chinook (2014) Inc. in favour of Target Canada Co. in connection with transfer of the beneficial interest in the property and the Lease from Ontrea Inc. to Chinook (2014) Inc.</p>
3714 (Z0435) Market Mall Calgary Alberta	Market Mall Leaseholds Inc.	<p>Lease dated August 1, 1999 between Market Mall Leaseholds Inc. as landlord, Zellers Inc. as tenant and Cambridge Shopping Centres Limited and The Cadillac Fairview Corporation Limited as co-owners.</p> <p>Letter Agreement dated April 19, 2000 regarding leasable area.</p> <p>Letter Agreement dated October 2, 2002 and accepted October 31, 2002 regarding proposed expansion.</p> <p>Assignment and Assumption of Lease Agreement made as of May 27, 2011 between Zellers Inc. as assignor and Target Canada Co. as assignee.</p> <p>Transfer of Caveat (Instrument # 001 068 195) by Zellers Inc. to Target Canada Co dated May 27, 2011.</p> <p>First Amendment to Sublease dated May 27, 2011 between Market Mall Leaseholds Inc. as sub-landlord and Target Canada Co. as sub-tenant.</p> <p>Caveat dated June 7, 2011 (Instrument #111141266) regarding First Amendment to Sublease.</p> <p>Limited Guarantee of Lease dated May 27, 2011 made by Target Corporation as guarantor in favour of Market Mall Leaseholds Inc. as landlord.</p> <p>Non-Disturbance Agreement dated May 17, 2011 between Ivanhoe Cambridge II Inc., The Cadillac Fairview Corporation Limited and Les Galeries d'Anjou Limitée in favour of Target Canada Co.</p>
3709 (Z0426) Les Promenades	Les Promenades St-Bruno Leaseholds Inc.	<p>Lease dated June 19, 2001 between Les Promenades St-Bruno Leaseholds Inc. as landlord and Zellers Inc. as tenant. Registered Copy of Notice of Lease dated November 22, 2001 (Registration #1120446).</p> <p>Assignment and Assumption of Lease Agreement made as of May 27, 2011 between Zellers Inc. as assignor and Target</p>

T# Store ID	Named Landlord on Lease	List of All Leasing and Related Documents
<p>Saint-Bruno Saint-Bruno-de-Montarville Québec</p>		<p>Canada Co. as assignee. First Amendment to Lease dated May 27, 2011 between Les Promenades St-Bruno Leaseholds Inc. as landlord and Target Canada Co. as tenant. Registered Copy of Notice of Amendment of Lease dated June 2, 2011 (Registration #18188183). Limited Indemnity of Lease dated May 27, 2011 made by Target Corporation in favour of Les Promenades St-Bruno Leaseholds Inc. Non-Disturbance Agreement dated May 17, 2011 between Ontrea Inc. as head landlord and Target Canada Co. as tenant; Notice of Exercise of Option to Extend dated December 4, 2012. Second Amendment to lease dated January 31, 2013 between Target Canada Co. as tenant and Les Promenades St.-Bruno Leaseholds Inc. as landlord. License Agreement dated November 15, 2013 between Target Canada Co. and Les Promenades St-Bruno Leaseholds Inc. regarding access to the premises to operate traffic counters.</p>
<p>3647 (Z0293) Galeries Anjou Ville d'Anjou Québec</p>	<p>Les Galeries d'Anjou Leaseholds Inc.</p>	<p>Lease dated March 27, 2000 between Les Galeries d'Anjou Leaseholds Inc. as landlord, Zellers Inc. as tenant and The Cadillac Fairview Corporation Limited and Cambridge Shopping Centres Limited as owners. Registered Copy of Notice of Lease dated August 12, 2003 (Registration #10644948). Letter from Zellers Inc. dated June 29, 2000 regarding the gross leasable area. Letter from The Cadillac Fairview Corporation Limited dated July 18, 2000 regarding the gross leasable area. Agreement Amending Bay and Zellers Leases dated November 16, 2010 between Les Galeries d'Anjou Leaseholds Inc. as landlord, Hudson's Bay Company and Zellers Inc. both as tenants of their respective premises. Assignment and Assumption of Lease Agreement made as of May 27, 2011 between Zellers Inc. as assignor and Target Canada Co. as assignee. Second Amendment to Lease dated May 27, 2011 between Les Galeries d'Anjou Leaseholds Inc. as landlord and Target Canada Co. as tenant. Registered Copy of Notice of Amendment of Commercial Lease dated June 2, 2011 (Registration #18188567). Limited Indemnity of Lease dated May 27, 2011 made by Target Corporation, as tenant, in favour of Les Galeries</p>

T# Store ID	Named Landlord on Lease	List of All Leasing and Related Documents
		<p>d'Anjou Leaseholds Inc., as landlord.</p> <p>Non-Disturbance Agreement dated May 17, 2011 between The Cadillac Fairview Corporation Limited and Ivanhoe Cambridge I Inc., together as head landlord, and Target Canada Co. as tenant.</p> <p>Agreement regarding Lease and Memorandum of Agreement with City of Montreal dated October 21, 2013 between Target Canada Co. as tenant and Les Galeries d'Anjou Leaseholds Inc. as landlord.</p> <p>License Agreement dated November 15, 2013 between Target Canada Co. and Les Galeries d'Anjou Leaseholds Inc. regarding access to the premises to operate traffic counters.</p> <p>Notice of Exercise of Option to Extend dated February 14, 2014.</p>

SCHEDULE "C"
EXCLUDED ASSETS

1. All intellectual property or proprietary rights, whether registered or not, and any intangible property, owned, used or held by the Tenant.
2. All items, materials and signs bearing the logo, trade-mark, trade-name or business name or other mark or design of the Tenant.
3. All Inventory.
4. Any property belonging to the subtenants, franchisees or licensees of the Tenant or other occupants of the Premises.
5. All insurance policies of the Tenant.
6. Any and all assets not located at a Premises or any asset not used directly and exclusively at the Premises.
7. All rights and interest 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 web sites).

SCHEDULE "D"
ALLOCATION OF SURRENDER CONSIDERATION

Premises/Location	Amount of Consideration	Amount of Deposit	Lease Termination Fee
Chinook Centre	\$14,349,827	\$1,434,982.70	\$472,062
Masonville Place	\$1,635,810	\$163,581.00	\$479,330
Les Promenades Saint-Bruno	\$1,540,549	\$154,054.90	\$384,068
Market Mall	\$9,697,147	\$969,714.70	\$445,304
Les Galeries d'Anjou	\$1,948,667	\$194,866.70	\$792,187
Total	\$29,172,000.00	\$2,917,200.00	\$2,572,951.00

SCHEDULE "E"
FORM OF APPROVAL AND VESTING ORDER

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 transaction (the "**Transaction**") contemplated by a Lease Surrender Agreement among Target Canada Co. ("**TCC**"), as Tenant, and CF/Realty Holdings Inc., Ontrea Inc., Market Mall Leaseholds Inc., Les Promenades St-Bruno Leaseholds Inc., Les Galeries d'Anjou Leaseholds Inc., and Chinook (2014) Inc. (collectively, the "**Landlord Entities**") dated May ____, 2015 (said agreement, as amended, extended, supplemented, restated and/or amended and restated from time to time being collectively, the

- 2 -

“**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 Entities, 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 Entities 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 Surrendered Leases, the Surrendered Real Property Interests and the Surrendered Premises (collectively, the “**Surrendered Assets**”) to the applicable Landlord Entities 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 Surrendered Assets 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 Entities 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 Surrendered Assets and the right, title and interest, if any, of any predecessor in interest of TCC in and to the Surrendered Assets, to the extent same was assigned or otherwise transferred to TCC, shall be surrendered to the applicable Landlord Entities (with the Surrendered 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 Surrendered Assets (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* or the *Alberta 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 Surrendered Assets are hereby expunged and discharged as against the Surrendered Assets and the real or immovable property described in Schedule “C”.

- 4 -

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 Surrendered Assets 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 Surrendered Assets 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 in accordance with the terms of the Lease Surrender Agreement.

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.

9. THIS COURT ORDERS that notwithstanding anything contained in the Lease Surrender Agreement, or the Closing of the Transaction, the Landlord Entities shall be bound by and benefit from the Initial Order until the earlier of (a) six months from the date of this Order, and (b) the duration of the period during which any other owners, operators, managers or landlords of commercial shopping centres or other commercial properties in which there is a store, office or warehouse owned or operated by TCC or Target, is bound by or obtains any benefit from same. Without limiting the generality of the foregoing, during such period, the

Landlord Entities shall benefit from the stay of proceedings provision provided for at paragraph 18 of the Initial Order.

GENERAL PROVISIONS

10. 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 Surrendered Assets to the applicable Landlord Entities and the resiliation of the Surrendered 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 any of the Surrendered 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 any of the Surrendered 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

- 6 -

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 CF/Realty Holdings Inc., Ontrea Inc., Market Mall Leaseholds Inc., Les Promenades St-Bruno Leaseholds Inc., Les Galeries d'Anjou Leaseholds Inc., and Chinook (2014) Inc. (collectively, the "**Landlord Entities**") dated May __, 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.

- 2 -

- B. Pursuant to the Approval Order, the Court approved the Lease Surrender Agreement and provided for the surrender to the Landlord Entities of TCC's right, title and interest in and to the Surrendered Leases, Surrendered Real Property Interests and the Surrendered Premises, which surrender is to be effective with respect to the Surrendered Leases, Surrendered Real Property Interests and the Surrendered Premises upon the delivery by the Monitor to the Landlord Entities 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 Entities 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 Entities 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

By: _____

Name:

Title:

SCHEDULE "C"

No.	Location/Address	City/Province	Land Registry Office	Legal Description	Encumbrances to be Expunged/ Deleted
1.	Masonville Place 1680 Richmond Street North	London, Ontario	Middlesex (No. 33)	PIN 08083-1820 LT Parcel 1-1, Section 33M206 Block "1" Plan 33M206; subject to LT81692 London/London Township PIN 08083-1821 LT Parcel 2-1, Section 33M206 Block "2" Plan 33M206; subject to LT81692 London/London Township PIN 08083-1822 LT Parcel 3-1, Section 33M206 Block "3" Plan 33M206; subject to LT81692 London/London Township PIN 08083-1823 LT Parcel 4-1, Section 33M206 Block "4" Plan 33M206; subject to LT81692 London/London Township PIN 08083-2233 LT Block 1 Plan 33M-103 except Part 1, 33R-14445; subject to LT64230, LT93920; London PIN 08083-2235 LT Block 2 Plan 33M-103 except Part 2, 33R-14445; subject to LT108246, London PIN 08083-0003 LT Part Lot 16, concession 4 as in 670586, 674408, London/London Township [Note: Target Lease is not registered against this PIN]	(a) Notice of Lease registered December 21, 2005 as Instrument ER403900 (b) Notice of Assignment of Lessee's Interest in Lease registered May 31, 2011 as Instrument ER767018 (c) Application (General) re Notice of Amendment of Lease registered June 3, 2011 as Instrument ER767936
2.	Chinook Centre	Calgary, Alberta	Calgary	Title No. 101116164	(a) Caveat re Lease etc.

- 2 -

No.	Location/Address	City/Province	Land Registry Office	Legal Description	Encumbrances to be Expunged/ Deleted
	6455 Macleod Trail SW		Land Title Office	Plan 101 1638 Block 1 Lot 2 Excepting thereout all mines and minerals Area: 21.671 hectares (53.55 acres) more or less	registered May 2, 1999 as Instrument 991 034 162, as updated up Transfer of Caveat registered as Instrument 111 132 663) (b) Caveat re Amending Agreement etc. registered June 6, 2011 as Instrument 111 139 187
3.	Market Mall 3625 Shaganappi Trail NW	Calgary, Alberta	Calgary Land Title Office	Title No. 021 189 736 Plan 0211955 Block 1 Lot 1 Excepting thereout all mines and minerals Area: 22.69 hectares (56.07 acres) more or less	Caveat re Lease etc. registered March 14, 2000 as Instrument 001 068 195, as updated up Transfer of Caveat registered as Instrument 111 132 395) (b) Caveat re Lease Interest registered June 7, 2011 as Instrument 111 141 266 (c) Builder's Lien in favour of Kone Inc. registered February 6, 2015 as Instrument 151 039 519.
4.	Les Promenades Saint-Bruno 1, boul. des Promenades	Saint-Bruno-de-Montarville, Quebec	Land Registry Office for the Registration Division of Chambly	An immovable located in the City of Saint-Bruno-d-Montarville, Province of Quebec, known and described as being composed of Lot 2 110 816 and Lot 2 110 821, Registration Division of Chambly.	(a) Notice for Registration of the Rights Resulting from a Commercial Lease registered November 27, 2001 under number 1 120446 (b) Notice of Amendment to Commercial Lease registered June 3, 2011 under number 18 188 183
5.	Les Galeries d'Anjou 7999, boul. des-Galeries-d'Anjou	Montreal, Quebec	Land Registry Office for the Registration Division of Montreal	An immovable located in the City of Montreal, Province of Quebec, known and described as being composed of Lots 1 006 195 and 1 006 273 of the Cadastre of Quebec, Registration Division of Montreal	(a) Notice for Registration of the Rights Resulting from a Commercial Lease registered August 15, 2003 under number 10 644 948 (b) Notice of Amendment to Commercial Lease registered June 3, 2011 under number 18 188 567

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 Properties (as defined in the Lease Surrender Agreement) or any other Landlord Entity’s interest in the Properties, but excludes any Encumbrances solely encumbering the Tenant’s leasehold interest in and to any Properties situated outside of the Province of Québec on which any Surrendered Premises (as defined in the Lease Surrender Agreement) are located; (b) Encumbrances resulting from any Landlord Entity’s actions or omissions; and (c) the items identified in Schedule “L” of the Lease Surrender Agreement.

SCHEDULE "F"
TAX CERTIFICATE, UNDERTAKING AND INDEMNITY

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

RE: Lease Surrender Agreement dated ■, 2015, made between the Tenant, as Tenant, and ■ (the "**Landlord**"), and others, as Landlord Entities (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 and Real Property Interests (as such terms are defined 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:

- a) the Leases and the Real Property Interests with respect to the Premises at ■ (the "**Surrendered Leases**" and "**Surrendered Real Property Interests**", respectively) 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; [NTD: **modify as necessary where Landlord is a nominee.**]
- b) 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**") [For Premises in Quebec add: **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 number is [numbers are] ■ and such registration[s] is [are] in good standing and has [have] not been varied, cancelled or revoked;
- c) the Landlord shall 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 Surrendered Leases and the Surrendered Real Property Interests, all in accordance with the *Excise Tax Act* [**and the Québec Act respectively**];
- d) except to the extent of the Tenant's failure to remit any taxes collected on closing, if any, to the applicable governmental authority, the Landlord shall 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 Surrendered Leases and the Surrendered Real Property Interests by the Tenant to the Landlord or as a result of any inaccuracy, misstatement or misrepresentation by the Landlord in this Tax Certificate, Undertaking and Indemnity or any failure by the Landlord to comply with the provisions of this Tax Certificate, Undertaking and Indemnity; and
- e) this Tax Certificate, Undertaking and Indemnity shall survive and not merge upon closing of the above-noted transaction.

- 5 -

[Signature pages follow.]

This Tax 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.

[LANDLORD]

By: _____
Name:
Title:

By: _____
Name:
Title:

SCHEDULE "G"
INTENTIONALLY DELETED

SCHEDULE "H"
FORM OF AMENDMENT AND SURRENDER OF LEASE

**[FOR PREMISES IN THE PROVINCE OF QUÉBEC:
LEASE TERMINATION AGREEMENT]**

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

BETWEEN:

TARGET CANADA CO.

(the "**Tenant**")

- and -

■

(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**").
- B. Pursuant to a [NTD: **insert particulars of guarantee/indemnity**], Target Corporation ("**Target**") provided the Landlord with a [NTD: **guarantee/indemnity**] of certain liabilities and obligations of the Tenant under the Lease (the "**Guarantee**").
- 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 and others 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.

- 2 -

- E. The Lease Surrender Agreement was approved by the Court pursuant to an Order dated ■, 2015 (the “**Approval and Vesting Order**”).
- F. 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.
- G. 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

[Note: As contemplated in the Lease Surrender Agreement, the Landlord Entities and Tenant may enter into a separate agreement prior to this Agreement to cancel options to renew/extend]

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 Target nor the Landlord shall have any liabilities or obligations under the Lease and/or Guarantee, financial or otherwise, as of the Termination Date.

[For Premises situated in Quebec:] The Landlord and the Tenant hereby agree that the Lease has expired and is terminated, as of 11:59 p.m. on the date immediately preceding the Effective Date (the “**Termination Date**”) as if it was the last day of the term of the Lease 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 the Termination Date.

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 Lease and the Premises demised by the Lease the Lease and the Real Property Interests relating thereto 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.

[For Premises situated in Québec:] The Tenant hereby surrenders to the Landlord, as of the Termination Date, the Premises on the terms and conditions set out in the Lease Surrender Agreement.

- 3 -

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 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 and delivered 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 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, or in 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.

- 4 -

- (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 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 effect the surrender of 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 and construed 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 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.

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

Notwithstanding anything to the contrary in the Lease, 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 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 OF WHEREOF the Tenant has duly executed this Agreement.

TARGET CANADA CO.

By: _____
Name:
Title:

By: _____
Name:
Title:

IN WITNESS OF WHEREOF the Landlord has duly executed this Agreement.

[■ LANDLORD]

By: _____
Name:
Title:

By: _____
Name:
Title:

SCHEDULE "A" — LEASE PARTICULARS

[NTD: Insert list of lease documents]

SCHEDULE "I"
INTENTIONALLY DELETED

SCHEDULE "J"
INTENTIONALLY DELETED

SCHEDULE "K"
LIST OF ITEMS WHICH SHALL NOT BE REMOVED FROM THE PREMISES

1. Elevators and related systems and equipment.
2. Escalators and related systems and equipment.
3. Any HVAC systems and equipment.
4. Ceiling lights and tiles.
5. Flooring.
6. All washrooms (sinks, toilets, urinals & stall partition) and fixtures.
7. All doors and related hardware – exterior, interior and loading (other than two sets of swingline doors at Les Promenades St. Bruno).
8. All roofing systems.
9. Fire safety systems and equipment (other than removable fire extinguishers).
10. Any mechanical, electrical and plumbing systems and equipment (other than a hot water heater at Masonville Place).
11. All generators, balers and trash compactors (other than the baler at Les Promenades St. Bruno which has been removed and the bin for the compactor at Market Mall which is leased from a third party and to be removed) that are located on the Surrendered Premises as of the Execution Date.
12. Property and assets owned by any of the Landlord Entities or an owner of any Property but excluding items listed on Schedules "C".

SCHEDULE "L"
PERMITTED ENCUMBRANCES

NIL

**SCHEDULE "M"
ADDRESSES FOR NOTICE**

A. For notices 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 6300, P.O. Box 50
Toronto, ON M5X 1B8

Attn: Tracy Sandler
Email: tsandler@osler.com

B. For Notices to the Landlord Entities:

CF/Realty Holdings Inc.
Ontrea Inc.
Market Mall Leaseholds Inc.
Les Promenades St-Bruno Leaseholds Inc.
Les Galeries d'Anjou Leaseholds Inc.
Chinook (2014) Inc.:

5th Floor
20 Queen St. W.
Toronto, ON M5H 3R4

Attn: Russell Goin, Executive Vice President, Investments
Fax: (416) 598-8515
Email: russell.goin@cadillacfairview.com

C. For Notices to the Monitor:

Alvarez & Marsal Canada Inc.
Royal Bank Plaza, South Tower
200 Bay Street, Suite 2900
P.O. Box 22
Toronto, ON M5J 2J1

- 2 -

Attn: Doug McIntosh
Email: dmcintosh@alvarezandmarsal.com

With a copy to:

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

Attn: Jay Carfagnini, Ken Herlin & Melaney Wagner
Email: jcarfagnini@goodmans.ca
kherlin@goodmans.ca
mwagner@goodmans.ca

SCHEDULE "N"
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: CF/REALTY HOLDINGS INC., ONTREA INC., MARKET MALL LEASEHOLDS INC., LES PROMENADES ST-BRUNO LEASEHOLDS INC., LES GALERIES D'ANJOU LEASEHOLDS INC., and CHINOOK (2014) INC. (collectively, the "Landlord Entities", and individually, a "Landlord Entity")

RE: Lease Surrender Agreement between the Tenant and the Landlord Entities dated ■, 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. (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 Entities 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 Entities, and the Landlord Entities agreed to accept a surrender of, all of the Tenant's right, title and interest in and to the Surrendered 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 Entities the Surrendered Leases, on the terms and conditions set out in the Lease Surrender Agreement.
- D. The Lease Surrender Agreement contemplates that each of the Landlord Entities shall execute and deliver a release on the Closing Date to the Tenant and Target pursuant to

- 2 -

which the Landlord Entities will release and forever discharge the Tenant and Target from all claims in respect of each of the Surrendered Leases, the Surrendered Premises, Properties of which any of the Surrendered Premises forms a part and the Guarantees in respect of each of the Surrendered Leases.

- E. The Tenant has surrendered to the Landlord Entities all of its right, title and interest in and to the Surrendered Leases and, accordingly, the Landlord Entities desire to execute and deliver this Release to the Tenant and Target in satisfaction of the foregoing obligation.
- F. Unless otherwise provided for herein, all capitalized terms used in this Release have the meaning ascribed to them 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. Each Landlord Entity, on its own behalf and on behalf of its Affiliates that own or owned a direct or indirect interest in the Properties of which any of the Surrendered Premises form a part 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 Affiliates, 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 Surrendered Leases, Surrendered Premises or the Properties of which the Surrendered Premises form a part or the Guarantees in respect of each of the Surrendered Leases, including, for greater certainty, in respect of obligations to repair any damage to the Surrendered Premises resulting from the removal of any Excluded Assets or to restore the Surrendered Premises and all costs and expenses relating thereto, but excluding: (a) Claims against the Tenant in any way relating to or arising from: (i) the Tenant’s obligations or liabilities under the Lease Surrender Agreement which are expressly stated to survive the Closing; or (ii) any other Closing Documents; and (b) Claims against Zellers Inc., Hudson’s Bay Company and their respective successors and assigns in their capacity as a tenant, subtenant or other occupant of any premises in any Property of which the Surrendered Premises form

- 3 -

a part other than the Surrendered Premises or other than pursuant to the Surrendered Leases. Without limiting the generality of the foregoing, the Releasors shall not have any Claims in the CCAA Proceedings or in any subsequent bankruptcy proceeding under the Bankruptcy and Insolvency Act (Canada) in connection with the Claims.

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:
 - (a) such Releasor shall immediately discontinue such Claim upon receipt of written notice from a Releasee;
 - (b) such Releasor shall be liable for all legal and related costs and expenses incurred by the affected Releasee on a full indemnity basis; and
 - (c) this Release:
 - (i) shall operate conclusively as an estoppel and complete bar to any such Claim; and
 - (ii) may be pleaded as a complete defence and reply in the event of such Claim; and
 - (iii) 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 executed 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 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 by a court of competent jurisdiction 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.

- 4 -

7. This Release shall enure to the benefit of each of the Releasees and their respective heirs, attorneys, guardians, estate trustees, executors, successors, assigns and representatives and be binding upon each of the Releasers and their respective 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.

[Remainder of Page Intentionally Left Blank]

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

CF/REALTY HOLDINGS INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

ONTREA INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

MARKET MALL LEASEHOLDS INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

**LES PROMENADES ST-BRUNO
LEASEHOLDS INC.**

By: _____
Name:
Title:

By: _____
Name:
Title:

**LES GALERIES D'ANJOU
LEASEHOLDS INC.**

By: _____
Name:
Title:

By: _____
Name:
Title:

CHINOOK (2014) INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

**SCHEDULE “O”
RELEASE OF TENANT CLAIMS**

TO: CF/REALTY HOLDINGS INC., ONTREA INC., MARKET MALL LEASEHOLDS INC., LES PROMENADES ST-BRUNO LEASEHOLDS INC., LES GALERIES D’ANJOU LEASEHOLDS INC., AND CHINOOK (2014) INC. (collectively, the “Landlord Entities”, and individually, a “Landlord Entity”)

FROM: TARGET CANADA CO. (the “Tenant”) and TARGET CORPORATION (“Target”)

RE: Lease Surrender Agreement between the Tenant and the Landlord Entities dated ■, 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. (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 Entities 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 Entities, and the Landlord Entities agreed to accept a surrender of, all of the Tenant’s right, title and interest in and to the Surrendered 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 Entities the Surrendered Leases, on the terms and conditions set out in the Lease Surrender Agreement.
- D. The Lease Surrender Agreement contemplates that the Tenant and Target shall execute and deliver a release on the Closing Date to the Landlord Entities pursuant to which the Tenant and Target will release and forever discharge the Landlord Entities from all claims in respect of each of the Surrendered Leases, the Surrendered Premises and the Properties of which any of the Surrendered Premises forms a part.
- E. The Tenant has surrendered to the Landlord Entities all of its right, title and interest in and to the Surrendered Leases and, accordingly, the Tenant and Target desire to execute

- 2 -

and deliver this Release to the Landlord Entities in satisfaction of the foregoing obligation.

- F. Unless otherwise provided for herein, all capitalized terms used in this Release have the meaning ascribed to them 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. Each of the Tenant and Target, on their own behalf and on behalf of their Affiliates 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 Landlord Entities and each of their respective Affiliates, 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, 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 Surrendered Leases, the Surrendered Premises and the Properties of which any of the Surrendered Premises form a part, but excluding Claims in any way relating to or arising from: (a) the Landlord Entities’ obligations or liabilities under the Lease Surrender Agreement which are expressly stated to survive the Closing; or (b) any other Closing Documents.
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:
 - (a) such Releasor shall immediately discontinue such Claim upon receipt of written notice from a Releasee;
 - (b) such Releasor shall be liable for all legal and related costs and expenses incurred by the affected Releasee on a full indemnity basis; and
 - (c) this Release:

- 3 -

- (i) shall operate conclusively as an estoppel and complete bar to any such Claim; and
 - (ii) may be pleaded as a complete defence and reply in the event of such Claim; and
 - (iii) 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 executed 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 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 by a court of competent jurisdiction 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. The Release shall enure to the benefit of each of the Landlord Releasees and their respective heirs, attorneys, guardians, estate trustees, executors, successors, assigns and representatives and be binding upon each of the Releasors and their respective 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.

[Remainder of Page Intentionally Left Blank]

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

TARGET CANADA CO.

By: _____
Name:
Title:

By: _____
Name:
Title:

TARGET CORPORATION

By: _____
Name:
Title:

By: _____
Name:
Title:

SCHEDULE "P"
SOA

SEE ATTACHED

Lease Surrender Agreement:**Statement of Adjustments**

Target Canada Co. as Tenant

and

CF/Realty Holdings Inc., Ontrae Inc., Market Mall Leaseholds Inc., Les Promenades St-Bruno Leaseholds Inc.,

Les Galeries D'Anjou Leaseholds Inc., and Chinook (2014) Inc., collectively, as the Landlord Entities

Closing Date: June 3, 2015

Adjustment Date: May 31, 2015

	<u>Due to Landlord</u>	<u>Due to Tenant</u>
SURRENDER CONSIDERATION		
Deposits	3,917,200.00	29,172,000.00
ADJUSTMENTS		
Rental Arrears:		
Outstanding Accounts Receivable	487,935.81	
Municipal & School Taxes for the period Jan - May 2015	151,479.93	
Adjustment for deemed Taxes Included in Termination Fee:		
HST	55,144.16	
GST	99,696.24	
QST	106,689.19	
	<u>261,529.59</u>	
BALANCE PAYABLE TO TENANT ON CLOSING BEFORE TERMINATION FEE	<u>25,353,854.67</u>	
TOTAL	<u>29,172,000.00</u>	<u>29,172,000.00</u>
AMOUNTS DUE ON CLOSING		
Surrender Consideration	29,172,000.00	
Adjustments:	(900,945.33)	
Surrender consideration net of adjustments	<u>28,271,054.67</u>	
Deposits	<u>(2,917,200.00)</u>	
BALANCE PAYABLE TO TENANT ON CLOSING BEFORE TERMINATION FEE	<u>25,353,854.67</u>	
Termination Fee payable by tenant on closing	<u>(2,572,951.00)</u>	
NET BALANCE DUE TO TENANT ON CLOSING	<u>22,780,903.67</u>	

Les Galeries D'Anjou
 Lease Surrender Agreement
 Statement of Adjustments
 Target Canada Co. as Tenant
 and
 Les Galeries D'Anjou Leasehold's Inc.

Closing Date: June 1, 2015
 Adjustment Date: May 31, 2015

	<u>Due to Landlord</u>	<u>Due to Tenant</u>
SURRENDER CONSIDERATION		1,948,667.00
Deposit	194,866.70	
ADJUSTMENTS		
Rental Arrears		
Outstanding Accounts Receivable	229,399.84	
Municipal & School Taxes for the period Jan - May 2015	22,601.45	
Adjustment for deemed Taxes Included in Termination Fee:		
GST	37,723.19	
QST	71,853.29	
	<u>109,576.48</u>	
BALANCE PAYABLE TO TENANT ON CLOSING BEFORE TERMINATION FEE	1,392,222.53	
TOTAL	<u>1,948,667.00</u>	<u>1,948,667.00</u>
AMOUNTS DUE ON CLOSING:		
Surrender Consideration	1,948,667.00	
Adjustments	(361,577.77)	
Surrender consideration net of adjustments	1,587,089.23	
Deposits	(194,866.70)	
BALANCE PAYABLE TO TENANT ON CLOSING BEFORE TERMINATION FEE	1,392,222.53	
Termination Fee payable by tenant on closing:	(792,187.00)	
NET BALANCE DUE TO TENANT ON CLOSING	<u>600,035.53</u>	

Market Mall
 Lease Surrender Agreement
 Statement of Adjustments
 Target Canada Co. as Tenant
 and
 Market Mall Leaseholds Inc.

Closing Date: June 1, 2015
 Adjustment Date: May 31, 2015

	<u>Due to Landlord</u>	<u>Due to Tenant</u>
SURRENDER CONSIDERATION		9,697,147.00
Deposit	969,714.70	
ADJUSTMENTS		
Rental Arrears		
Outstanding Accounts Receivable	105,934.58	
Municipal & School Taxes for the period Jan - May 2015	67,949.64	
Adjustment for deemed Taxes Included In Termination Fee:		
GST	<u>21,204.95</u>	
	21,204.95	
BALANCE PAYABLE TO TENANT ON CLOSING BEFORE TERMINATION FEE	8,532,349.13	
TOTAL	<u>9,697,147.00</u>	<u>9,697,147.00</u>
AMOUNTS DUE ON CLOSING		
Surrender Consideration	9,697,147.00	
Adjustments	<u>(195,083.17)</u>	
Surrender consideration net of adjustments	9,502,063.83	
Deposits:	<u>(969,714.70)</u>	
BALANCE PAYABLE TO TENANT ON CLOSING BEFORE TERMINATION FEE	8,532,349.13	
Termination Fee payable by tenant on closing:	<u>(445,304.00)</u>	
NET BALANCE DUE TO TENANT ON CLOSING	<u>8,087,045.13</u>	

Chinook Centre
 Lease Surrender Agreement
 Statement of Adjustments
 Target Canada Co. as Tenant
 and
 Chinook (2014) Inc. and Ontree, Inc.

Closing Date: June 1, 2015
 Adjustment Date: May 31, 2015

	Due to Landlord	Due to Tenant
SURRENDER CONSIDERATION		14,349,827.00
Deposit	1,434,982.70	
ADJUSTMENTS		
Rental Arrears		
Outstanding Accounts Receivable	8,834.30	
Municipal & School Taxes for the period Jan - May 2015	72,909.45	
Adjustment for deemed Taxes Included in Termination Fee:		
GST	22,479.14	
	<u>22,479.14</u>	
	22,479.14	
BALANCE PAYABLE TO TENANT ON CLOSING BEFORE TERMINATION FEE:	12,810,621.41	
TOTAL	<u>14,349,827.00</u>	<u>14,349,827.00</u>
AMOUNTS DUE ON CLOSING		
Surrender Consideration	14,349,827.00	
Adjustments	(104,222.89)	
Surrender consideration net of adjustments	<u>14,245,604.11</u>	
Deposits	(1,434,982.70)	
BALANCE PAYABLE TO TENANT ON CLOSING BEFORE TERMINATION FEE	<u>12,810,621.41</u>	
Termination Fee payable by tenant on closing	(472,062.00)	
NET BALANCE DUE TO TENANT ON CLOSING	<u>12,338,559.40</u>	

Les Promenades St-Bruno
 Lease Surrender Agreement
 Statement of Adjustments
 Target Canada Co. as Tenant
 and
 Les Promenades St-Bruno Leaseholds Inc.

Closing Date: June 1, 2015
 Adjustment Date: May 31, 2015

	<u>Due to Landlord</u>	<u>Due to Tenant</u>
SURRENDER CONSIDERATION		1,540,549.00
Deposit	154,054.90	
ADJUSTMENTS		
Rental Arrears		
Outstanding Accounts Receivable	60,470.73	
Municipal & School Taxes for the period Jan - May 2015	(19,200.48)	
Adjustment for deemed Taxes Included in Termination Fee:		
GST	18,288.95	
QST	<u>34,835.90</u>	
	53,124.85	
BALANCE PAYABLE TO TENANT ON CLOSING BEFORE TERMINATION FEE:	1,292,099.00	
TOTAL	<u>1,540,549.00</u>	<u>1,540,549.00</u>
AMOUNTS DUE ON CLOSING		
Surrender Consideration	1,540,549.00	
Adjustments	(94,395.10)	
Surrender consideration net of adjustments	<u>1,446,153.90</u>	
Deposits	<u>(154,054.90)</u>	
BALANCE PAYABLE TO TENANT ON CLOSING BEFORE TERMINATION FEE	1,292,099.00	
Termination Fee payable by tenant on closing	<u>(384,068.00)</u>	
NET BALANCE DUE TO TENANT ON CLOSING	<u>908,031.00</u>	

Masonville Place
Lease Surrender Agreement
Statement of Adjustments
Target Canada Co. as Tenant
and
CF/Realty Holdings Inc. and Ontrea Inc.

Closing Date: June 1, 2015
 Adjustment Date: May 31, 2015

	<u>Due to Landlord</u>	<u>Due to Tenant</u>
SURRENDER CONSIDERATION		1,635,810.00
Deposit	163,581.00	
ADJUSTMENTS		
Rental Arrears		
Outstanding Accounts Receivable	83,296.36	
Municipal & School Taxes for the period Jan - May 2015	7,225.87	
Adjustment for deemed Taxes Included in Termination Fee:		
HST	<u>55,144.16</u>	
	55,144.16	
BALANCE PAYABLE TO TENANT ON CLOSING BEFORE TERMINATION FEE	1,326,562.61	
TOTAL	<u>1,635,810.00</u>	<u>1,635,810.00</u>
AMOUNTS DUE ON CLOSING		
Surrender Consideration	1,635,810.00	
Adjustments	<u>(145,666.39)</u>	
Surrender consideration net of adjustments	1,490,143.61	
Deposits	<u>(163,581.00)</u>	
BALANCE PAYABLE TO TENANT ON CLOSING BEFORE TERMINATION FEE	1,326,562.61	
Termination Fee payable by tenant on closing	<u>(479,330.00)</u>	
NET BALANCE DUE TO TENANT ON CLOSING	<u>847,232.61</u>	