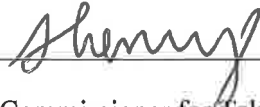


TAB B

THIS IS EXHIBIT "B" TO THE
AFFIDAVIT OF MARK J. WONG

SWORN MAY 8, 2015



Commissioner for Taking Affidavits

Stephanie Henry

**Stephanie Jasodra Henry,
a Commissioner, etc., Province of
Ontario, while a Student-at-Law.
Expires March 22, 2016.**

EXECUTION VERSION

TARGET CANADA CO.
as the Assignor

- and -

LOWE'S COMPANIES CANADA, ULC
as the Assignee

LEASE TRANSFER AGREEMENT
MAY 6, 2015

OSLER, HOSKIN & HARCOURT LLP

TABLE OF CONTENTS

	Page
ARTICLE 1 DEFINITIONS	2
1.1 Definitions	2
ARTICLE 2 SALE TRANSACTION	7
2.1 Offer and Acceptance	7
2.2 As Is, Where Is.....	8
ARTICLE 3 PURCHASE PRICE	10
3.1 Purchase Price	10
3.2 Deposit.....	11
3.3 Purchase Price Allocation	12
3.4 Assumed Liabilities	13
3.5 Letters of Credit and Deposits	13
3.6 Trade-Marks.....	13
ARTICLE 4 ADJUSTMENTS	14
4.1 Statement of Adjustments and Absence of Post-Closing Adjustments	14
4.2 Items of Adjustments Under the Leases	14
4.3 Realty Tax Appeals.....	15
4.4 Utilities.....	15
ARTICLE 5 INTERIM PERIOD & LEASE MATTERS	16
5.1 Interim Period	16
5.2 Landlord Estoppel Certificate	17
5.3 Landlord Consents and Lease Amendments.....	17
5.4 Access	20
5.5 Authorization of Inquiries with Governmental Authorities and Consultants	20
5.6 Contracts	21
ARTICLE 6 REPRESENTATIONS, WARRANTIES & COVENANTS	21
6.1 Assignor's Representations and Warranties	21
6.2 Assignee's Representations and Warranties	21
6.3 Assignee's Covenants	22
6.4 Assignor's Covenants	23
6.5 Tax Matters	23
6.6 Survival of Covenants.....	25
ARTICLE 7 CLOSING	25

TABLE OF CONTENTS
(continued)

	Page
7.1 Conditions of Closing for the Benefit of the Assignee	25
7.2 Conditions of Closing for the Benefit of the Assignor	25
7.3 Conditions of Closing for the Mutual Benefit of the Parties	26
7.4 Closing Documents	26
7.5 Closing Date	27
7.6 Confirmation of Satisfaction of Conditions	28
7.7 Closing	28
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 Interests	31
8.3 Time of the Essence	31
8.4 Entire Agreement	31
8.5 Waiver	31
8.6 Further Assurances	32
8.7 Severability	32
8.8 Governing Law	32
8.9 English Language	32
8.10 Statute References	32
8.11 Headings	32
8.12 References	32
8.13 Number and Gender	33
8.14 Business Days	33
8.15 Currency and Payment Obligations	33
8.16 Notice	33
8.17 Subdivision Control Legislation	35
8.18 Solicitors as Agent and Tender	35
8.19 No Registration of Agreement	35
8.20 Third Party Costs	36
8.21 Interpretation	36
8.22 No Third Party Beneficiaries	36
8.23 Enurement	36
8.24 Amendments	37
8.25 Counterparts and Delivery	37
SCHEDULE "A" PREMISES	1
SCHEDULE "B" LEASE PARTICULARS	1
SCHEDULE "C" EXCLUDED ASSETS	1
SCHEDULE "D" PURCHASE PRICE ALLOCATION	1

TABLE OF CONTENTS
(continued)

	Page
SCHEDULE "E" <i>ONTARIO SUPERIOR COURT OF JUSTICE COMMERCIAL LIST</i>	1
SCHEDULE "F" ASSIGNEE'S GST/HST CERTIFICATE, UNDERTAKING AND INDEMNITY	1
SCHEDULE "G" INTENTIONALLY DELETED	1
SCHEDULE "H" FORM OF ASSIGNMENT AND ASSUMPTION OF LEASE	1
SCHEDULE "I" FORM OF ASSIGNMENT AND ASSUMPTION OF REALTY TAX APPEALS	1
SCHEDULE "J" INTENTIONALLY DELETED	1
SCHEDULE "K" PERMITTED ENCUMBRANCES	- 1 -
SCHEDULE "L" THIRD PARTY WAIVERS	- 1 -

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

BETWEEN:

TARGET CANADA CO. (the “Assignor”)

OF THE FIRST PART,

- and -

LOWE’S COMPANIES CANADA, ULC (the “Assignee”)

OF THE SECOND PART.

RECITALS:

- A. The Assignor operates or operated a chain of retail department stores throughout Canada under the “Target” banner.
- B. The Assignor and certain of its affiliates applied for and together with the limited partnerships listed on Schedule “A” to the Initial Order (collectively, for the purposes of this Agreement described as 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 Assignor, 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 Assignor’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 Assignee submitted a Qualified LOI for the purchase of certain leases and related interests and/or assets with respect to certain leased premises the Assignor uses or used in its operations, and has been invited to submit a Qualified Bid in accordance with the Sale Procedures.
- E. The Assignee hereby offers to acquire from the Assignor, the Assignor’s right, title and interest in and to the Subject Assets including an assignment and an assumption of the Leases 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 releasing the Monitor’s Certificate, all as more particularly described herein.

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

- 2 -

ARTICLE 1 DEFINITIONS

1.1 Definitions

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

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

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

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

“**Agreement**” means this agreement constituted by the Assignor’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 transactions contemplated by this Agreement, and conveying to the Assignee all of the Assignor’s right, title and interest in and to the Subject Assets free and clear of all Encumbrances other than the Permitted Encumbrances, which order shall be substantially in the form of Schedule “E”.

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

“**Assignment and Assumption of Assumed Liabilities**” means an assignment by the Assignor and an assumption by the Assignee of the Assignor’s right, title and interest and all liability, covenants and obligations in, to and under any Assumed Liabilities.

“**Assignment and Assumption of Lease**” means, with respect to each Lease, an assignment by the Assignor and an assumption by the Assignee of the Assignor’s right, title and interest and all liability, covenants and obligations relating to the period from and after the Closing Date, as tenant in such Lease. The agreement evidencing same shall include an indemnity given by the Assignee in favour of the Assignor from and against any Claims arising during and relating to the period from and after the Closing Date pursuant to or in connection with the Lease and/or the Property and shall be in substantially the form attached as Schedule “H”.

“**Assignment and Assumption of Realty Tax Appeals**” means an assignment by the Assignor and an assumption by the Assignee of the Assignor’s right, title and interest and all liability, covenants and obligations, in respect of the Realty Tax Appeals to be delivered on Closing. The agreement evidencing same shall be in substantially the form attached as Schedule “I”.

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

- 3 -

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

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

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

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

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

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

“**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.

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

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

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

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

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

“**Competition Act Approval**” means:

- (a) the Commissioner of Competition (the “**Commissioner**”) appointed under the *Competition Act* (Canada), as amended, restated, supplemented or substituted from time to time (collectively, the “**Competition Act**”), shall have issued an advance ruling certificate under section 102 of the *Competition Act* (the “**ARC**”); or
- (b) both of (A) the waiting period under Section 123 of the *Competition Act* shall have expired or been terminated or the obligation to provide a pre-merger notification in accordance with Part IX of the *Competition Act* shall have been waived in accordance with paragraph 113(c) of the *Competition Act*, and (B) the

- 4 -

Assignee shall have been advised in writing by the Commissioner that the Commissioner does not, at this time, intend to make an application under Section 92 of the *Competition Act* in respect of the Transaction, and any terms and conditions attached to such advice shall be acceptable to the Assignee.

“Confidentiality Agreement” means the confidentiality and non-disclosure agreement between the Assignee and the Assignor dated February 15, 2015 with respect to confidentiality, access and other matters in connection with the Transaction, as amended or supplemented in writing from time to time.

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

“Court” has the meaning ascribed thereto in Recital B.

“Cure Costs” means the amount, if any, that must be paid by the Assignor to a Landlord in respect of a Lease in order for the Assignor, subject to the terms of the Initial Order, not to be in default of the financial terms of such Lease.

“Data Site” means the electronic data site maintained by the Financial Advisor with respect to information and material regarding the Subject Assets.

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

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

“Excess Deposit” has the meaning ascribed thereto in Section 3.2(b).

“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 execution of this Agreement by both parties.

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

“FF&E” includes all tools, signs, furniture, machinery, equipment, furnishings and fixtures including video cameras and equipment, security systems, mechanical systems,

telecommunications systems and related appurtenances, plumbing systems and related appurtenances, electrical systems and electric light fixtures, elevating devices and equipment, fire protection systems including alarms and sprinklers, all generators, balers and compactors, and Trade Fixtures located at or otherwise relating to or used in connection with the operation of the Premises and owned, leased or licensed by the Assignor, in each case, to the extent located on the Premises on the Execution Date, but does not include the Excluded Assets.

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

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

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

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

“Landlords” means, collectively, the landlords under the Leases. Each of the Landlords is a **“Landlord”**.

“Landlord Consents” has the meaning ascribed thereto in Section 5.3(a).

“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 Assignor and listed in Schedule “B”. For greater certainty, any guarantee or indemnity by an affiliate of the Assignor in respect of the Assignor’s obligations under the Leases does not form part of the Leases. If the Premises comprise more than one leased location, the Leases related to any one leased location are referred to as a **“Lease”**.

“Lease Amendments” has the meaning ascribed thereto in Section 5.3.

“Letters of Credit” means letters of credit, letters of guarantee, deposits and/or security deposits provided by or on behalf of the Assignor to any Governmental Authority in respect of any of the Subject Assets.

- 6 -

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

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

“**Non-Disturbance Agreement**” has the meaning ascribed thereto in Section 5.3(f).

“**Notice**” has the meaning ascribed thereto in Section 8.16.

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

“**Offer**” has the meaning ascribed thereto in Recital 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 other ownership interest in the Property or any other Landlord’s interest in the Property, but excludes any Encumbrances solely encumbering the Assignor’s leasehold interest in and to any Property situated outside of the Province of Quebec on which the Premises are located; (b) Encumbrances resulting from the Assignee’s actions or omissions; and (c) the items identified in Schedule “K” hereto.

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

“**Plans**” means, in each case to the extent posted on the Data Site on the Execution Date, all documentation relevant to the construction, renovation or alteration of the Premises including, working drawings, detail drawings, shop drawings, approved municipal plans, structural, mechanical, electrical and engineering plans, site plans, other documentation prepared to illustrate or define a particular aspect of the Premises, consultants’ contracts, construction contracts, and plans submitted with all building permits issued for the Premises, as well as all reports and/or assessments relating to the Premises.

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

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

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

- 7 -

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

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

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

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

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

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

“**Subject Assets**” means all of the right, title and interest of the Assignor, if any, in and to: (a) the Leases; (b) the Realty Tax Appeals; (c) the Plans; and (d) the FF&E and Trade Fixtures, but excludes the Assignor’s right, title and interest in and to each of the Excluded Assets and any and all other assets of the Assignor relating to the Premises not included in the foregoing.

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

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

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

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

“**Third Party Waivers**” has the meaning ascribed thereto in Section 5.3(a)(iii).

“**Trade Fixtures**” means the fixtures, equipment and other improvements used in connection with the operation of the Subject Assets and which are owned by the Assignor, in each case, to the extent located on the Premises on the Execution Date, but does not include the Excluded Assets.

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

ARTICLE 2 SALE TRANSACTION

2.1 Offer and Acceptance

- (a) Subject to the Initial Order and the Sale Procedures, the Assignor hereby agrees to sell, assign and transfer to the Assignee, and the Assignee hereby agrees to purchase and assume from the Assignor, the Subject Assets on the Closing Date in accordance with the terms and conditions of this Agreement.

- 8 -

- (b) The Offer shall be irrevocable by the Assignee until the earlier of: (i) the approval by the Court of a Successful Bid; and (ii) 28 days following the Qualified Bid Deadline, provided that if the Assignee is selected as the Successful Bidder, this Offer will remain irrevocable until the closing of the Transaction.
- (c) By submitting this Offer, the Assignee has irrevocably committed and agreed to serve as the Backup Bidder in accordance with the Sale Procedures.
- (d) Upon acceptance of this Offer by the Assignor, this Offer shall constitute a binding agreement to acquire the Subject Assets, on the terms of this Agreement and the Assignor agrees this Agreement will not be subject to the Auctions; provided that the Assignee acknowledges and agrees that the Assignor may enter into back-up bid(s) with respect to one or more of the Leases in accordance with the timeline contemplated by the Real Property Portfolio Sales Process.

2.2 As Is, Where Is

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

- (a) the Assignee is purchasing the Subject Assets (including the state of title thereto and/or the state of any Permitted Encumbrances) and accepting and assuming the Subject Assets on an "as is, where is" basis, without any written or oral statements, representations, warranties, promises or guaranties of any nature or kind whatsoever, either legal or conventional, express or implied (by operation of law or otherwise), as to the condition of any of the Subject Assets, the Leases and the status of any of the Leases, Permitted Encumbrances, the rentable area of the Premises, the existence of any default on the part of the Assignor or Landlords, the physical, environmental or other condition of, in, on, under or in the vicinity of any of the Premises, the use permitted at any of the Premises, the existence of any Encumbrance and/or Off-Title Compliance Matters affecting the Subject Assets, the Premises or the Assignor's leasehold interest therein, where applicable, the Assumed Liabilities, or any other aspects of any of the Subject Assets and the Permitted Encumbrances, the structural integrity or any other aspect of the physical condition of the Premises, the conformity of the Premises to past, current or future applicable zoning or building code requirements or other applicable Laws, the existence of soil instability, past soil repairs, soil additions or conditions of soil fill or any other matter affecting the stability or integrity of the Premises, the sufficiency of any drainage, the availability of public utilities, access, parking and/or services for the Premises, the fitness or suitability of the Premises for occupancy or any intended use (including matters relating to health and safety), the potential for further development of the Premises, the existence of land use, zoning or building entitlements affecting the Premises, the presence, release or use of wastes of any nature, hazardous materials, pollutants, contaminants or other regulated substances in, under, on or about the Premises or any neighbouring lands; and without limiting the foregoing, any and all conditions or warranties expressed or implied pursuant to the *Sale of Goods Act (Ontario)* will not apply and are hereby waived by the Assignee and the Parties agree to

- 9 -

exclude the effect of the legal warranty provided for by Article 1716 of the Civil Code of *Québec* and that the Assignee is purchasing the Subject Assets at its own risk within the meaning of Article 1733 of the Civil Code of *Québec*;

- (b) any disclosure in respect of any of the Subject Assets was made available to the Assignee solely as a courtesy but the Assignee is not entitled to rely on such disclosure, and it is expressly acknowledged by the Assignee that no written or oral statement, representation, warranty, promise or guarantee of any nature or kind whatsoever, either legal or conventional, express or implied (by operation of law or otherwise), is made by the Assignor and/or the Monitor and/or their respective legal counsel, the Financial Advisor or other advisors or representatives as to the accuracy, currency or completeness of any such disclosure, and each of them expressly disclaims any and all liabilities with respect to such disclosure and any and all errors therein or omissions therefrom;
- (c) the Assignee hereby unconditionally and irrevocably waives any and all actual or potential rights or Claims the Assignee might have against the Assignor pursuant to any warranty, legal or conventional, express or implied, of any kind or type relating to the Subject Assets or any other assets or any other aspect of the Transaction. Such waiver is absolute, unlimited and includes, but is not limited to, waiver of express warranties, implied warranties, any warranties at law and/or in equity, warranties of fitness for a particular use, warranties of merchantability, warranties of occupancy, strict liability and Claims of every kind and type, including, but not limited to, Claims regarding defects, whether or not discoverable, product liability Claims, or similar Claims, and to all other extent or later created or conceived of strict liability or strict liability type Claims and rights;
- (d) the Assignee has received a copy of the Leases and is familiar with the terms, agreements, covenants, obligations and conditions therein. The Assignee shall be solely responsible for negotiating with and attempting to obtain the agreement of any Landlord to amend a Lease as may be required by the Assignee to allow the Assignee to use the respective Premises for its purposes. For greater certainty, such amendments shall be a condition in favor of the Assignee as set out in Section 7.1;
- (e) the Assignor shall not be responsible for making any repairs, replacements, renovations, alterations, improvements or upgrades in or to the Premises or any part thereof, and it shall be the sole responsibility of the Assignee to make, at the Assignee's sole cost, any repairs, replacements, renovations, alterations, improvements and upgrades in or to the Premises in accordance with the Leases or the Lease Amendments as may be required by the Assignee to make the Premises suitable for its purposes;
- (f) the Assignor shall deliver the Premises on the Closing Date in clean and broom-swept condition;
- (g) except as otherwise required by the terms of the Leases or the Lease Amendments, there is no rent free period or fixturing period under the Leases. In

- 10 -

no event will the Assignor have any responsibility to pay any form of tenant inducement, tenant allowance, or other lease-takeover payment to the Assignee or the Landlords in connection with this Transaction;

- (h) during the Interim Period, the Assignor shall be entitled to, but is not obligated to, remove any and all Excluded Assets from all or any of the Premises. The Assignor will deliver possession of the Trade Fixtures and FF&E (other than those included in the Excluded Assets) as same may be found in the Premises on the Closing Date without a bill of sale, representation, warranty or other title documentation and shall make no adjustment to the Purchase Price with respect thereto; and
- (i) the Subject Assets 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 the Subject Assets, 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 Assignor shall not be responsible for rectification of any matters disclosed by any Governmental Authority or quasi-governmental authority having jurisdiction.

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

ARTICLE 3 PURCHASE PRICE

3.1 Purchase Price

The Purchase Price for the Subject Assets shall be TWENTY-SIX MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS (\$26,250,000.00) (the “**Purchase Price**”) exclusive of all Taxes. Subject only to adjustment in accordance with this Agreement, the Purchase Price shall be paid to the Assignor as follows:

- (a) as to the sum of TWO MILLION SIX HUNDRED TWENTY-FIVE THOUSAND DOLLARS (\$2,625,000.00) (the “**Deposit**”), by wire transfer of immediately available funds from any of the five largest (by asset size) Canadian Schedule I chartered banks pursuant to the Large Value Transfer System as administered by the Canadian Payments Association payable to or to the order of the Monitor, in trust, or as it may otherwise direct in writing, on or prior to 3:00 p.m. (Toronto time) on the Business Day following the Execution Date, to be held in trust as a deposit and invested in accordance with the provisions of Section 3.2 below pending the completion or other termination of this Agreement; and
- (b) as to the balance of the Purchase Price (the “**Balance**”), subject only to the adjustments made in accordance with this Agreement, by wire transfer of immediately available funds from any of the five largest (by asset size) Schedule I

- 11 -

Canadian chartered banks pursuant to the Large Value Transfer System as administered by the Canadian Payments Association payable to the Monitor or as it may direct on the Closing Date.

3.2 Deposit

- (a) Following receipt, the Deposit shall be invested by the Monitor, in trust, in an interest bearing account or term deposit or guaranteed investment certificate with or issued by one of the five (5) largest (by asset size) Canadian Schedule I Canadian chartered banks pending completion of the Transaction or earlier termination or non-completion of this Agreement. In holding and dealing with the Deposit and any interest earned thereon pursuant to this Agreement, the Monitor is not bound in any way by any agreement other than this Section 3.2, and the Monitor shall not and shall not be considered to assume any duty, liability or responsibility other than to hold the Deposit, and any interest earned thereon, in accordance with the provisions of this Section 3.2, and to pay the Deposit, and any interest earned thereon, to the Person becoming entitled thereto in accordance with the terms of this Agreement, except in the event of a dispute between the Parties as to 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. For greater certainty, the Monitor is irrevocably and unconditionally directed by each of the parties hereto to release the Deposit and the Excess Deposit in accordance with the terms of this Agreement, including, without limitation, in accordance with Section 5.3.
- (b) If the Transaction is completed, the Deposit shall be paid to the Assignor forthwith on Closing and applied to the Purchase Price. Interest on the Deposit shall accrue from the date of deposit with the Monitor until the Closing or other termination or non-completion of this Agreement. If the Transaction is successfully, completed, all interest earned on the Deposit until Closing shall be paid to the Assignee within five (5) Business Days of Closing. The Assignor hereby acknowledges and agrees that the Assignee has paid, and the Assignor has received, an additional Two Hundred and Fifty Thousand Dollars (\$250,000.00) (the "**Excess Deposit**") and that such additional amount shall be applied on Closing in satisfaction of the Purchase Price, or otherwise returned to the Assignee, in each case in accordance with the terms of this Agreement, including, without limitation, in accordance with Section 5.3.
- (c) If the Transaction is terminated or not completed solely by reason of a breach by the Assignee of its representations, warranties or covenants or other default of the Assignee under this Agreement, the full amount of the Deposit together with all accrued interest earned thereon, if any, shall be become the absolute property of,

- 12 -

and may be retained by, the Assignor as liquidated damages (and not as a penalty), and as the Assignor's sole right and remedy pursuant to this Agreement or at law as a result of the Assignee's default to compensate the Assignor for the expenses incurred and the delay caused and opportunities foregone as a result of the failure of the Transaction to close, and the Excess Deposit shall be forthwith returned by the Monitor to the Assignee. Upon the Deposit being released to the Assignor and the Excess Deposit to the Assignee, the Assignee and the other parties hereto shall be automatically released of any and all liability pursuant to this Agreement. If the Transaction is terminated or not completed due to the willful misconduct of the Assignor, then the Deposit and the Excess Deposit, together with all interest accrued thereon, if any, shall thereupon be forthwith returned to the Assignee.

- (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 Assignor and the Assignee (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 Assignor and the Assignee acknowledges and agrees that: (i) the Monitor's obligations hereunder are and shall remain limited to those specifically set out in this Section 3.2; and (ii) Alvarez & Marsal Canada Inc. is acting solely in its capacity as the Court-appointed Monitor of the Assignor in the CCAA Proceedings and not in its personal or corporate capacity, and the Monitor has no liability in connection with this Agreement whatsoever, in its personal or corporate capacity or otherwise, save and except for and only to the extent of the Monitor's wilful misconduct.
- (g) The Parties acknowledge that the Monitor may rely upon the provisions of this Section 3.2 notwithstanding that the Monitor is not a party to this Agreement. The provisions of this Section 3.2 shall survive the termination or non-completion of the Transaction.

3.3 Purchase Price Allocation

- (a) The Assignor and the Assignee agree that the Purchase Price is allocated among the Leases as set out on Schedule "D" and the Assignor and the Assignee shall

- 13 -

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 Assignor and the Assignee, each acting reasonably, shall agree as to the allocation of the Purchase Price as between the Subject Assets. The Assignor and the Assignee 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.
- (c) This Section 3.3 shall survive Closing.

3.4 Assumed Liabilities

- (a) The Assignee covenants with the Assignor that it shall, as and from the Closing Date, assume, discharge, perform and fulfill all the obligations and liabilities on the part of the Assignor with respect to the Leases in respect of the period on or after the Closing Date, but excluding any default as a consequence of the closing of the Transaction (collectively, the “**Assumed Liabilities**”). For clarity, the Assumed Liabilities shall not include, and the Assignee shall not assume and shall have no liability or responsibility whatsoever for, any liabilities or obligations of the Assignor in respect of or otherwise arising, incurred, accrued or relating to the period prior to the Closing Date.
- (b) Without limiting the foregoing, the Assignee shall execute and deliver to the Assignor on the Closing Date: (i) an Assignment and Assumption of Lease for each Lease; (ii) an Assignment and Assumption of Realty Tax Appeals; and (iii) such reasonable information, deliveries, documentation and assurances that other parties to the Leases or a Permitted Encumbrance may reasonably require from time to time.

3.5 Letters of Credit and Deposits

On the Closing Date, the Assignee shall issue replacement letters of credit and/or security deposits for the Letters of Credit and shall use its reasonable commercial efforts to cause the Letters of Credit to be released and returned to the Assignee without any further drawings thereunder.

3.6 Trade-Marks

Notwithstanding the foregoing or anything else contained herein or elsewhere, the Assignee acknowledges and agrees that: (a) no signs, trade-marks, trade-names, logos, commercial symbols, business names or other intellectual property rights identifying “Target” or “Target Canada” are conveyed or intended to be conveyed to the Assignee as part of the Subject Assets; and (b) all right, title and interest of the Assignor 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

- 14 -

reserved and excluded from the Subject Assets. This Section shall survive and not merge on Closing.

ARTICLE 4 ADJUSTMENTS

4.1 Statement of Adjustments and Absence of Post-Closing Adjustments

The Assignor shall prepare a statement of adjustments and deliver same with supporting documentation to the Assignee no later than five (5) Business Days prior to the Closing Date. If the amount of any adjustments required to be made pursuant to this Agreement cannot be reasonably determined as of the Closing Date, an estimate shall be made by the Parties as of the Closing Date based upon the best information available to the Parties at such time, each Party acting reasonably and such estimate shall serve as a final determination. There shall be no further adjustments or readjustments after Closing of any amounts adjusted or intended to be adjusted on the statement of adjustments pursuant to this Agreement and the amounts set out on the statement of adjustments shall be final.

4.2 Items of Adjustments Under the Leases

- (a) The Assignor and the Assignee shall adjust as between themselves the rent (including basic or minimum rent and additional rent) and other amounts payable under each of the Leases which have been paid or pre-paid to the Landlords, or which are due and owing but which have not been paid by the Assignor, in respect of each of the Leases for any period prior to the Closing Date as well as the month in which the Closing Date occurs, with the Closing Date itself to be allocated to the Assignee, provided that there shall not be any adjustments on account of reconciliations of additional rent. For clarity, the foregoing adjustments shall be the sole adjustments under and in respect of the Leases.
- (b) From and after the Closing Date, any and all required adjustments to rent (including basic or minimum rent and additional rent) and/or other amounts payable on the part of the tenant to be paid from time to time under the Leases, pursuant to any invoice or statement issued and relating to the period on or after the Closing Date, shall be the sole responsibility of the Assignee, and there shall be no adjustments between the Assignor and the Assignee of any amount paid to any Landlord by the Assignee pursuant to any such invoice or statement issued on or after the Closing Date.
- (c) The Assignee shall be responsible for and pay all applicable Taxes payable in connection with the transfer of any of the Subject Assets by the Assignor to the Assignee.
- (d) The Assignor shall be solely responsible for and pay all Cure Costs, if any, payable in connection with the assignment of the Leases to the Assignee.

4.3 Realty Tax Appeals

- (a) The Assignor and the Assignee acknowledge that with respect to the Premises the Assignor may have instituted certain appeals and/or claims in respect of realty taxes or assessments for certain periods prior to the Closing Date and possibly including the tax year in which the Closing Date occurs (all such appeals and any associated reassessments are hereinafter collectively referred to as the “**Realty Tax Appeals**”).
- (b) On Closing, the Assignor shall assign to the Assignee all of its right, title and interest, if any, in and to such Realty Tax Appeals and in and to any credit, refund and/or rebate which may arise from any of the Realty Tax Appeals for any period that is prior to the Closing Date (collectively, the “**Realty Tax Refunds**”).
- (c) From and after the Closing Date, the Assignee may, at its sole cost and expense but without any obligation to do so, assume or retain the carriage of the Realty Tax Appeals and continue as the appellant in the Realty Tax Appeals. The Assignor agrees to co-operate with the Assignee with respect to the Realty Tax Appeals and to provide the Assignee with access to any reasonably necessary documents or materials required to continue any Realty Tax Appeals. If the Realty Tax Appeals may only be prosecuted in the name of the Assignor, the Assignor shall cooperate with the Assignee, including granting such authorizations as may be reasonably required, to enable the Assignee to pursue and prosecute such Realty Tax Appeals, at the Assignee’s sole cost and expense.

This Section 4.3 shall survive and not merge on Closing.

4.4 Utilities

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

ARTICLE 5
INTERIM PERIOD & LEASE MATTERS

5.1 Interim Period

- (a) During the Interim Period, the Assignor shall comply with each and every term and condition of the Leases as currently applicable in the CCAA Proceedings, subject only to the provisions of the Initial Order, the Agency Agreement Order, the Sale Procedures and the provisions of this Section.
- (b) Neither the Assignor nor any other Person shall remove the FF&E or Trade Fixtures during the Interim Period, provided that the Assignor shall not be obligated to remove any Excluded Assets or item of the type listed in Schedule "C".
- (c) The Assignor's obligations to operate in, repair or re-instate the Premises shall be governed and limited by the terms and conditions of the Initial Order and the Sale Procedures.
- (d) In the event that prior to the Closing Date all or a material part of the Premises or more is expropriated or notice of expropriation or intent to expropriate all or a material part of the Premises is issued by any Governmental Authority, the Assignor shall immediately advise the Assignee thereof by Notice in writing. The Assignee shall have the option, exercisable by Notice in writing given within three (3) Business Days after the Assignee receives Notice in writing from the Assignor of such expropriation, to either:
 - (i) complete the Transaction contemplated herein in accordance with the terms hereof without reduction of the Purchase Price and all compensation for expropriation shall be payable to the Assignee and all right, title and interest of the Assignor to such amounts, if any, shall be assigned to the Assignee on a without recourse basis; or
 - (ii) terminate this Agreement only in respect of the affected Premises and the applicable Lease and the other Subject Assets relating thereto, in which event the Purchase Price shall be reduced by the amount of the Purchase Price allocated to such Lease in Schedule "D", and, for greater certainty, this Agreement shall continue to apply *mutatis mutandis* to the remaining Leases and related Subject Assets in accordance with the terms and conditions hereof.
- (e) The Subject Assets shall be and remain until Closing at the risk of the Assignor. In the event of material damage by fire or other hazard to the Premises or any material part thereof occurring before the Closing Date, the Assignor shall immediately advise the Assignee thereof by Notice in writing. The Assignee shall have the option, exercisable by Notice in writing given within three (3) Business Days after the Assignee receives Notice in writing from the Assignor of such material damage, to either:

- 17 -

- (i) complete the Transaction contemplated herein in accordance with the terms hereof without reduction of the Purchase Price and the proceeds of any insurance available or actually paid or payable to the Assignor shall be paid and/or assigned to the Assignee; or
- (ii) terminate this Agreement only in respect of the affected Premises and the applicable Lease and the other Subject Assets relating thereto, in which event the Purchase Price shall be reduced by the amount of the Purchase Price allocated to such Lease in Schedule "D", and, for greater certainty, this Agreement shall continue to apply *mutatis mutandis* to the remaining Leases and related Subject Assets in accordance with the terms and conditions hereof.

For clarity, in the event that this Agreement is terminated in respect of any, but not all, of the Leases pursuant to either Section 5.1(d) or 5.1(e), the Deposit shall be applied on Closing in satisfaction of the Purchase Price in accordance with the terms hereof and, subject to Section 5.3(g) hereof, the excess (including, without limitation, the Excess Deposit), if any, shall be forthwith returned to the Assignee.

5.2 Landlord Estoppel Certificate

The Assignee may request an acknowledgement, status certificate or estoppel certificate in respect of each of the Leases from the Landlords.

5.3 Landlord Consents and Lease Amendments

- (a) During the Interim Period, notwithstanding anything to the contrary in the Confidentiality Agreement, the Assignee, provided that it is the Successful Bidder, shall be entitled to communicate and negotiate directly with the Landlords and any other third parties in order to obtain by the Closing Date:
 - (i) the written consent of the Landlords to the assignment of the Leases by the Assignor to the Assignee on terms which are acceptable to the Assignor and the Assignee, each acting reasonably, which consents shall not increase the obligations or liabilities of the Assignor or Target, to the extent same is required by the terms of the Leases (collectively, the "Landlord Consents" and each a "Landlord Consent") subject to the terms of this Agreement as well as the terms of the Approval and Vesting Order;
 - (ii) the written agreement of the Landlords to any amendments to the Leases that may be required by the Assignee in its sole, unfettered and unreviewable discretion, which amendments shall not increase the obligations or liabilities of the Assignor or Target (collectively, the "Lease Amendments"), including the following:
 1. amendments to permit the Assignee's contemplated use and operation (where currently not permitted);

- 18 -

2. amendments to permit the Assignee's contemplated alterations and improvements;
 3. amendments to expand the Premises or secure rights to use portions of the common areas for sales, etc. (if necessary);
 4. amendments to allow for the Assignee's signage on pylons, etc. (where not already provided to the Assignee's satisfaction in the Lease);
 5. amendments to restrict or prohibit alterations within or to, and/or imposing other restrictions or requirements in respect of, common areas;
 6. amendments to specify any required Landlord's work, if any;
 7. amendments to provide that any rights which the Assignor secured by way of its Lease amendments that were personal to Assignor will accrue for the benefit of the Assignee; and
- (iii) any necessary waivers and/or consents from any third party retailers that hold rights which may prohibit or restrict the Assignee's contemplated use and operation of the Premises, including, without limitation, those listed on Schedule "L" hereto (collectively, the "**Third Party Waivers**"); provided, however, no Third Party Waivers will permit the operation of such Premises for the sale of automotive parts and supplies, the sale of sporting goods, the sale of work wear and industrial wear (save and except for the incidental sale of work wear and/or industrial wear ancillary to the operation of a large format home improvement retailer) or the operation of an automotive service centre, gas bar or a car wash.
- (b) The Assignee agrees to use commercially reasonable efforts to obtain each of the Landlord Consents, the Lease Amendments and the Third Party Waivers. The Assignor, provided it incurs no material costs or expenses in connection therewith, agrees to co-operate with and assist the Assignee in pursuing and obtaining the Landlord Consents, the Lease Amendments and the Third Party Waivers.
- (c) The Assignor shall be solely responsible for attempting to obtain the agreement of any Landlord to such releases which the Assignor, may in its sole, unfettered and unreviewable discretion, desire to pursue.
- (d) The Assignee shall be solely responsible for any and all customary amounts, including all reasonable costs, expenses and fees, in connection with obtaining the Landlord Consents and the Lease Amendments. The Assignor shall be solely responsible for payment of any Cure Costs.
- (e) For greater certainty, the Assignee acknowledges and agrees that:

- 19 -

- (i) nothing herein shall prohibit the Assignor from seeking a release from the Landlords in respect of the obligations of the Assignor and/or Target in respect of any or all of the Leases before or after Closing;
 - (ii) the applicable Landlord Consent will not be required if such Landlord's consent is not required to effect the Transaction or is granted, deemed granted or deemed not to be necessary as a result of the Approval and Vesting Order in accordance with Section 5.3(d) above; and
 - (iii) the Assignee's rights and remedies in respect of the Leases and the Premises shall also be subject to the provisions of the Initial Order and the Sale Procedures.
- (f) The Parties agree that in the event the Assignee is unable to obtain: (a) a Landlord Consent, a Lease Amendment and/or a Third Party Waiver with respect to a particular Lease on or before the date that is fifteen (15) days prior to the Outside Date; or (b) a non-disturbance agreement on terms acceptable to the Assignee acting reasonably, where the Assignor's leasehold interest on the Property is subject to a mortgage that has priority over such Lease or there is not an existing non-disturbance agreement in effect (a "**Non-Disturbance Agreement**"), on or before the date that is fifteen (15) days prior to the Outside Date, the Parties shall proceed to complete the Transaction on the Closing Date in accordance with the Agreement with respect to the balance of the Leases. In such event: (a) this Agreement shall be deemed to be amended to delete the Lease or Leases from this Agreement for which a Landlord Consent, Lease Amendment, Third Party Waiver or Non-Disturbance Agreement has not been obtained; and (b) the Purchase Price will be reduced by the amount of the Purchase Price allocated to such Lease as set out in Schedule "D". For greater certainty, this Agreement shall remain in full force and effect and shall continue to apply *mutatis mutandis* to the remaining Leases and related Subject Assets in accordance with the terms and conditions hereof. For clarity, in the event that this Agreement is amended to delete a Lease in the manner set out above, the Deposit, shall be applied on Closing in satisfaction of the Purchase Price in accordance with the terms hereof.
- (g) Notwithstanding anything else herein, in the event that this Agreement is amended in respect of any of the Leases in the manner set out in Subsection 5.3(f) above, the Deposit shall be dealt with as follows:
- (i) provided that the Purchase Price paid by the Assignee on Closing for the balance of the Leases equals or exceeds Two Million Six Hundred Twenty-Five Thousand Dollars (\$2,625,000.00), the Deposit shall be applied on Closing in satisfaction of the Purchase Price in accordance with the terms hereof and any of the Excess Deposit in excess over the Purchase Price shall be forthwith returned by the Monitor to the Assignee; or
 - (ii) in the event that the Purchase Price paid by the Assignee on Closing for the balance of the Leases is less than Two Million Six Hundred Twenty-Five Thousand Dollars (\$2,625,000.00), then:

- 20 -

- a. the Deposit shall be applied on Closing in satisfaction of the Purchase Price in accordance with the terms hereof;
- b. the amount equal to the difference between Two Million Six Hundred Twenty-Five Thousand Dollars (\$2,625,000.00) and the Purchase Price paid by the Assignee on Closing for the balance of the Leases shall be deducted from the Deposit and forthwith released by the Monitor to the Assignor; and
- c. the Excess Deposit shall be forthwith returned by the Monitor to the Assignee.

For greater certainty, clause (ii) continues to apply if the Purchase Price paid on Closing would otherwise be \$0 as a result of this Agreement being amended in respect of all of the Leases in the manner set out in Subsection 5.3(f) above, in which case Two Million Six Hundred Twenty-Five Thousand Dollars (\$2,625,000.00) shall be deducted from the Deposit and forthwith released by the Monitor to the Assignor and the Excess Deposit shall be forthwith returned by the Monitor to the Assignee.

5.4 Access

During the Interim Period and subject to the terms and conditions of the Leases, the Assignee and its agents, advisors, consultants, employees and representatives will have access to the Premises upon reasonable prior written Notice, not less than one (1) Business Day, to the Assignor for the purpose of visiting and conducting non-invasive inspections of the Premises, provided that, for greater certainty, the Assignee shall not perform or cause to be performed any physical and structural inspections, soil tests or environmental audits. The Assignor may accompany the Assignee and its agents, consultants, employees and representatives on any site visits or non-invasive inspections. The Assignee is not liable for any damages or losses incurred by the Assignor arising from Assignee's discovery of adverse facts or conditions with respect to the Premises, which facts or conditions were not otherwise caused by Assignee's activities on the Premises, or any pre-existing condition on the Premises except to the extent exacerbated or aggravated by Assignee. Any damage to the Subject Assets caused by such site visits or inspections or otherwise by the Assignee or those for whom they are responsible at law will be promptly repaired, and the Subject Assets reinstated, by the Assignee and the Assignee will indemnify and save the Assignor harmless from all Claims which the Assignor may suffer as a result thereof or any other breach of this Section by the Assignee. This Section shall survive the Closing or termination of this Agreement.

5.5 Authorization of Inquiries with Governmental Authorities and Consultants

The Assignor hereby authorizes the Assignee and its agents, consultants and advisors to correspond with Governmental Authorities for the purpose of obtaining information on record with such Governmental Authorities regarding the Premises and/or Property, including but not limited to information regarding compliance with Laws. The Assignor will promptly at the Assignee's request execute and deliver any authorizations reasonably required by the Assignee to authorize Governmental Authorities to release such information to the Assignee. The Assignee shall not request or cause to be conducted any on-site inspections by any Governmental Authorities. The Assignor further hereby authorizes the Assignee and its agents, consultants and

advisors to correspond and communicate with any consultants of the Assignor for the purposes of obtaining further information and/or documentation in respect of the Plans.

5.6 Contracts

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

ARTICLE 6 REPRESENTATIONS, WARRANTIES & COVENANTS

6.1 Assignor's Representations and Warranties

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

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

6.2 Assignee's Representations and Warranties

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

- (a) the Assignee 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 Assignee is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada);
- (c) the Assignee is a registrant for the purposes of the tax imposed under Part IX of the *Excise Tax Act*;
- (d) the execution, delivery and performance by the Assignee of this Agreement:

- 22 -

- (i) has been duly authorized by all necessary corporate action on the part of the Assignee;
 - (ii) provided that the Competition Act Approval has been obtained, to the extent required, 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; and
 - (iii) will not result in the violation of any Laws;
- (e) this Agreement has been duly executed and delivered by the Assignee and constitutes legal, valid and binding obligations of the Assignee, 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;
 - (f) the Assignee has reviewed and is familiar with all of the terms and conditions of the Leases; and
 - (g) the Assignee has, and will have at Closing, all funds on hand necessary to pay the Purchase Price.

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

6.3 Assignee's Covenants

- (a) The Assignee shall use commercially reasonable efforts to take all such actions as are within its power to control, and to cause other actions to be taken which are not within its power to control, so as to ensure compliance with each of the conditions and covenants set forth in Article 7 which are for the benefit of any other Party.
- (b) The Assignee shall use all commercially reasonable efforts at its sole cost and expense to obtain the Competition Act Approval. Within ten (10) days following the date the Assignee has been notified that it is the Successful Bidder in respect of the Subject Assets, the Assignee will submit a request for an ARC to the Commissioner. The Assignee and the Assignor will promptly furnish any additional information reasonably requested by the Commissioner. The Assignee shall keep the Assignor informed as to the status of the proceedings relating to and provide the Assignor with copies of applications, notifications, filings and other communications in draft form, deleting information that is confidential to the Assignee, or on an external counsel-only basis, or as may be agreed by the parties in writing. The Assignee shall not participate, or permit its affiliates to

- 23 -

participate, in any substantive meeting or discussion, either in person or by telephone with any Governmental Authority in connection with the consummation of the Transaction unless it consults with the Assignor in advance and, to the extent not prohibited by such Governmental Authority, gives the Assignor the opportunity to attend and participate.

- (c) The Assignee shall take any and all commercially reasonable steps in order to avoid the filing of an application for, or the issuance of any interim Order or other Order which would have the effect of delaying or preventing the Closing, and if any such interim Order or other Order is issued, the Assignee shall take any and all commercially reasonable steps to have it rescinded, revoked or set aside as soon as possible. The Assignee will fully and promptly discuss with the Commissioner any issues or concerns that may be identified and conduct good faith, commercially reasonable negotiations with the Commissioner as may be required to obtain Competition Act Approval.
- (d) The Assignee will promptly notify the Assignor and the Assignor will promptly notify the Assignee upon:
 - (i) becoming aware of any Order or any complaint requesting an Order restraining or enjoining the execution of this Agreement or the consummation of the Transactions; or
 - (ii) receiving any notice from any Governmental Authority of its intention:
 - (iii) to institute a suit or proceeding to restrain or enjoin the execution of this Agreement or the consummation of the transactions contemplated by this Agreement; or
 - (iv) to nullify or render ineffective this Agreement or such transactions if consummated.

6.4 Assignor's Covenants

The Assignor agrees, that subject to the Initial Order, the Sale Procedures and the Approval and Vesting Order, to thereafter take all commercially reasonable actions as are within its power to control, and to use its commercially reasonable efforts to cause other actions to be taken which are not within its power to control, so as to fulfill the conditions set forth in Article 7 which are for the benefit of the Assignor, the Assignee or the mutual benefit of the Parties.

6.5 Tax Matters

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

- (a) the Assignee is duly registered under Subdivision (d) of Division V of Part IX of the *Excise Tax Act* with respect to the goods and services tax and harmonized

- 24 -

sales tax, and that its registration number is: 84334 7741 RT0001, which registration shall be in full force and effect and shall not have been cancelled or revoked on the Closing Date;

- (b) the Assignee has entered into this Agreement and is purchasing the Subject Assets on the Closing Date, as principal for its own account and not as an agent, nominee, trustee or otherwise on behalf of another Person;
- (c) to the extent permitted under subsection 221(2) of the *Excise Tax Act* and any equivalent or corresponding provision under any applicable provincial or territorial legislation, the Assignee shall self-assess and remit directly to the appropriate Governmental Authority any Taxes including goods and services tax or harmonized sales tax, as the case may be, imposed under the *Excise Tax Act* and any similar value added or multi-staged tax or sales tax imposed by any applicable provincial or territorial legislation payable in connection with the purchase and sale transaction of the Subject Assets, including the assignment of any of the Leases and the transfer of the Assignor's real or immovable property interests in the corresponding Premises;
- (d) on Closing, the Assignee will pay, in addition to the Purchase Price, and the Assignor will collect, any Taxes including transfer taxes as well as goods and services tax or harmonized sales tax, as the case may be, imposed under the *Excise Tax Act* and any similar value added or multi-staged tax or sales tax exigible on the purchase and sale transaction of the Subject Assets, except to the extent that the Assignee is permitted under subsection 221(2) of the *Excise Tax Act* and any equivalent or corresponding provision under any applicable provincial or territorial legislation to self-assess and remit such Taxes directly to the appropriate Governmental Authority, and the Assignee shall have executed and delivered a certificate, undertaking and indemnity which includes its certification of its registration number issued under the *Excise Tax Act*, and incorporates the provisions of this Section 6.5 (the "**GST/HST Certificate, Undertaking and Indemnity**");
- (e) the Assignee shall make and file all required return(s) in accordance with the requirements of subsection 228(4) of the *Excise Tax Act* and any equivalent or corresponding provision under any applicable provincial or territorial legislation; and
- (f) the Assignee shall indemnify and save the Assignor harmless from and against any and all Taxes including transfer taxes and goods and services tax or harmonized sales tax, as the case may be, imposed under the *Excise Tax Act* and any similar value added or multi-staged tax or sales tax, penalties, costs and/or interest which may become payable by or assessed against the Assignor as a result of any failure by the Assignor to collect and remit any goods and services tax or harmonized sales tax payable under the *Excise Tax Act* or any similar value added or multi-staged tax or sales tax and applicable on the sale and conveyance of the Subject Assets by the Assignor to the Assignee or as a result of any inaccuracy, misstatement or misrepresentation made by the Assignee on the Closing Date in connection with any matter raised in this Section 6.5 or contained in the

- 25 -

GST/HST Certificate, Undertaking and Indemnity or any failure by the Assignee to comply with the provisions of this Section 6.5 or the GST/HST Certificate, Undertaking and Indemnity.

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

6.6 Survival of Covenants

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

ARTICLE 7 CLOSING

7.1 Conditions of Closing for the Benefit of the Assignee

The Assignee's obligation to complete the purchase and sale of the Subject Assets is subject to the following conditions to be fulfilled or performed, on or before the applicable date set out herein, which conditions are for the exclusive benefit of the Assignee and may be waived, in whole or in part, by the Assignee:

- (a) the representations and warranties of the Assignor in Section 6.1 shall be true and correct as of the Closing Date with the same force and effect as if such representations and warranties were made on and as of such date;
- (b) the Assignor 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 Assignee at Closing all the Closing Documents contemplated or required to be so executed and delivered in this Agreement; and
- (c) the Assignee shall have received the Closing Documents.

7.2 Conditions of Closing for the Benefit of the Assignor

The Assignor's obligation to complete the purchase and sale of the Subject Assets 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 Assignor and may be waived, in whole or in part, by the Assignor:

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

- 26 -

executed and delivered to the Assignor at Closing all the documents contemplated required to be so executed and delivered in this Agreement; and

- (c) the Assignor shall have received the Closing Documents.

7.3 Conditions of Closing for the Mutual Benefit of the Parties

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

- (a) the Assignee shall have obtained, at its sole cost and expense, the *Competition Act* Approval in respect of the purchase and sale of the Subject Assets on or before the Outside Date;
- (b) the Approval and Vesting Order, substantially in the form attached hereto as Schedule "E", shall have been issued and entered by the Court on or before the date that is the earlier of: (i) October 1, 2015; and (ii) five (5) Business Days prior to the Outside Date (as such date may be amended from time to time), or such other date as may be agreed upon in writing by the Parties, and the Approval and Vesting Order shall not be subject to a stay;
- (c) no legal proceeding shall be pending which attempts to enjoin, restrict or prohibit the purchase and sale of the Subject Assets contemplated hereby; and
- (d) the Monitor shall have delivered the Monitor's Certificate.

7.4 Closing Documents

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

- (a) By the Assignor and the Assignee:
 - (i) the Assignment and Assumption of Lease for each Lease;
 - (ii) the Assignment and Assumption of Realty Tax Appeals;
 - (iii) the Assignment and Assumption of Assumed Liabilities; 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 Assignor:

- 27 -

- (i) the Approval and Vesting Order;
 - (ii) a direction regarding payment of the Deposit and the Balance;
 - (iii) the statement of adjustments evidencing the adjustments made at Closing;
 - (iv) all original Lease documents in the Assignor's possession;
 - (v) all master keys and duplicate keys relating to the Premises, if any, all security cards and access cards relating to the Premises, if any, and all combinations and passwords to vaults and combination locks and other security features located in the Premises, if any, in each case, to the extent in the possession of the Assignee;
 - (vi) the Monitor's Certificate in accordance with Section 7.7; and
 - (vii) such other documents as the Assignor or the Assignor's solicitors shall reasonably require in good faith in accordance with this Agreement or as may be required under applicable Laws.
- (c) By the Assignee:
- (i) the Balance plus all Taxes payable hereunder;
 - (ii) GST/HST Certificate, Undertaking and Indemnity; and
 - (iii) such other documents as the Assignee or the Assignee'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 Section 5.3(g), the completion of the transaction of purchase and sale contemplated by this Agreement (the "**Closing**") shall take place at 10:00 a.m. (Toronto time) at the Toronto office of Osler, Hoskin and Harcourt LLP, on the date that is the later of: (i) two (2) Business Days following the date that the Assignee obtains the Competition Act Approval in respect of the purchase and sale of the Subject Assets; and (ii) the first Business Day following the date that is twenty-one (21) days following the issuance of the Approval and Vesting Order provided that no appeals or motions to set aside or vary the Approval and Vesting Order are outstanding, or at such other place, on such other date and such other time as may be agreed upon in writing by the parties (the "**Closing Date**").
- (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 Assignee will pay or satisfy the Purchase Price in accordance with Article 3, and the Closing of the purchase and sale transaction of the Subject Assets will take effect, pursuant to the Approval and Vesting Order, upon delivery of the Monitor's Certificate.

7.6 Confirmation of Satisfaction of Conditions

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

7.7 Closing

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

- 29 -

Assignor and the Assignee, 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 Assignor 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 Assignor and Assignee.

- (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 Assignor and the Assignee, 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 purchase and sale of the Subject Assets 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 Assignor and the Assignee 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 Assignor or the Assignee, 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 Assignee waives compliance with the *Bulk Sales Act* (Ontario) and any other similar bulk sales laws. This waiver shall survive the Closing or termination of this Agreement.
- (c) The Parties acknowledge and agree that the Monitor shall be entitled to file the Monitor's Certificate with the Court, without independent investigation, upon receiving written confirmation from the Assignor and the Assignee or their respective solicitors that all conditions of Closing have been satisfied or waived, and the Monitor shall have no liability to the Assignor or the Assignee or any other Person as a result of filing the Monitor's Certificate.

7.9 Court Matters

- (a) The Assignor shall consult and co-ordinate with the Assignee and their respective legal advisors regarding the parties upon whom the motion seeking the Approval and Vesting Order will be served.
- (b) The Assignee shall provide such information and take such actions as may be reasonably requested by the Assignor to assist the Assignor in obtaining the

- 30 -

Approval and Vesting Order and any other order of the Court reasonably necessary to consummate the transactions contemplated by this Agreement.

- (c) Notwithstanding anything else contained in this Agreement or elsewhere, the Assignee acknowledges and agrees that the Assignor cannot guarantee that it will obtain the Approval and Vesting Order and the Approval and Vesting Order may or may not be granted by the Court.

7.10 Termination

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

- (a) by mutual consent of the Assignor and the Assignee;
- (b) by the Assignee, only in respect of the affected Lease(s)/Premises and the other Subject Assets related thereto, in accordance with Section 5.1(d) or Section 5.1(e);
- (c) by the Assignee if any of the conditions in Section 7.1 have not been satisfied on or before the time ascribed thereto for the satisfaction of such condition and the Assignee has not waived such condition;
- (d) by the Assignor if any of the conditions in Section 7.2 have not been satisfied on or before the time ascribed thereto for the satisfaction of such condition and the Assignor has not waived such condition; or
- (e) by either Party if:
 - (i) any of the conditions precedent in Section 7.3 have not been satisfied on or before the time ascribed thereto for the satisfaction of such condition and the parties have not waived such condition;

or

- (ii) if the Closing has not occurred on or prior to the Outside Date (as defined in the Sale Procedures), or on or before such later date as the parties agree to in writing, provided that a Party may not terminate this Agreement pursuant to this Section if it has failed to perform any one or more of its obligations or covenants under this Agreement and the Closing has not occurred because of such failure.

ARTICLE 8 OTHER PROVISIONS

8.1 Confidentiality

The Assignee acknowledges that this Agreement is a Qualified Bid under the Sale Procedures and the Assignor shall be entitled to disclose this Agreement to Competing Bidders, including, in connection with the Auctions. In addition, the Assignor shall be entitled to disclose this Agreement and all information provided by the Assignee in connection herewith, to the Court,

the Monitor and parties in interest to the CCAA Proceedings. This Section and the Confidentiality Agreement shall survive and not merge on Closing.

8.2 Leasehold Interests

Notwithstanding any provision of this Agreement to the contrary, for purposes of this Agreement and each Closing Document: (a) all references to "Lease" include any sublease or agreement to sublease by which the Assignor (as subtenant) holds its interest in, and/or right to occupy the related Premises, (b) for the Premises which are subject to a sublease or agreement to sublease (rather than a lease) in favour of the Assignor, all references to the Assignor's "leasehold" interest in such Premises shall mean the Assignor'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 Assignor (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 Assignor, and (c) all other similar references relating to the Leases and Premises shall be interpreted and construed in a similar manner.

8.3 Time of the Essence

Time shall be of the essence of this Agreement.

8.4 Entire Agreement

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

8.5 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 Assignor or the Assignee 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.

- 32 -

8.6 Further Assurances

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

8.7 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.

8.8 Governing Law

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

8.9 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.*

8.10 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.

8.11 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.

8.12 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.

8.13 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.

8.14 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.

8.15 Currency and Payment Obligations

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

8.16 Notice

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

- (a) To the Assignor:

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

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

With a copy to:

Osler, Hoskin & Harcourt LLP
100 King Street West
1 First Canadian Place

- 34 -

Suite 6200, P.O. Box 50
Toronto, ON M5X 1B8

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

With a copy to:

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

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

With a copy to:

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

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

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

Lowe's Companies Canada, ULC
5160 Yonge Street, Suite 200
Toronto, Ontario M2N 6L9

Attention: Sylvain Prud'homme
Fax No.: (416) 730-7492
E-mail: Sylvain.Prud'homme@lowes.com

with a copy to:

Lowe's Companies Canada, ULC
1000 Lowe's Boulevard (NB5INT)
Mooresville, North Carolina 28117

Attention: Alan Flowers
E-mail: alan.j.flowers@lowes.com

and a further copy to:

Lowe's Companies Canada, ULC
1000 Lowe's Boulevard (NB6LG)
Mooresville, North Carolina 28117

- 35 -

Attention: Legal Department (Capital Assets)
 Fax No.: (704) 757-0790

and a further copy to:

Stikeman Elliott LLP
 5300 Commerce Court West, 199 Bay Street
 Toronto, Ontario M5L 1B9

Attention: C. Mario Paura & Maria Konyukhova
 Fax No.: (416) 947-0866
 E-mail: mpaura@stikeman.com & mkonyukhova@stikeman.com

A Notice is deemed to be given and received (i) if sent by personal delivery or same day courier, on the date of delivery if it is a Business Day and the delivery was made prior to 5:00 p.m. (local time in the place of receipt) and otherwise on the next Business Day, (ii) if sent by overnight courier, on the next Business Day, or (iii) if transmitted by facsimile, on the Business Day following the date of confirmation of transmission by the originating facsimile, or (iv) if sent by email, when the sender receives an email from the recipient acknowledging receipt, provided that an automatic "read receipt" does not constitute acknowledgment of an email for purposes of this section. Any Party may change its address for service from time to time by providing a Notice in accordance with the foregoing. Any subsequent Notice must be sent to the Party at its changed address. Any element of a Party's address that is not specifically changed in a Notice will be assumed not to be changed. Subject to Section 8.18, 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.

8.17 Subdivision Control Legislation

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

8.18 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 Assignee's solicitors on behalf of the Assignee and by the Assignor's solicitors on behalf of the Assignor and any tender of Closing Documents may be made upon the Assignor's solicitors and the Assignee's solicitors, as the case may be.

8.19 No Registration of Agreement

The Assignee 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 Property and that no reference to or notice of it or any caution, certificate of pending litigation or other similar court process in respect thereof shall be registered on title to the Property and/or any part thereof and the Assignee shall be deemed to be in material default under this Agreement if it makes, or causes or

- 36 -

permits, any registration to be made on title to the Subject Assets and/or any part thereof prior to the successful completion of the Transaction contemplated herein on the Closing Date. The Assignee shall indemnify and save the Assignor harmless from and against any and all Claims whatsoever arising from or with respect to any such registration, including, all the legal fees, on a full indemnity basis, including those incurred by the Assignor with respect to obtaining the removal of such registration. This indemnity shall survive and not merge on the expiration, non-completion and/or termination of this Agreement for any reason.

8.20 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 Assignor shall be solely responsible for the costs of the Financial Advisor and for Northwest Atlantic (Canada) Inc. in respect of the Transaction. The Assignee shall be solely responsible for and shall pay, in addition to the Purchase Price, all fees and expenses in respect of all necessary applications pursuant to the *Competition Act* and any land transfer taxes payable on the transfer of the Subject Assets, all registration taxes, fees and other costs payable in respect of registration of any documents to be registered by the Assignee at Closing and all federal and provincial sales and other taxes payable upon or in connection with the conveyance or transfer of the Subject Assets, including, goods and services tax or harmonized sales tax or any similar value added or multi-staged tax imposed by any applicable provincial or territorial legislation, as the case may be, and any other provincial sales taxes. This Section 8.20 shall survive the Closing or the termination of this Agreement.

8.21 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.

8.22 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.

8.23 Enurement

This Agreement shall become effective when executed by the Assignor and the Assignee and after that time shall be binding upon and enure to the benefit of the parties and their respective heirs, executors, personal legal representatives, successors and permitted assigns. The Assignee has and shall have no right to assign, convey and/or transfer its rights and/or obligations hereunder or to direct title to any of the Subject Assets to any other Person or to effect a "change of control" so as to indirectly effect the foregoing, without in each case first obtaining the prior

written consent of the Assignor, which consent may be arbitrarily and unreasonably withheld by the Assignor.

8.24 Amendments

This Agreement may only be amended, supplemented or otherwise modified by written agreement signed by the Assignor and the Assignee, except that the time for doing or completing of any matter provided for herein may be extended or abridged by an agreement in writing signed by the Assignor or the Assignor's solicitors on one hand and the Assignee or the Assignee's solicitors on the other.


8.25 Counterparts and Delivery

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


[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF the parties have executed this Agreement.

TARGET CANADA CO.

By: 

Name: Adam
Title: CEO

By: 

Name: Mark Wong
Title: General Counsel

LOWE'S COMPANIES CANADA, ULC

By: 

Name: Stephen
Title: President

By: _____
Name:
Title:

SCHEDULE "A"
PREMISES

	ID #	Description	City, Province
1	3507	Intercity Shopping Centre	Thunder Bay, ON
2	3509	Nanaimo North Town Centre	Nanaimo, BC
3	3572	Milton Mall Shopping Centre	Milton, ON
4	3609	Centrepoint Mall	North York, ON
5	3658	RioCan St. Laurent	Ottawa, ON
6	3719	Prince George	Prince George, BC
7	3728	Northgate Mall	Regina, SK
8	3729	Shoppers World Danforth	Toronto, ON
9	3737	Shoppes at Shawnessy	Calgary, AB
10	3738	Burlington Mall	Burlington, ON
11	3739	Abbotsford Power Centre	Abbotsford, BC
12	3754	Signal Hill Centre	Calgary, AB
13	3760	Victoria Tillicum	Victoria, BC

SCHEDULE "B"
LEASE PARTICULARS

The following list of Lease particulars is based on the information provided to date by the Assignor, which information is to be confirmed:

Intercity Shopping Centre Thunder Bay, ON (Target Store #3507)

1. Lease by and between Campeau Corporation and Zellers Inc. dated October 20, 1982.
2. Letter Agreement by and between Campeau Corporation and Zellers Inc. dated January 4, 1990.
3. Lease Amending Agreement by and between Zellers Inc. and Intercity Centre Holdings Inc. dated March 9, 2005.
4. Second Amendment to lease between Target Canada Co. and Intercity Centre Holdings, Inc. dated May 27, 2011.

Nanaimo North Town Centre Nanaimo, BC (Target Store #3509)

1. Lease Agreement dated June 5, 1996, by and between Zellers Inc. and 1854 Holdings Ltd.
2. Lease Amending Agreement dated April 25, 2005, by and between Zellers Inc. and 1854 Holdings Ltd.
3. Second Amendment to Lease between Target Canada Co. and 1854 Holdings Ltd., Inc. No. 374640, Shape Properties (Nanaimo) Corp. and Mancal Commercial Properties BC (Rutherford Mall) Inc. dated May 27, 2011.
4. Letter Agreement between Target Canada Co., Canadian Tire Real Estate Limited and Shape Properties (Nanaimo) Corp. as agent for 1854 Holdings Ltd., Inc. No. 374640, Shape Properties (Nanaimo) Corp. and Mancal Commercial Properties BC (Rutherford Mall) Inc. dated September 25, 2012.
5. Third Amendment to Lease between 1854 Holdings Ltd. as nominee, Shape Properties (Nanaimo) Corp. and Mancal Commercial Properties BC (Rutherford Mall) Inc. and Target Canada Co. dated October 5, 2012.

Milton Mall Shopping Centre Milton, ON (Target Store #3572)

1. Lease between Woodtown Developments Limited and Zellers Limited dated August 16, 1976.
2. Notice of Lease under Registry Act signed by Tenant and dated April 29, 1977.
3. Agreement amending lease dated September 1, 1983 between The Canada Life Assurance Company and Zellers Inc.
4. Letter to Zellers Inc. from Pioneer Asset Management Group Inc. as agent for Canada Life Assurance Company confirming permission to operate pharmaceutical operation dated May 26, 1994.
5. Letter dated January 4, 1996 from Zellers Inc. to The Canada Life Assurance Company.
6. Letter dated December 7, 2000 from Zellers Inc. to Avista Real Estate Investment Trust.
7. Letter dated October 1, 2004.

- 2 -

8. Authorization and Direction of Tenant to Landlord to convey portion of parking lot to Town of Milton dated October 19, 2004.
9. Lease Extension and Amending Agreement dated March 31, 2005 between Penretail II Ltd. and Zellers Inc.
10. Application of Tenant to Land Registrar to change name dated June 27, 2006.
11. Notice of Lease Amendment dated June 27, 2006.
12. Confirmation of opening date dated May 18, 2006.
13. Amendment to Lease dated May 27, 2011 between Target Canada Co. and Milton Mall LP and Milton Mall II LP.

Centerpoint Mall North York, ON (Target Store #3609)

1. Lease dated December 17, 1993 between Zellers Inc. and Revenue Properties Company Limited.
2. Amendment to Lease dated December 20, 1993 between Zellers Inc. and Revenue Properties Company Limited.
3. Letter Agreement dated January 20, 1994 between Zellers Inc. and Revenue Properties Company Limited.
4. First Amendment to Lease dated May 27, 2011 between Target Canada Co. and Revenue Properties Company Limited.
5. Letter re: Confirmation of Extension Options dated July 23, 2014 between Target Canada Co. and Revenue Properties Company Limited.

RioCan St. Laurent Ottawa, ON (Target Store #3658)

1. Lease dated December 19, 1997 between RioCan Holdings Inc. and Kmart Canada Co./Kmart Canada CIE.
2. Letter agreement dated January 6, 1998 between RioCan Holdings Inc. and Kmart Canada Co./Kmart Canada CIE.
3. Letter agreement dated June 10, 2003 between RioKim Holdings CIE (Ontario) Inc. and 3859681 Canada Inc.
4. Partial Surrender dated March 29, 2005 between RioKim Holdings (Ontario) Inc. and Zellers Inc.
5. Consent to Assignment and Sublease and Amendment to Lease dated May 27, 2011 between Target Canada Co. and RioKim Holdings (Ontario) Inc.
6. Letter Agreement dated January 8, 2013 between Target Canada Co. and RioKim Holdings (Ontario) Inc.
7. Amendment to Lease dated July 31, 2013 between Target Canada Co., Target Corporation, and RioKim Holdings (Ontario) Inc.

Prince George Prince George, BC (Target Store #3719)

1. Lease by and among Kelfor Holdings Ltd., Penvest Realty Limited and Zellers Inc. dated October 17, 1994
2. Lease Amending Agreement by and among Kelfor Holdings Ltd., Penvest Realty Limited and Zellers Inc. dated June 5, 1996
3. Letter Agreement by and among Kelfor Holdings Ltd., Penvest Realty Limited and Zellers Inc. dated December 19, 1996

- 3 -

4. Lease Amending Agreement by and among Kelfor Holdings Ltd., Penvest Realty Limited and Zellers Inc. dated October 20, 1997
5. Letter Agreement by and between Kelfor Holdings Ltd., Penvest Realty Limited and Zellers Inc. dated February 29, 2000
6. Short Form Lease by and among Kelfor Holdings Ltd., Penvest Realty Limited and Zellers Inc. dated February 29, 2000
7. Letter Agreement by and between Bentall Retail Services LP and Zellers Inc. dated February 1, 2002.
8. Third Amendment to Lease between Target Canada Co. and Pine Centre Holdings Inc. dated May 27, 2011.

Northgate Mall Regina, SK (Target Store #3728)

1. Lease agreement between Continental Saxon Holdings Limited and Zellers Inc. dated February 21, 2002.
2. First Amendment to Lease between Target Canada Co. and 1532652 Ontario Limited dated May 27, 2011.
3. Assumption agreement re: lease between Westdale Construction Co. Limited and Target Canada Co. dated September 3, 2013.
4. Letter Agreement dated September 2011, between Target Canada Co. and 1532652 Ontario Limited.

Shoppers World Danforth Toronto, ON (Target Store #3729)

1. Agreement to lease dated June 1, 1994 between Bramalea Limited and Zellers Inc.
2. Letter Agreement dated July 26, 1994.
3. Letter of Agreement dated March 21, 1997.
4. Letter Agreement — Zellers Expansion dated June 16, 1997.
5. Letter Agreement — Zellers Expansion dated February 10, 2000.
6. Letter Agreement dated February 19, 2007.
7. Letter Agreement dated April 2, 2007.
8. Letter Agreement dated April 20, 2007.
9. Consent to Assignment and Sublease and Amendment to Lease between Target Canada Co. and RioKim Holdings (Ontario) Inc. dated May 27, 2011.
10. Letter Agreement regarding renewal of lease dated October 10, 2013.

Shoppes at Shawnessy Calgary, AB (Target Store #3737)

1. Lease dated September 18, 1995 between Shoppes at Shawnessy Ltd., Zellers Inc. and Qualico Developments (Calgary) Ltd.
2. Lease Amending Letter dated March 18, 1996.
3. Consent to Assignment and Sublease and Amendment to Lease between Target Canada Co. and RioKim Holdings (Alberta) Inc. dated May 27, 2011.
4. Amendment to Lease between Target Canada Co., Target Corporation and RioKim Holdings (Alberta) Inc. dated June 21, 2012.

Burlington Mall Burlington, ON (Target Store #3738)

- 4 -

1. Lease dated October 31st, 1967 between Cambridge Leaseholds Limited and The G. W. Robinson Company Limited and Owen Owen Limited (Guarantor).
2. Amendment Agreement dated September 4th, 1973 between Cambridge Leaseholds Limited and The G. W. Robinson Company Limited and Owen Owen Limited (Guarantor) and the Prudential insurance company of America.
3. Second Amending Agreement dated January 14th, 1975 between Cambridge Leaseholds Limited and The G. W. Robinson Company Limited and Owen Owen Limited (Guarantor), the Prudential insurance company of America and Owen Owen (Canada) Limited.
4. Letter of Agreement dated March 10th, 1988 concerning miscellaneous revenues at Burlington Mall between Cambridge Leaseholds Limited and Comark Services;
5. Amendment Agreement dated March 15th, 1995 between Cambridge Shopping Centre Limited and Zellers Inc.
6. Assignment of Tenant's Interest in Lease dated March 15th, 1995 between Comark Inc. (Assignor) and Zellers Inc. (Assignee) and Cambridge Shopping Centre Limited.
7. Letter of Agreement dated May 20th, 1998 between Hudson's Bay Company, Zellers Inc. and 3009354 Nova Scotia Corp.
8. Letter dated February 10, 1999 from Robert C. Cooper regarding CAM disputes.
9. Letter of Agreement dated April 21st, 2003.
10. Amendment Agreement dated June 6th, 2003 between Ivanhoe Cambridge II Inc. and Zellers Inc.
11. Acknowledgement & Agreement dated March 29th, 2004 between Ivanhoe Cambridge II Inc. and Zellers Inc.
12. Letter of Agreement dated June 10th, 2004 between Hudson's Bay Company, Zellers Inc. and Ivanhoe Cambridge II Inc.
13. Letter of Agreement dated September 24th, 2004 between Hudson's Bay Company, Zellers Inc. and Ivanhoe Cambridge II Inc.
14. Letter of Agreement dated October 27th, 2004 between Hudson's Bay Company, Zellers Inc. and Ivanhoe Cambridge II Inc.
15. First Amendment to Lease between Target Canada Co. and Ivanhoe Cambridge II Inc. dated May 27, 2011.
16. Assumption agreement dated June 22, 2011 regarding transfer by Ivanhoe Cambridge to Burlington Mall Holdings Inc. of its interest in Burlington Mall Shopping Centre.
17. Letter agreement dated November 1, 2013 re: RioCan's use of common area for the landing of a helicopter that is within Target's No-Build Area.

Abbotsford Power Centre Abbotsford, BC (Target Store #3739)

1. Lease dated February 6, 2002 between RioKim Holdings (Abbotsford) Inc. and Zellers Inc.
2. Consent to Assignment and Sublease and Amendment to Lease between Target Canada Co. and RioKim Holdings (Abbotsford) Inc. dated May 27, 2011.
3. Amendment to Lease between Target Canada Co., Target Corporation and RioKim Holdings (Abbotsford) Inc., dated June 21, 2012.

- 5 -

Signal Hill Centre Calgary, AB (Target Store #3754)

1. Lease dated September 3, 1997 between Zellers Inc., Riotrin Properties Inc. and RioCan Holdings Inc.
2. Letter Agreement dated August 22, 2006.
3. Consent to Assignment and Sublease and Lease Amending Agreement dated May 27, 2011 between Landlord and Target Canada Co.
4. Amendment to Lease between Target Canada Co., Target Corporation and Landlord dated June 21, 2012.

Victoria Tillicum — Victoria, BC (Target Store #3760)

1. Lease dated August 8, 1997 between The Cadillac Fairview Corporation Limited and The T. Eaton Company Limited and Zellers Inc.
2. Letter Agreement dated July 29, 2008.
3. Consent to Assignment and Sublease and Amendment to Lease dated May 27, 2011 between Target Canada Co. and RioKim Holdings (Tillicum Centre) Inc.

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 Assignor;
2. All items, materials and signs bearing the logo, trade-mark, trade-name or business name or other mark or design of the Assignor;
3. All Inventory;
4. All computers and related systems and information storage media;
5. All point of sales systems and all appurtenances thereto;
6. All shelves;
7. All refrigeration systems and equipment;
8. Any property belonging to the subtenants, franchisees or licensees of the Assignor or other occupants of the Premises;
9. Any freehold or other ownership interest in real or immovable property, and any property belonging to any Landlord;
10. All insurance policies of the Assignor;
11. All rights and interests in trade-marks, trade-names, logos, commercial symbols and business names containing "Target" or any other proprietary wording or intellectual property rights of the Assignor or any of its affiliates (including, the websites); and
12. The baler and compactor at Nanaimo North Town Centre (#3509);
13. The generator at St. Laurent (#3658);
14. The compressor at Shoppers World Danforth (#3729);
15. The generator and compressor at Abbotsford Power Centre (#3739); and
16. The generator, baler and compactor at Tillicium Mall (#3760).

SCHEDULE "D"
PURCHASE PRICE ALLOCATION

Store #	Location	Proposed Allocation
3754	Calgary W (Signal Hill)	\$9,000,000
3737	Calgary S (Shawnessy)	\$7,000,000
3738	Burlington	\$2,000,000
3729	Toronto Danforth	\$125,000
3739	Abbotsford	\$125,000
3658	Ottawa	\$500,000
3760	Victoria Tillicum	\$2,000,000
3507	Thunder Bay	\$250,000
3609	North York Centrepoint	\$2,500,000
3719	Prince George	\$500,000
3572	Milton	\$1,500,000
3509	Nanaimo	\$500,000
3728	Regina	\$250,000
	TOTAL	\$26,250,000

SCHEDULE "E"

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF TARGET CANADA CO., TARGET
CANADA HEALTH CO., TARGET CANADA MOBILE GP
CO., TARGET CANADA PHARMACY (BC) CORP., TARGET
CANADA PHARMACY (ONTARIO) CORP., TARGET
CANADA PHARMACY CORP., TARGET CANADA
PHARMACY (SK) CORP., and TARGET CANADA
PROPERTY LLC (collectively the "**Applicants**")

APPROVAL AND VESTING ORDER – LEASE TRANSFER 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 transfer (the "**Transaction**") contemplated by a Lease Transfer Agreement (the "**Lease Transfer Agreement**") among Target Canada Co. ("**TCC**"), as Assignor, and ● as Assignee (the "**Assignee**") dated ●, 2015 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 Assignee, 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 Transfer Agreement, as applicable.

APPROVAL OF THE LEASE TRANSFER AGREEMENT

3. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved and ratified and that the execution of the Lease Transfer Agreement by TCC is hereby approved and ratified with such minor amendments as TCC (with the consent of the Monitor) and the Assignee 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 sale, assignment and transfer by TCC of its right, title and interest in and to the Subject Assets to the Assignee and the Monitor shall be authorized to take such additional steps in furtherance of its responsibilities under the Lease Transfer Agreement. The legal descriptions and applicable land registry offices with respect to the Subject 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 Assignee 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 Subject Assets and the right, title and interest, if any, of any predecessor in interest of TCC in and to the Subject Assets, to the extent same was assigned or otherwise transferred to TCC, shall be sold, assigned and transferred to the Assignee 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 Subject 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 *Alberta Personal Property Security Act*, the *British Columbia Personal Property Security Act*, the *Personal Property Security Act* (Saskatchewan) 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 Subject Assets are hereby expunged and discharged as against the Subject Assets and the real or immovable property described in Schedule “C” other than any registrations made at the applicable land registry of the Leases forming part of the Subject Assets and any memorials of lease, summaries of lease, notices of lease, assignments of lease and any amendments or other registrations pertaining to the Leases forming part of the Subject Assets.

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 Subject 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 Subject 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.

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

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

GENERAL PROVISIONS

9. THIS COURT ORDERS that, notwithstanding:

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

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

10. THIS COURT ORDERS AND DECLARES that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario) and any equivalent legislation in any other jurisdiction in which all or any part of the Subject Assets 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 equivalent provisions in equivalent legislation in any other jurisdiction in which all or any part of the premises relating to the Subject Assets are located.

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

SCHEDULE "A"
PARTNERSHIPS

Target Canada Pharmacy Franchising LP

Target Canada Mobile LP

Target Canada Property LP

SCHEDULE "B"

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE)
REGIONAL SENIOR JUSTICE)
MORAWETZ)

●, THE ●TH
DAY OF ●, 2015

)
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 Transfer Agreement entered into among Target Canada Co. ("**TCC**") and ● (the "**Assignee**") dated ●, 2015 (the "**Lease Transfer Agreement**"), a copy of which is attached as Exhibit ● to the Affidavit of ● dated ●, 2015.
- B. Pursuant to the Approval Order, the Court approved the Lease Transfer Agreement and provided for the sale, assignment and transfer to Assignee of TCC's right, title and interest in and to the Subject Assets, which sale, assignment and transfer is to be effective with respect to the Subject Assets upon the delivery by the Monitor to the Assignee 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 Transfer Agreement have been satisfied or waived by the Assignee 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 Transfer Agreement have been satisfied or waived by the Assignee and TCC, as applicable; and
- 2. The Transaction has been completed to the satisfaction of the Monitor.

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

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

Per: _____

Name:

Title:

SCHEDULE "C"

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

SCHEDULE "D" - PERMITTED ENCUMBRANCES

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

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

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

AND TO: Osler, Hoskin & Harcourt LLP, the Assignor's solicitors

RE: Lease Transfer Agreement dated ●, 2015, made between the Assignor, as assignor, and ●, as assignee, (the "Assignee"), as amended from time to time (the "**Lease Transfer Agreement**"), for the assignment of the Leases and related Subject Assets (as such terms are defined in the Lease Transfer Agreement)

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

- a) the Subject Assets are being assigned to the Assignee as principal for its own account and not as an agent, nominee, trustee or otherwise on behalf of or for another Person;
- b) the Assignee is registered under Subdivision (d) of Division V of Part IX of the *Excise Tax Act* (Canada) (the "*Excise Tax Act*") for the collection and remittance of goods and services tax and harmonized sales tax ("GST/HST") and its registration number is ● and such registration is in good standing and has not been varied, cancelled or revoked;
- c) the Assignee 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*, in connection with the transfer of the Subject Assets, all in accordance with the *Excise Tax Act*;
- d) the Assignee shall indemnify and save harmless the Assignor from and against any and all GST/HST, penalties, interest and/or other costs which may become payable by or be assessed against the Assignor as a result of any failure by the Assignor to collect and remit any GST/HST applicable on the sale and conveyance of the Subject Assets by the Assignor to the Assignee or as a result of any inaccuracy, misstatement or misrepresentation by the Assignee in this GST/HST Certificate, Undertaking and Indemnity or any failure by the Assignee to comply with the provisions of this GST/HST Certificate, Undertaking and Indemnity; and
- e) this GST/HST Certificate, Undertaking and Indemnity shall survive and not merge upon closing of the above-noted transaction.

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

DATED _____, 2015.

[ASSIGNOR]

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

SCHEDULE "G"
INTENTIONALLY DELETED

SCHEDULE "H"
FORM OF ASSIGNMENT AND ASSUMPTION OF LEASE

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

B E T W E E N:

TARGET CANADA CO.

(the "**Assignor**")

- and -

●

(the "**Assignee**")

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 Assignor certain premises at ● in the City of ●, in the Province of ● as more particularly described in the Lease (the "**Premises**").
- C. The Assignor and certain of its affiliates applied for and together with the limited partnerships listed in Schedule "A" to the Initial Order (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 Assignor, 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 Assignor and the Assignee entered into a lease transfer agreement dated ●, 2015 (the "**Lease Transfer Agreement**"), whereby, among other things, the Assignor agreed to assign to the Assignee all of the Assignor's right, title and interest in and to the Lease.
- E. The Lease Transfer Agreement was approved by the Court pursuant to the Order dated ● (the "**Approval and Vesting Order**").
- F. The Assignor and the Assignee are entering into this Agreement to provide for the assignment and assumption of the Lease by the Assignor to the Assignee in accordance with the Lease Transfer 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 Transfer Agreement, or if no meaning is given in the Lease Transfer Agreement, in the Lease.

- 2 -

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

ARTICLE 1 ASSIGNMENT

1.1 Assignment by Assignor

The Assignor assigns and transfers to the Assignee, as of the Effective Date, all of the Assignor's obligations, rights, title and interest, both at law and at equity, in and to the Lease and the Premises and all related rights, benefits and advantages, including the residue of the term of the Lease and any rights of renewal and/or extension and/or purchase, if any, contained in the Lease (collectively, the "**Assigned Interest**").

1.2 Assumption by Assignee

The Assignee hereby accepts the assignment of the Assigned Interest provided for in this Agreement and assumes all of the Assignor's obligations with respect to the Assigned Interest from and after the Effective Date.

1.3 Adjustments

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

1.4 Indemnity

The Assignee hereby covenants with the Assignor, as of and from the Effective Date, including any renewals or extensions of the term of the Lease, to indemnify and save the Assignor harmless, from any and all Claims arising from, relating to or in connection with the Property and any non-payment of rents or other amounts payable on the part of the tenant to be paid from time to time under the Lease, or any non-observance or non-performance of any of the terms, agreements, covenants, obligations and conditions on the part of the tenant under the Lease to be paid, observed or performed from time to time, in each and all in cases solely in respect of the period on or after the Effective Date, but excluding any default as a consequence of the closing of the Transaction contemplated by the Lease Transfer Agreement.

1.5 Paramountcy

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

ARTICLE 2 GENERAL

2.1 Time of the Essence

Time shall be of the essence of this Agreement.

2.2 Enurement

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

2.3 Entire Agreement

This Agreement and the Lease Transfer Agreement constitute the entire agreement between the parties with respect to the assignment and assumption of the Lease contemplated in the Lease Transfer Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties with respect to the subject matter of this Agreement. There are no representations, warranties, covenants, conditions or other agreements, legal or conventional, express or implied, collateral, statutory or otherwise, between the parties in connection with the subject matter of this Agreement, except as specifically set forth in this Agreement and the Lease Transfer 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 Transfer Agreement.

2.4 Waiver

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

2.5 Further Assurances

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

2.6 Severability

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

2.7 Governing Law

This Agreement shall be governed by and interpreted and enforced in accordance with the laws of the Province of ● 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 Transfer Agreement and agrees that all claims in respect of any such actions, application, reference or other proceeding shall be heard and determined in the CCAA Proceedings before the Court.

2.9 English Language

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

2.10 Statute References

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

2.11 Headings

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

2.12 References

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

2.13 Number and Gender

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

2.14 Business Days

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

2.15 Notice

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

- 6 -

IN WITNESS WHEREOF the Assignor has executed this Agreement.

TARGET CANADA CO.

By: _____

Name: ●

Title: ●

By: _____

Name: ●

Title: ●

IN WITNESS WHEREOF the Assignee has executed this Agreement.

●

By: _____

Name: ●

Title: ●

By: _____

Name: ●

Title: ●

SCHEDULE "A" – LEASE PARTICULARS

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

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

B E T W E E N:

TARGET CANADA CO.

(the "Assignor")

- and -

●

(the "Assignee")

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 Assignor certain premises at ● in the City of ●, in the Province of ● as more particularly described in the Lease (the "Premises"). [NTD: insert applicable Leases]
- B. The Assignor and certain of its affiliates applied for and together with the limited partnerships listed in Schedule "A" to the Initial Order (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 Assignor, pursuant to an Order of the Court dated January 15, 2015, as amended and restated on February 11, 2015, and as further amended, restated and/or amended and restated from time to time (collectively, the "Initial Order").
- C. The Assignor and the Assignee entered into a lease transfer agreement dated ●, 2015 (the "Lease Transfer Agreement"), whereby, among other things, the Assignor agreed to assign to the Assignee all of the Assignor's right, title and interest in and to the Lease.
- D. The Lease Transfer Agreement was approved by the Court pursuant to the Order dated ● (the "Approval and Vesting Order").
- E. The Assignor and the Assignee are entering into this Agreement to provide for the assignment of the Realty Tax Appeals and Realty Tax Refunds in respect of the Leases by the Assignor to the Assignee in accordance with the Lease Transfer Agreement and the Approval and Vesting Order.

- 2 -

- F. Unless otherwise expressly provided for herein, all capitalized terms when used in this Agreement have the same meaning given to such terms in the Lease Transfer Agreement, or if no meaning is given in the Lease Transfer 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 3 ASSIGNMENT

3.1 Assignment and Assumption

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

3.2 Carriage of Realty Tax Appeals

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

3.3 Authorization and Direction

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

3.4 Paramountcy

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

ARTICLE 4 GENERAL

4.1 Time of the Essence

Time shall be of the essence of this Agreement.

4.2 Enurement

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

4.3 Entire Agreement

This Agreement and the Lease Transfer Agreement constitute the entire agreement between the parties with respect to the assignment and assumption of the Realty Tax Appeals contemplated in the Lease Transfer Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties with respect to the subject matter of this Agreement. There are no representations, warranties, covenants, conditions or other agreements, legal or conventional, express or implied, collateral, statutory or otherwise, between the parties in connection with the subject matter of this Agreement, except as specifically set forth in this Agreement and the Lease Transfer 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 Transfer Agreement.

4.4 Waiver

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

4.5 Further Assurances

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

4.6 Severability

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

4.7 Governing Law

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

4.8 CCAA Proceedings

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

4.9 English Language

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

4.10 Statute References

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

4.11 Headings

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

4.12 References

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

4.13 Number and Gender

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

4.14 Business Days

If any payment is required to be made or other action is required to be taken pursuant to this Agreement on a day which is not a Business Day, then such payment or action shall be made or taken on the next Business Day. All actions to be made or taken by a particular Business Day

- 5 -

must be made or taken by no later than 4:30 p.m. (Toronto time) on a Business Day and any action made or taken thereafter shall be deemed to have been made and received on the next Business Day.

4.15 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.

4.16 Notice

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

4.17 Counterparts and Delivery

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

[Signature pages follow.]

IN WITNESS WHEREOF the Assignor has executed this Agreement.

TARGET CANADA CO.

By: _____

Name: ●

Title: ●

By: _____

Name: ●

Title: ●

IN WITNESS WHEREOF the Assignee has executed this Agreement.

●

By: _____

Name: ●

Title: ●

By: _____

Name: ●

Title: ●

SCHEDULE "A" – LEASE PARTICULARS

SCHEDULE "J"
INTENTIONALLY DELETED

SCHEDULE "K"
PERMITTED ENCUMBRANCES

GENERAL ENCUMBRANCES

- (b) All instruments which are registered against title to a Subject Asset: (i) as of the date that is one (1) Business Days prior to the Execution Date; or (ii) otherwise agreed to by the Assignee; or (iii) permitted by this Agreement.
- (c) The Encumbrances and other rights in favour of the Landlords contained in the Leases.
- (d) The Encumbrances which the Leases and/or any Property are stated to be subject to or bound by pursuant to the terms of the Leases.
- (e) Any ground lease, emphyteutic lease, head lease or other lease which is superior to the Lease (each a "**Head Lease**"), any Encumbrances or other rights in favour of the applicable landlord contained in any Head Lease, and any Encumbrances which the Head Leases and/or leasehold interests created thereby are stated to be subject to or bound by pursuant to the terms of the applicable Head Lease.
- (f) Encumbrances encumbering the intervening leasehold interest pursuant to a Head Lease.

SCHEDULE "L"
THIRD PARTY WAIVERS

<u>Premises</u>	<u>Third Party Retailers</u>
<ul style="list-style-type: none"> • Shoppes at Shawnessy, Calgary, AB (#3737) • Burlington Mall, Burlington, ON (#3738) • RioCan St. Laurent, Ottawa, ON (#3658) • Centrepoint Mall, North York, ON (#3609) • Nanaimo North Town Centre, Nanaimo, BC (#3509) 	Canadian Tire
<ul style="list-style-type: none"> • Prince George, Prince George, BC (#3719) • Intercity Shopping Centre, Thunder Bay, ON (#3507) • Nanaimo North Town Centre, Nanaimo, BC (#3509) 	Sears
<ul style="list-style-type: none"> • Centrepoint Mall, North York, ON (#3609) 	Hudson's Bay

**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., et al.**

Applicants

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

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

PROCEEDING COMMENCED AT
TORONTO

**AFFIDAVIT OF MARK J. WONG
(sworn May 8, 2015)**

**(Motion for Approval of Lease Transfer Agreement
with Lowe's Companies Canada, ULC)**

OSLER, HOSKIN & HARCOURT LLP
Box 50, 1 First Canadian Place
Toronto, Canada M5X 1B8

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

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

Lawyers for the Applicants

Matter No: 1159785

TAB 3

Revised: January 21, 2014

Court File No. [REDACTED]

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE ———)
REGIONAL SENIOR JUSTICE ———)
MORAWETZ)

WEEKDAY TUESDAY, THE # 19TH
DAY OF MONTH MAY, 20YR 2015

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

BETWEEN:-

~~PLAINTIFF~~

Plaintiff

~~-and-~~

~~DEFENDANT~~

Defendant

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 TRANSFER AGREEMENT

Draft

DOESTOR-120102711

THIS MOTION, made by [RECEIVER'S NAME] in its capacity as the Court-appointed receiver (the "Receiver") of the undertaking, property and assets of [DEBTOR] (the "Debtor") for ~~an order~~ 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 sale ~~transaction~~ lease transfer (the "Transaction") ~~contemplated by an agreement of purchase and sale (the "Sale Agreement") between the Receiver and [NAME OF PURCHASER] (the "Purchaser") dated [DATE] and appended to the Report of the Receiver dated [DATE] (the "Report"), and vesting in the Purchaser the Debtor's right, title and interest in and to the assets described in the Sale Agreement (the "Purchased Assets")~~ "Transaction") contemplated by a Lease Transfer Agreement (the "Lease Transfer Agreement") among Target Canada Co. ("TCC"), as Assignor, and Lowe's Companies Canada, ULC as Assignee (the "Assignee") dated May 6, 2015 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 Mark Wong sworn on May 8, 2015 including the exhibits thereto (the "Wong 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 counsel for the Receiver, [NAMES OF OTHER PARTIES APPEARING], ~~no one appearing for any other person on the service list, respective counsel for the Applicants and the Partnerships listed on Schedule "A" hereto, the Monitor, Target Corporation, the Assignee, and such other counsel as were present, no one else appearing although properly~~ duly served as appears from the affidavit of [NAME] sworn [DATE] filed[†] Affidavit of Service of Geoffrey Grove sworn May 8, 2015, filed:

[†] This model order assumes that the time for service does not need to be abridged. The motion seeking a vesting order should be served on all persons having an economic interest in the Purchased Assets, unless circumstances warrant a different approach. Counsel should consider attaching the affidavit of service to this Order.

Draft

DEBTOR-124192741

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 Transfer Agreement, as applicable.

APPROVAL OF THE LEASE TRANSFER AGREEMENT

3. ~~THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved,² and ratified and that the execution of the Sale Lease Transfer Agreement by the Receiver³TCC is hereby authorized and approved, and ratified with such minor amendments as the Receiver may deem necessary. The Receiver TCC (with the consent of the Monitor) and the Assignee 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 and for the conveyance of the Purchased Assets to the Purchaser, including the sale, assignment and transfer by TCC of its right, title and interest in and to the Subject Assets to the Assignee and the Monitor shall be authorized to take such additional steps in furtherance of its responsibilities under the Lease Transfer Agreement. The legal descriptions and applicable land registry offices with respect to the Subject Assets are as set out on Schedule "C" hereto.~~

² In some cases, notably where this Order may be relied upon for proceedings in the United States, a finding that the Transaction is commercially reasonable and in the best interests of the Debtor and its stakeholders may be necessary. Evidence should be filed to support such a finding, which finding may then be included in the Court's endorsement.

³ In some cases, the Debtor will be the vendor under the Sale Agreement, or otherwise actively involved in the Transaction. In those cases, care should be taken to ensure that this Order authorizes either or both of the Debtor and the Receiver to execute and deliver documents, and take other steps.

4. ~~2-~~ THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver~~Monitor~~'s certificate to the Purchaser~~Assignee~~ substantially in the form attached as Schedule A~~"B"~~ hereto (the "Receiver"~~"Monitor's Certificate"~~), all of the Debtor~~TCC~~'s right, title and interest in and to the Purchased~~Subject~~ Assets described in the Sale Agreement [and listed on Schedule B hereto]⁴ shall vest absolutely in the Purchaser, and the right, title and interest, if any, of any predecessor in interest of TCC in and to the Subject Assets, to the extent same was assigned or otherwise transferred to TCC, shall be sold, assigned and transferred to the Assignee 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, levies~~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 Subject Assets (collectively, the "~~"Claims"~~⁵"), including, without limiting the generality of the foregoing: (i) ~~any encumbrances or charges created by the Order of the Honourable Justice [NAME] dated [DATE];~~ (ii)

- (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 Alberta Personal Property Security

⁴ To allow this Order to be free-standing (and not require reference to the Court record and/or the Sale Agreement), it may be preferable that the Purchased Assets be specifically described in a Schedule.

⁵ The "Claims" being vested out may, in some cases, include ownership claims, where ownership is disputed and the dispute is brought to the attention of the Court. Such ownership claims would, in that case, still continue as against the net proceeds from the sale of the claimed asset. Similarly, other rights, titles or interests could also be vested out, if the Court is advised what rights are being affected, and the appropriate persons are served. It is the Subcommittee's view that a non-specific vesting out of "rights, titles and interests" is vague and therefore undesirable.

Act, the British Columbia Personal Property Security Act, the Personal Property Security Act (Saskatchewan) or any other personal property registry system; and
~~(iii)~~

(c) those Claims listed on Schedule ~~C~~ hereto “C” hereto:

(all of which are collectively referred to as the ~~“Encumbrances”~~ “Encumbrances”, which term shall not include the ~~permitted encumbrances, easements and restrictive covenants listed on Schedule D~~ 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 ~~Purchased~~ Subject Assets are hereby expunged and discharged as against the ~~Purchased Assets~~ Subject Assets and the real or immovable property described in Schedule “C” other than any registrations made at the applicable land registry of the Leases forming part of the Subject Assets and any memorials of lease, summaries of lease, notices of lease, assignments of lease and any amendments or other registrations pertaining to the Leases forming part of the Subject Assets.

5. ~~3.~~ THIS COURT ORDERS that upon the registration in the ~~Land Registry Office~~ for the ~~[Registry Division of {LOCATION}] of a Transfer/Deed of Land in the form prescribed by the Land Registration Reform Act~~ duly executed by the ~~Receiver~~ ~~[[Land Titles Division of {LOCATION}] of an Application for Vesting Order in the form prescribed by the Land Titles Act and/or the Land Registration Reform Act]~~⁶, 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 enter the Purchaser as the owner of the subject real property identified in Schedule B hereto (the “Real Property”) in fee simple, and is hereby directed to specifically discharge, cancel, delete and expunge from title to the Real Property applicable real or immovable property described in Schedule “C” all of the Claims Encumbrances listed in Schedule “C” hereto.

⁶ Elect the language appropriate to the land registry system (Registry vs. Land Titles).

6. ~~4-~~ THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds⁷ ~~from received on the sale~~ Closing of the ~~Purchased Assets~~ Transaction shall stand in the place and stead of the ~~Purchased~~ Subject Assets; and that from and after the delivery of the Receiver Monitor's Certificate all Claims and Encumbrances shall attach to the net proceeds ~~from the sale of the Purchased Assets~~ therefrom with the same priority as they had with respect to the ~~Purchased~~ Subject Assets immediately prior to the sale⁸, ~~as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale~~ Closing of the Transaction, as if the Transaction had not been completed.

7. ~~5-~~ THIS COURT ORDERS AND DIRECTS the Receiver Monitor to file with the Court a copy of the Receiver Monitor's Certificate, forthwith after delivery thereof.

8. ~~6-~~ THIS COURT ORDERS that, pursuant to clause 7(3)(e) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to the Debtor's past and current employees, including personal information of those employees listed on Schedule "•" to the Sale Agreement. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor. subject to the terms of the Lease Transfer 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

⁷The Report should identify the disposition costs and any other costs which should be paid from the gross sale proceeds, to arrive at "net proceeds".

⁸This provision crystallizes the date as of which the Claims will be determined. If a sale occurs early in the insolvency process, or potentially secured claimants may not have had the time or the ability to register or perfect proper claims prior to the sale, this provision may not be appropriate, and should be amended to remove this crystallization concept.

- (b) the terms of the Approval Order – Agency Agreement granted, February 4, 2015 (the “Agency Agreement Approval Order”) including the Sales Guidelines attached as Schedule “B” thereto.

GENERAL PROVISIONS

9. 7- 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 the ~~Debtor~~TCC and any bankruptcy order issued pursuant to any such applications; ~~and or~~
- (c) any assignment in bankruptcy made in respect of the ~~Debtor~~TCC;

~~the vesting~~sale, assignment and transfer of the ~~Purchased~~Subject Assets ~~into~~ the ~~Purchaser~~Assignee pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the ~~Debtor~~TCC and shall not be void or voidable by creditors of the ~~Debtor~~TCC, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

10. 8- 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 all or any part of the Subject Assets are located and that this Order shall be registered notwithstanding the requirements of section 191(1) of the *Land Titles Act, R.S.A.*

Draft

ENCLOSURE - 120100714

2000, c L-4 and equivalent provisions in equivalent legislation in any other jurisdiction in which all or any part of the premises relating to the Subject Assets are located.

11. ~~9.~~ THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative ~~body~~bodies, having jurisdiction in Canada or in the United States of America, to give effect to this Order and to assist TCC, the Receiver~~Monitor~~ and ~~its~~their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to TCC and to the Receiver~~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 Receiver~~Monitor~~ and ~~its~~their respective agents in carrying out the terms of this Order.

Draft

DOCSTOR-1201027111

Revised: January 21, 2014

Schedule A—Form of Receiver’s Certificate

SCHEDULE “A”
PARTNERSHIPS

Target Canada Pharmacy Franchising LP

Target Canada Mobile LP

Target Canada Property LP

Draft

BOEYTOR-1201020111

SCHEDULE "B"

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:-

~~PLAINTIFF~~

Plaintiff

~~-and-~~

~~DEFENDANT~~

Defendant

<u>THE HONOURABLE</u>)	<u>TUESDAY, THE 19TH</u>
<u>REGIONAL SENIOR JUSTICE</u>)	
<u>MORAWETZ</u>)	<u>DAY OF MAY, 2015</u>
)	

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")

RECEIVER/MONITOR'S CERTIFICATE

Draft

RECITALS

- A. Pursuant to an Order of the Honourable [NAME OF JUDGE] of the Ontario Superior Court of Justice (the "Court") dated [DATE OF ORDER], [NAME OF RECEIVER] was appointed as the receiver (the "Receiver") of the undertaking, property and assets of [DEBTOR] (the "Debtor"). All undefined terms in this Monitor's Certificate have the meanings ascribed to them in the Order of the Court dated [May 19], 2015 (the "Approval Order") approving the Lease Transfer Agreement entered into among Target Canada Co. ("TCC") and Lowe's Companies Canada, ULC (the "Assignee") dated May 6, 2015 (the "Lease Transfer Agreement"), a copy of which is attached as Exhibit B to the Affidavit of Mark Wong dated May 8, 2015.
- B. Pursuant to ~~an~~ the Approval Order of the Court dated [DATE], the Court approved the agreement of purchase and sale made as of [DATE OF AGREEMENT] (the "Sale Agreement") ~~between the Receiver [Debtor] and [NAME OF PURCHASER] (the "Purchaser")~~ Lease Transfer Agreement and provided for the vesting ~~in the Purchaser of the Debtor's~~ sale, assignment and transfer to Assignee of TCC's right, title and interest in and to the Purchased ~~Subject~~ Subject Assets, which ~~vestingsale, assignment and transfer~~ is to be effective with respect to the Purchased ~~Subject~~ Subject Assets upon the delivery by the Receiver Monitor to the Purchaser Assignee and TCC of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in ~~section~~ sections 7.1, 7.2 and 7.3 of the ~~Sale~~ Lease Transfer Agreement have been satisfied or waived by the Receiver Assignee and the Purchaser TCC, as applicable; and (iii) the Transaction has been completed to the satisfaction of the Receiver. ~~C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.~~ Monitor.

THE RECEIVER MONITOR CERTIFIES the following:

Draft

~~1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;~~

~~1. 2. The conditions to Closing as set out in section 7.1, 7.2 and 7.3 of the Sale/Lease Transfer Agreement have been satisfied or waived by the Receiver/Assignee and the Purchaser/TCC, as applicable; and~~

~~2. 3. The Transaction has been completed to the satisfaction of the Receiver/Monitor.~~

~~4. This Monitor's Certificate was delivered by the Receiver/Monitor at _____ [TIME] on _____ [DATE].~~

~~[NAME OF RECEIVER] ALVAREZ & MARSAL CANADA INC., in its capacity as Receiver of the undertaking, property and assets of [DEBTOR], Court-appointed Monitor of Target Canada Co., et al, and not in its personal or corporate capacity~~

Per: _____

Name:

Title:

Draft

Revised: January 21, 2014

Schedule B—Purchased Assets

SCHEDULE "C"

<u>No.</u>	<u>Location/Address</u>	<u>Province</u>	<u>Land Registry Office</u>	<u>Legal Description</u>	<u>Encumbrances to be Expunged/Deleted</u>
<u>NIL</u>	<u>NIL</u>	<u>NIL</u>	<u>NIL</u>	<u>NIL</u>	<u>NIL</u>

Draft

DECISION: 1301027.14

Revised: January 21, 2014

~~Schedule C—Claims to be deleted and expunged from title to Real Property~~

Draft

DOCSTOR-12/10/27/14

~~Schedule D — Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property~~

~~(unaffected by the Vesting Order)~~

SCHEDULE “D” - PERMITTED ENCUMBRANCES

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

Draft

DECSTOR-120102711

TAB 4

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE)	TUESDAY, THE 19 TH
REGIONAL SENIOR JUSTICE)	DAY OF MAY, 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 TRANSFER 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 transfer (the “**Transaction**”) contemplated by a Lease Transfer Agreement (the “**Lease Transfer Agreement**”) among Target Canada Co. (“**TCC**”), as Assignor, and Lowe’s Companies Canada, ULC as Assignee (the “**Assignee**”) dated May 6, 2015 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 Mark Wong sworn on May 8, 2015 including the exhibits thereto (the “**Wong 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 Assignee, and such other counsel as were present, no one else appearing although duly served as appears from the Affidavit of Service of Geoffrey Grove sworn May 8, 2015, filed:

Draft

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 Transfer Agreement, as applicable.

APPROVAL OF THE LEASE TRANSFER AGREEMENT

3. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved and ratified and that the execution of the Lease Transfer Agreement by TCC is hereby approved and ratified with such minor amendments as TCC (with the consent of the Monitor) and the Assignee 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 sale, assignment and transfer by TCC of its right, title and interest in and to the Subject Assets to the Assignee and the Monitor shall be authorized to take such additional steps in furtherance of its responsibilities under the Lease Transfer Agreement. The legal descriptions and applicable land registry offices with respect to the Subject 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 Assignee 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 Subject Assets and the right, title and interest, if any, of any predecessor in interest of TCC in and to the Subject Assets, to the extent same was assigned or otherwise transferred to TCC, shall be sold, assigned and transferred to the Assignee 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 Subject 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 *Alberta Personal Property Security Act*, the *British Columbia Personal Property Security Act*, the *Personal Property Security Act* (Saskatchewan) 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 Subject Assets are hereby expunged and discharged as against the Subject Assets and the real or immovable property described in Schedule “C” other than any registrations made at the applicable land registry of the Leases forming part of the Subject Assets and any memorials of lease, summaries of lease, notices of lease, assignments of lease and any amendments or other registrations pertaining to the Leases forming part of the Subject Assets.

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 Subject 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 Subject 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.

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

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

GENERAL PROVISIONS

9. THIS COURT ORDERS that, notwithstanding:

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

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

10. THIS COURT ORDERS AND DECLARES that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario) and any equivalent legislation in any other jurisdiction in which all or any part of the Subject Assets 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 equivalent provisions in equivalent legislation in any other jurisdiction in which all or any part of the premises relating to the Subject Assets are located.

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

SCHEDULE "A"
PARTNERSHIPS

Target Canada Pharmacy Franchising LP

Target Canada Mobile LP

Target Canada Property LP

Draft

SCHEDULE "B"

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE) TUESDAY, THE 19TH
REGIONAL SENIOR JUSTICE)
MORAWETZ) DAY OF MAY, 2015
)

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 [May 19], 2015 (the "Approval Order") approving the Lease Transfer Agreement entered into among Target Canada Co. ("TCC") and Lowe's Companies Canada, ULC (the "Assignee") dated May 6, 2015 (the "Lease Transfer Agreement"), a copy of which is attached as Exhibit B to the Affidavit of Mark Wong dated May 8, 2015.
B. Pursuant to the Approval Order, the Court approved the Lease Transfer Agreement and provided for the sale, assignment and transfer to Assignee of TCC's right, title and interest in and to the Subject Assets, which sale, assignment and transfer is to be effective with respect to the Subject Assets upon the delivery by the Monitor to the Assignee 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 Transfer Agreement have been satisfied or waived by the Assignee and TCC, as applicable; and (ii) the Transaction has been completed to the satisfaction of the Monitor.

Draft

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 Transfer Agreement have been satisfied or waived by the Assignee and TCC, as applicable; and
- 2. The Transaction has been completed to the satisfaction of the Monitor.

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

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

Per: _____
Name:
Title:

Draft

SCHEDULE "C"

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

Draft

SCHEDULE “D” - PERMITTED ENCUMBRANCES

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

**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., *et al.***

Applicants

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT
TORONTO

MOTION RECORD

**(Motion for Approval of Lease Transfer Agreement
with Lowe's Companies Canada, ULC)**

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Matter No: 1159785