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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

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

Applicants

RESPONDING MOTION RECORD OF THE RESPONDENTS
Morguard Investments Limited, Crombie REIT, Triovest Realty Advisors Inc. and SmartREIT (formerly Calloway Real Estate Investment Trust)

(Motion to Accept Filing of a Plan and Authorize Creditors' Meeting to Vote on the Plan)
(Returnable December 21 and 22, 2015)

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TO: **SERVICE LIST**

CCAA Proceedings of Target Canada Co.et al, Court File No. CV-15-10832-00CL

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c.C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF **TARGET CANADA CO., TARGET CANADA HEALTH CO., TARGET CANADA MOBILE GP CO., TARGET CANADA PHARMACY (BC) CORP., TARGET CANADA PHARMACY (ONTARIO) CORP., TARGET CANADA PHARMACY CORP., TARGET CANADA PHARMACY (SK) CORP., and TARGET CANADA PROPERTY LLC**

Applicants

INDEX

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

ONTARIO
SUPERIOR COURT OF JUSTICE
[COMMERCIAL LIST]

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

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

Applicants

AFFIDAVIT OF SCOTT MACDONALD
Sworn December 8, 2015

I, Scott MacDonald, of the City of Oakville, in the Province of Ontario, MAKE OATH AND SAY:

1. I am the Executive Vice President, Retail Asset Management with Morguard Investment Limited and as such have knowledge of the matters to which I hereinafter depose. Where such knowledge is based upon the information of others I verily believe such information to be true.

2. Morguard Investments Limited ("**Morguard**") is the agent and manager for landlords of fifteen shopping centres in which Target Canada Co. (directly or through related entities) (collectively "**Target Canada**") was a tenant and previously operated retail stores (the "**Target Stores**"). Morguard, through related entities, also holds an ownership interest in a great majority of the shopping centres in which the Target Stores were located.

Appended to my affidavit as **Exhibit "A"** is a list of each landlord of the shopping centres in which the Target Stores were located.

3. Each of the fifteen Target Stores was previously a Zellers store and the leases for the locations were assigned to Target Canada. The original lease date for each of the fifteen locations varies, however some leases were entered into more than forty years ago.

4. When the leases were assigned to Target Canada, Zellers remained liable for the obligations under the leases as original covenantor. In addition, for thirteen of the locations, Target Corp. executed a guarantee in favour of the landlord (the "**Parent Guarantees**").

5. In every case, Target Canada served as an "anchor" tenant of the shopping centres. Anchor tenants play a critical role in the financial viability of a shopping centre for both the landlord and other tenants as anchor tenants provide the single largest or one of the largest draws of customers to the shopping centres. Lease rates for other tenants are heavily dependent upon the identity and operation of anchor tenant(s). Furthermore, the retention of other tenants is also significantly impacted by the absence of anchor tenants. Target Canada was aware of its role as an anchor tenant and its impact on Morguard's shopping centres and the other tenants in the shopping centres.

Commencement of CCAA Proceeding and Parent Guarantees

6. When Morguard learned that Target Canada had filed for protection under the *Companies' Creditors Arrangement Act*, (the "***CCAA***"), one of our immediate concerns was the impact the *CCAA* proceeding might have on the Parent Guarantees. This concern was

heightened by the fact that the Initial Order granted by the court on January 15, 2015 included a stay of proceeding prohibiting landlords from taking steps to enforce the Parent Guarantees.

7. Given the seriousness of the matter, Morguard considered all options available to it to ensure that the Parent Guarantees would not be compromised by the *CCAA* proceeding, including the possibility of requesting that the *CCAA* proceeding be terminated and Target Canada be required to make an assignment in bankruptcy.

8. In addition, Morguard was concerned with the manner in which Target Canada would liquidate its inventory and with the manner in which it would offer for sale and sell our real property leases.

9. Thereafter we, through our counsel, began discussions/negotiations with Target Canada and Target Corp. to amend the provisions of the Initial Order, to stipulate the terms of an agreeable order for the sale and liquidation of Target's inventory, fixtures and equipment and to finalize the terms of an order which would govern the sale of real property leases (the "**RPPSP Order**").

10. I am advised by Linda Galessiere of McLean & Kerr LLP, our counsel, that each of Target Canada, Target Corp. and the Monitor were aware of our concerns regarding the preservation of the Parent Guarantees.

11. The amendments to the Initial Order and in particular the inclusion of the provisions confirming that the Parent Guarantees would not be compromised in the *CCAA*

proceeding (paragraph 19A) were of utmost importance to Morguard throughout the negotiations of the various orders. The final terms of the RPPSP Order were agreed to on the agreement that the Initial Order would be amended to include the negotiated changes (specifically paragraph 19(A)). In addition, pursuant to the agreement reached for the terms of the Amended and Restated Initial Order (which included paragraph 19A) and the RPPSP Order, Morguard agreed not to challenge the appropriateness of the *CCAA* proceeding.

Assignment and Disclaimer of Leases

12. Of the fifteen Target Stores in Morguard's portfolio, six were assigned by Target Canada to other tenants, one was purchased back by Morguard and eight were disclaimed.

13. Of the six assigned leases, Zellers remains liable as original covenantor for five of the leases and three remain protected by a Parent Guarantee.

14. Of the eight disclaimed leases, Zellers remains liable as original covenantor for each of the eight leases. In addition, Parent Guarantees were granted for each of the disclaimed leases.

Disclaimed Leases – Damages Suffered

15. Immediately upon learning that Target Canada had filed for insolvency protection on January15, 2015, Morguard mobilized its remerchandising team (which team includes leasing personnel, asset managers, contractors, consultants, architects, engineers and development personnel) to consider and assess all options for re-leasing the locations.

16. These efforts to re-lease continue to this date, however save for the six leases assigned by Target Canada, none of the nine vacant Target Stores have been re-let. Each of the eight disclaimed Target Stores are located in enclosed shopping centres.

17. As all efforts to find tenants willing to lease the entire premises (which premises range in size from approximately 75,000 – 140,000 square feet) have been exhausted, Morguard has determined that it must now either demolish and rebuild and/or re-demise each of the nine vacant Target Stores.

18. By way of example, for two locations in Western Canada, it appears that the best alternate leasing arrangement will be to demolish the existing Target Stores and rebuild new smaller structures to accommodate grocery stores. The new buildings will be approximately 40%-48% smaller than the existing Target Store and the lost rentable area will only be recaptured with the construction of new structures. The costs associated with the new redevelopment exceed $20,000,000.00 at each shopping centre.

19. Although the new tenants will likely pay more in rent per square foot than that paid by Target Canada, at best, rent from first new tenants will not commence until early 2017 (as no agreements have been reached with any tenants and construction/tenant fixturing will take 12 or more months to complete). In addition, the higher rents that may be paid by new tenants will need to be off-set against the rent reductions that have already been requested by tenants located near the closed Target Store who are suffering from a reduction in sales due to the closure and loss of this anchor tenant.

20. At Bramalea City Centre (“**BCC**”) (also a disclaimed location located in Brampton, Ontario), the Target Store was situated on two floors and extensive construction will be necessary to re-demise the area to accommodate 4-6 new smaller stores and reconfigure the space to fit within the existing shopping centre on both levels. In this regard, it will be necessary to reconfigure the space to provide for a new loading dock, new escalators, a freight elevator, a customer elevator, new exterior and interior access doors, new interior and exterior facade, new back access stairs, new internal mall stairs, new washrooms, new demising walls, etc.

21. In addition, in order to accommodate several new smaller stores in the BCC Target Store, new common areas must be created resulting in a loss of gross rentable area of approximately 15%-25%.

22. The costs to re-demise and re-let the BCC Target Store, including tenant allowance costs, are projected to exceed $30,000,000.00 depending on the final plans implemented. The costs associated with re-demising a store located in an enclosed shopping centre are far greater than those needed to re-demise a stand-alone store or one located in a strip centre. In addition, although all tenants negotiate an “allowance” to be paid by the landlord, such allowances vary greatly depending on the tenant and can be upwards of $80 per square foot of the premises to be leased, adding a significant amount to the total re-leasing costs.

23. As noted above, no new lease agreements have been entered into for any of the former Target Stores. It is expected that at best, if a new tenant is found now for BCC, rent will not commence until the fall of 2017 and the entire space will not be fully re-let before 2020.

24. As most of Morguard's shopping centres are currently financed, the costs to re-demise the Target Stores will need to be paid for with equity funding as new financing would not be available or would complicate existing financing arrangements.

Proofs of Claim

25. Morguard submitted proofs of claim for the eight leases that were disclaimed and for the six leases that were assigned. The proofs of claim for the stores that were disclaimed particularized the rent lost for the term of the leases and the costs to re-demise and re-let the Target Stores. The proofs of claim for the stores that were assigned claimed rent in the event the assignee should default and vacate the premises. The Monitor has issued a Notice of Revision or Disallowance for each and every location and only allowed an amount equal to the amount Target Canada proposes in its plan for the stores that were disclaimed. No amount whatsoever was allowed for stores that were assigned. Morguard will be filing a Notice of Dispute for all of its disclaimed and assigned locations.

26. It appears that the Monitor has given no consideration to Morguard's actual losses as required by the *CCAA* prior to issuing its Notices of Revision or Disallowance and the amounts allowed by the Monitor are far below the damages that Morguard will actually suffer. By way of example, appended is the proof of claim and the Notice of Revision or Disallowance relating to the BCC location.

> Appended to my affidavit as **Exhibit "B"** is a copy of Morguard's Proof of Claim and the Monitor's Notice of Revision or Disallowance

27. Although the Monitor has not provided any information to support its Notices of Revision or Disallowance, it appears that the Monitor expects that the Target Stores will be fully re-let in 2-4 years. This however, is not a valid assumption. When Eaton's closed various stores in 1999 landlords were forced to re-demise the space and find new tenants. One such store was the Eaton's store located in Morguard's Coquitlam Centre, in Coquitlam B.C. The store (approximately 130,000 square feet) was re-demised into eight stores and was not fully re-let until October 2006 – a full 7 years after the store was returned to Morguard. It appears that the assumption that the Target Stores will be re-let in 2-4 years has resulted in Morguard's claims being unjustifiably reduced.

28. I make this affidavit in response to Target Canada's motion to approve the filing of its plan and for no other or improper purpose.

SWORN before me at the City of Oakville, in the Province of Ontario, this 8th day of December, 2015. Commissioner for Taking Affidavits Andrew Warman	)))))))	SCOTT MACDONALD

THIS IS EXHIBIT A TO THE AFFIDAVIT OF SCOTT MACDONALD SWORN BEFORE ME AT THE CITY OF OAKVILLE, THIS 8TH DAY OF DECEMBER, 2015.

Commissioner For Taking Affidavits
Andrew Warman

Exhibit A

Leases Assigned to New Tenants:

Property	Landlord	City	Province
Aurora Centre	Morguard Real Estate Investment Trust	Aurora	ON
Cambridge Centre	Morguard Real Estate Investment Trust	Cambridge	ON
CENTERPOINT MALL	Revenue Properties Company Limited	Toronto	ON
Intercity Shopping Centre	Intercity Holdings Inc.	Thunder Bay	ON
Pine Centre Mall	Pine Centre Holdings Inc.	Prince George	BC
Southdale Centre	Morguard Real Estate Investment Trust	Winnipeg	MB
THE COQUITLAM CENTRE	Pensionfund Realty Limited	Coquitlam	BC

Disclaimed Leases:

Property	Landlord	City	Province
Bonnie Doon Shopping Centre	Bonnie Doon Shopping Centre (Holdings) Ltd.	Edmonton	AB
BRAMALEA SHOPPING CENTRE	1orguard Corporation & Bramalea City Centre Equities In	Brampton	ON
Cottonwood Shopping Centre	2046459 Ontario Inc.	Chilliwack	BC
EAST YORK TOWN CENTRE	Revenue Properties Company Limited	Toronto	ON
Prairie Mall Co-ownership	Morguard Real Estate Investment Trust	Grand Prairie	AB
Shopper's Mall	Morguard Real Estate Investment Trust	Brandon	MB
The Mall at Lawson Heights	3934390 Canada Inc.	Saskatoon	SK

Lease Purchased By Landlord:

Property	Landlord	City	Province
The Centre @ Circle & Eighth	Morguard Real Estate Investment Trust	Saskatoon	SK

THIS IS EXHIBIT B TO THE AFFIDAVIT OF SCOTT MACDONALD SWORN BEFORE ME AT THE CITY OF OAKVILLE, THIS 8TH DAY OF DECEMBER, 2015.

Commissioner For Taking Affidavits
Andrew Warman

Morguard

DATE: October 13, 2015

TO: targetcanadaclaims@alvarezandmarsal.com

FROM: Cody Beales

COMPANY: Morguard

NUMBER OF PAGES
(INCLUDING COVER PAGE)
DATE

RE Target CCAA Proof of Claim - Morguard Corporation & Bramalea City Centre Equities Inc.

Attached is the revised CCAA proof of claim for Target Canada for the following Morguard Managed Properties:

Bramalea City Centre

The claim includes:

Chart showing calculation of minimum rent for the term of the lease;
Chart showing calculation of CAM claim, with 3% increase per year for the term of the lease;
Chart showing calculation of Realty Tax claim with 3% increase per year for the term of the lease;
If applicable, chart showing calculation of co-tenancy claims (for vacant locations); and
If applicable, chart showing arrears of rent for rent owing prior to Jan. 15, 2015 (date of CCAA filing).

If you have any questions, please contact me at 905-281-5829 or cbeales@morguard com

Thanks

Cody Beales

Cody Beales

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PROOF OF CLAIM FORM FOR CLAIMS AGAINST THE TARGET CANADA ENTITIES[1]

1. Name of Target Canada Entity or Entities (the "Debtor"):
Debtor: Target Canada Co., Target Canada Property LLC and "any other Target entity that held an interest in the Lease from time to time, including, if applicable, Target Canada Property LP"

2(a) Original Claimant (the "Claimant")

Legal Name of Claimant: Morguard Investments Limited ~~as agent for Morguard Corporation~~ *

Address: #800 - 55 City Centre Drive

City: Mississauga Prov /State: ON

Postal/Zip Code: L5B 1M3

Name of Contact: Ed Lincz

Title: Vice President Retail Property Mgmt

Phone #: 905 281 - 3800

Fax #: 905 281 - 5865

email: elincz@morguard.com

2(b) Assignee, if claim has been assigned

Legal Name of Assignee:

Address:

City: Prov /State:

Postal/Zip Code:

Name of Contact:

Phone #:

Fax #:

email:

* and Bramalea City Centre Equities Inc.

---

[1] Target Canada Co., Target Canada Health Co., Target Canada Mobile GP Co., Target Canada Pharmacy (BC) Corp., Target Canada Pharmacy Corp., Target Canada Pharmacy (SK) Corp., Target Canada Property LLC, Target Canada Pharmacy Franchising LP, Target Canada Mobile LP, And Target Canada Property LP (collectively, the "Target Canada Entities").

3. Amount of Claim

The Debtor was and still is indebted to the Claimant as follows:

Currency	Amount of Claim (including interest up to and including January 14, 2015)	Unsecured Claim	Secured Claim
See Schedule A			

4. Documentation

Provide all particulars of the Claim and supporting documentation, including amount, and description of transaction(s) or agreement(s), or legal breach(es) giving rise to the Claim, including any claims assignment/transfer agreement or similar document, if applicable, and amount of invoices, particulars of all credits, discounts, etc. claimed, description of the security, if any, granted by the affected Debtor to the Claimant and estimated value of such security.

5. Certification

I hereby certify that:

1. I am the Claimant or authorized representative of the Claimant.
2. I have knowledge of all the circumstances connected with this Claim.
3. The Claimant asserts this Claim against the Debtor as set out above.
4. Complete documentation in support of this claim is attached.

Signature: [signature]
Name: Ed Lincz
Title: Vice President Retail Property Management

Witness: [signature] (signature)
Cody Beales (print)

Dated at Mississauga this 10 day of August, 2015

6. Filing of Claim

This Proof of Claim must be received by the Monitor on or before 5:00 p.m. (Toronto time) on August 31, 2015 by prepaid ordinary mail, registered mail, courier, personal delivery or electronic transmission at the following address:

Alvarez & Marsal Canada Inc., Target Canada Monitor
Royal Bank Plaza, South Tower
200 Bay Street, Suite 2900, P.O. Box 22
Toronto, ON Canada M5J 2J1
Attention: Greg Karpel
Email: targetcanadaclaims@alvarezandmarsal.com
Fax No.: 416-847-5201

For more information see [illegible] or contact the Monitor by telephone [illegible]

6463710

SCHEDULE "A"

OVERVIEW OF CLAIM

1. This Proof of Claim is made against Target Canada Co, and Target Canada Property LLC and any other Target entity that held an interest in the Lease from time to time, including, if applicable, Target Canada Property LP ("**Target Canada**") by Morguard Corporation & Bramalea City Centre Equities Inc. ("**Landlord**") as owner of Bramalea City Centre ("**Shopping Centre**"), a shopping centre located in the City of Brampton, Province of Ontario . This Proof of Claim is in respect of a Lease dated August 1, 2000 originally by and between Exchange Tower Limited and Zellers inc., as amended, restated, supplemented or modified from time to time. The Lease was subsequently assigned to Target Canada Co. on May 27, 2011, as may be amended, restated, modified, supplemented, renewed and extended from time to time, including as amended by First Amendment to Lease between the Landlord and Target Canada as of May 27, 2011 (collectively, the "**Lease**"). A copy of the Lease is included with this Proof of Claim.

2. Pursuant to a Disclaimer Notice dated April 29, 2015 Target Canada disclaimed its rights under the Lease, such disclaimer being effective on May 29, 2015. A copy of the Disclaimer Notice is included with this Proof of Claim.

3. The total amount of this Proof of Claim is approximately **$43,431,250**. This amount, and certain of the amounts detailed below, may change as certain claim amounts cannot yet be determined, or determined with precision, at this time. The Landlord reserves its right to claim any additional amounts that may arise. The total claim amount caused by Target Canada's cessation of operations, breach of the Lease and disclaimer of the Lease includes:

(a) **$3,809,644** of rent due to the end of the term of the Lease;

(b) **$539,568** Target Canada's share of expenses for the Shopping Centre's common area;

(c) **$2,336,008** Target Canada's share of realty tax;

(d) **$17,603** on account of outstanding accounts receivable owing by Target Canada for rent accruals, operating expenses, taxes, liens, utilities and insurance, plus any accrued interest thereon up to and including January 14, 2015;

(e) approximately $32,438,275 in respect of costs and expenses associated with re-leasing the Premises (as defined below) including, but not limited to, leasehold improvements, construction costs, leasing and brokerage commissions and advertising and legal fees;

(f) an amount to be determined in respect of losses, costs and expenses associated with claims made by other tenants of the Shopping Centre and other persons;

(g) an amount to be determined for losses or diminishment of future rent streams for the Shopping Centre;

(h) to the extent not otherwise addressed by other claims or forms of damages herein, an amount to be determined in respect of the impairment / diminution of the value of the Shopping Centre; and

(i) pursuant to subsection 32(7) of the CCAA, an amount to be determined in respect of all costs, interest and expenses incurred by the Landlord in respect of Target Canada's disclaimer of its rights under the Lease, including without limitation, all legal, audit and accounting fees and expenses.

4. The basis for this Proof of Claim is described in further detail below and is supported by the terms of the Lease, which are attached to this Proof of Claim, and section 32 of the CCAA.

II. BASIS FOR CLAIM

1. Target Canada assigned, transferred and/or sublet the Lease to other Target entities including Target Canada Property LLC and/or Target Canada Property LP (the "**Target Entities**") and such other Target Entities further assigned, transferred and/or sublet the Lease to one or more Target Entities which Target Entities transferred, assigned and/or subleased the Lease back to Target Canada. As such, each of the Target Entities are liable to the Landlord for the damages set out herein.

2. Prior to disclaiming its rights under the Lease, Target Canada rented 139,107 square feet of commercial leasable area within the Shopping Centre (the "**Leased Premises**").

3. Prior to disclaiming its rights under the Lease, Target Canada served as an "anchor" tenant. An anchor tenant plays a critical role in the financial viability of the Shopping Centre for both the Landlord and the other tenants of the Shopping Centre alike as it provides the single largest or one of the largest draws of customers to the Shopping Centre. Lease rates for other tenants are heavily dependent upon the identity and operation of anchor tenant(s) of the Shopping Centre. Furthermore, retention of other tenants is also significantly impacted by Target Canada's absence from the Leased Premises. Target Canada was aware of its role as an anchor tenant and its impact on the Shopping Centre and other tenants in the Shopping Centre and used its position as an anchor tenant to obtain favorable Lease terms.

4. Pursuant to the process established by the Real Property Portfolio Sales Process (the "**RPPSP**") in this proceeding, Target Canada marketed its rights under leases to various entities across Canada. While Target Canada was successful in finding purchasers / assignees for certain of the leases, it could not find a purchaser for the Lease, which was disclaimed by Target Canada.

5. As a result of Target Canada's demise, breach of the Lease and the disclaimer of the Lease, the Landlord has suffered and will continue to suffer significant losses. In addition to the losses suffered due to the breach of the Lease, subsection 32(7) of the CCAA provides for the recovery of losses in relation to the disclaimer of the Lease. The losses as set out in the Overview of Claim are described in further detail below.

A. Rent to the End of the Term of the Lease:

The Target Canada is responsible for all unpaid rent owing under the Lease during the full remainder of the term of the Lease which expires on August 1, 2020 Pursuant to the terms of the Lease, $3,809,644 of base rent is due or to become due. A chart setting out the rent owing per year is attached.

B. Common Area Expenses:

Pursuant to the terms of the Lease, $539,568 of expenses attributable to the Leased Premises is due or to become due as a result of Target Canada's disclaimer of the Lease. This number assumes that common area expenses increased 3% annually. A chart setting out the common area expenses per year is attached.

C. Realty Taxes:

Pursuant to the terms of the Lease, $2,336,008 of realty tax is due or will be due and owing as a result of Target Canada's disclaimer of the Lease. This number assumes that realty tax will increase 3% annually. A chart setting out the realty tax owing per year is attached.

D. Arrears of Rent:

Target Canada owes $17,603 on account of arrears of rent, operating expenses, taxes, liens, utilities and insurance, plus any accrued interest thereon up to and including January 14, 2015.

E. Costs and expenses incurred in re-leasing the Premises:

(i) Due to Target Canada's disclaimer of its rights under the Lease, the Landlord has incurred and continues to incur significant costs and expenses to re-lease the Leased Premises. Such costs and expenses include, without limitation, construction costs, leasing and brokerage commissions and advertising and legal fees.

(ii) Target Canada's failure to find an assignee of the Lease through the RPPSP demonstrates that there is no tenant willing to take over the Leased Premises in the current circumstances.

(iii) Accordingly, any re-leasing of the Leased Premises will almost surely require leasing the space to multiple tenants, which will be a costly and lengthy process that will require, among other things, obtaining requisite municipal zoning approvals, reconstructing the facades and loading facilities, building demising walls and modifying the HVAC and other systems.

(iv) Dividing up the Premises among multiple tenants will result in the loss of an anchor tenant which will lead to a further loss in future rent streams and also further reduce the value of the Shopping Centre.

(v) In total, the Landlord currently anticipates that it will incur approximately $32,438,273 million in re-leasing expenses. The full extent of such expenses is not yet known.

F. Co-tenancy Claims:

(i) Certain tenants of the Shopping Centre may assert claims for rent abatement or lease termination resulting from Target Canada's demise and disclaiming of the Lease. The Landlord currently anticipates that it will incur approximately $3,418,645 in claims for rent abatement or lease termination resulting from Target Canada disclaiming its rights under the Lease, however, the full extent of such Landlord losses is not yet known. These losses will be incurred as a direct result of Target Canada's disclaimer of the Lease.

G. Loss of rent from other tenants of the Shopping Centre:

The loss of Target Canada as an anchor tenant in the Shopping Centre will negatively impact the Landlord's ability to attract new tenants to the Shopping Centre and will negatively impact future negotiations with other tenants (including prospective tenants) of the Shopping Centre. Target Canada is liable for any loss or diminishment of future rent streams caused by the disclaimer of its rights under the Lease.

H. Impairment / diminution of value of Project:

The value of the Shopping Centre has been impaired and reduced as a result of the fact that Target Canada is no longer the tenant of the Leased Premises. To the extent not otherwise addressed by other claims or forms of damages herein, Target Canada is liable for the diminution of value of the Shopping Centre in relation to the disclaimer of the Lease.

I. Additional costs and expenses:

Due to Target Canada's disclaimer of the Lease, the Landlord has suffered and will continue to suffer additional costs and expenses in an amount to be determined including legal, audit and accounting fees and expenses. The full extent of such losses is not yet known.

J. reservation of claims and rights

1. As many of the losses and damages suffered by the Landlord at the expense of Target Canada cannot yet be determined, the Landlord reserves its right to assert further heads of claim or damages, or amounts thereof, as they become known or more precisely capable of determination. The Landlord reserves the right to amend and/or supplement this Proof of Claim with, among other things, additional information, and to file additional claims for any reason whatsoever.

2. The filing of this Proof of Claim is not and shall not be construed as a waiver or limitation of any right, interest or cause of action held by the Landlord in these proceedings or in any other proceeding.

III. FURTHER INFORMATION

Any inquiries with respect to the information contained in this Proof of Claim may be directed to:

Ed Lincz
Vice President, Retail Property Management
Morguard
#800 – 55 City Centre Drive
Mississauga, ON
L5B 1M3
Telephone: (905)-281-5924
E-Mail: elincz@morguard.com

Schedule A - Backup

TO: Target Canada Co., Target Canada Property LLC, and "any other Target entity that held an interest in the Lease from time to time, including, if applicable, Target Canada Property LP"

FROM: MORGUARD INVESTMENTS LIMITED as agent for Morguard Corporation & Bramalea City Centre Equities Inc

RE: Bramalea City Centre

End of Lease:	31-Aug-2020
Initial Order Filed:	15-Jan-2015
Disclaimer Effective	29-May-2015

Pre-Filing Arrears (Pre Jan 15, 2015)

Balance of January 2014 rent	$421.83
2014 Year End Water Adjustment	($2,939.09)
Property Tax (Jan1-14)	$18,125.77
H.S.T @ 13%	$2,025.21

Post CCAA Arrears - Pre Effective Date of Disclaimer

Restructuring Claim
Rent: As Per Terms of Lease
CAM&Taxes (3% Budgeted Increase Annually)

Year	Annual Rent	CAM & Water	Taxes	HST	
2015 *	426,824.50	56,518.49	244,293.00	94,592.42	$822,228.41
2016	724,890.00	97,603.48	423,041.91	162,075.60	$1,408,810.99
2017	724,890.00	100,840.58	436,660.17	164,110.80	$1,426,501.55
2018	724,890.00	103,865.80	449,759.97	166,207.05	$1,444,722.82
2019	724,890.00	106,981.78	463,252.77	168,366.19	$1,463,490.74
2020	483,260.00	73,460.82	318,100.24	113,726.74	$988,547.79
Totals	3,809,644.50	539,566.95	2,336,008.06	869,078.80	
H.S.T @ 13%					

* 2015 Taxes for the period June to December as per City of Brampton tax invoice

2015 Y/E Billings Owed to Landlord

None anticipated

Costs Incurred By Landlord to Put New/Temp Tenants in Former Target Space

Demising wall and corridor (Invoice # 1517)	$43,686.15	
Public Door Rekeying (Parts & Labour)(Invoice # 0021S)	$833.00	
Miscellaneous Cleaning & Repair (Extra labour by Cleaning contractor)	$2,500.00	
Petroff Architecture (Invoice # PPA29774)	$129.20	
Petroff Architecture (Invoice # PPA30672)	$662.64	
Petroff Architecture (Invoice # PPA30511)	$2,540.86	
Petroff Architecture (Invoice # PPA31029)	$3,124.50	
Hard Costs	$17,520,575.00	
Soft Costs	$6,471,200.03	
Tenant Inducement Allowances	$7,035,370.00	
Real Estate Commissions	$745,085.00	
Construction Financing	$636,044.60	$32,491,551.02

Contracted Income From Temp Tenants (subtract)

[illegible] (Canada Inc))	($45,000.00)
3-Sep-15 to 2-Nov-15	($5,850.00)
H.S.T @ 13%	

Legal Fees:
All Costs & Legal Fees Incurred

Co-Tenancy Claim

Tenant	Monthly Loss	Lease Expiry	Total Months	
SportChek (Currently meets occupancy & sales test)				
Metro (Currently meets sales test)				$3,025,350.00
H&M	[illegible]	[illegible]	[illegible]	$393,295.50
H.S.T @ [illegible]				
- Clause: One Anchor Closes				

Account Balance: [illegible]

Morguard

INVOICE

Remit to - MORGUARD INVESTMENTS LIMITED
in Trust for BCC
25 Peel Centre Drive
Unit 395B
Brampton ON L6T 3R5
Inquiries: (905) 595-4758

BILL TO
TARGET CANADA CO.
ATTN: PROPERTY MANAGEMENT ACCOUNTING
P.O. BOX 9499, TPN-0915
MINNEAPOLIS MN 55403
USA

RE - TARGET
BRAMALEA SHOPPING CENTRE
25 Peel Centre Drive
Brampton ON L6T 3R5

PROPERTY NO	SUITE NO	TENANT NO.	LEASE NO	DATE	PAGE NO
1204	00002	02067250	00147889	MAR 11 2015	1

Invoice No.	Description	Amount
3851690 001	2015 REALTY TAX JAN01-JUN30'15	206,235.00
3851690 002	Harmonized Sales Tax	26,810.55

Pro-rated
Jan(1-14) $18,125

GST/HST # 87849 3915 RT0001

ORIGINAL	Total Due On MAR 11 2015	233,045.55

21

FLOWER CITY

BRAMPTON.CA

City of Brampton

Retain this bill for your records

Pre-Authorized Tax Notice

Interim 2015

Corporate Services, Finance Division
2 Wellington Street West
Brampton, Ontario L6Y 4R2
Tel: 311 or 905 874.2000 Fax: 905 874.2295
www.brampton.ca/contact

Billing Date: Dec 8, 2014

Customer No: TG4ARSJ6

0005011 236 01(C)
MORGUARD CORPORATION
BRAMALEA CITY CENTRE EQUITIES INC
C/O MORGUARD INVESTMENTS LIMITED
25 PEEL CENTRE DR SUITE 303B
BRAMPTON ON L6T 3R5

Tax Roll #: 10-09-0-014-01150-0000
Location: 25 PEEL CENTRE DR
Legal Desc: CON 4 EHS PT LOT 5 RP 43R307 PART 14

Prior Year Tax Class	Prior Year Assessment	Prior Year Tax Rate(%)	Prior Year Annualized Tax Levy
CT	17,896,670	2.304737	412,471.17
Totals	17,896,670		

Prior Year Annualized Tax Levy 412,471.17
Prior Year Annualized Taxes $412,471.17

RECEIVED
DEC 15 2014
BRAMALEA CITY CENTRE

Account Summary (As of Dec 2, 2014)	
Future Due	206,236.00
Account Balance	$206,236.00

Summary	
Interim Levy (50%)	$206,236.00
Total Amount Due	$206,236.00

The Future Due amount indicated in the above Account Summary also includes any future instalment(s) from previous billings.

OVERDUE TAXES, IF ANY, ARE DUE IMMEDIATELY.
Late payment charges will be applied to overdue taxes at a rate of 1.25% on the day after the due date and on the first day of each month until paid.

Dishonoured payments are subject to an administration charge and may result in your account being removed from the Pre-Authorized Payment Program.

Withdrawal Dates

Due Date	Amount
Jan 2, 2015	34,375.00
Feb 2, 2015	34,372.00
* Mar 2, 2015	34,372.00
Apr 1, 2015	34,372.00
May 1, 2015	34,373.00
Jun 1, 2015	34,372.00

ader
16/12/14

INVOICE

MORGUARD INVESTMENTS LTD.

Remit to - MORGUARD INVESTMENTS LIMITED
in Trust for BCC
25 Peel Centre Drive
Unit 395B
Brampton ON L6T 3R5
Inquiries: (905) 595-4758

BILL TO
TARGET CANADA CO.
ATTN: PROPERTY MANAGEMENT ACCOUNTING
P.O. BOX 9499, TPN-0915
MINNEAPOLIS MN 55403
USA

RE - TARGET
BRAMALEA CITY CENTRE
ON

Building	Unit	Tenant	Lease	Date	Page No.
1204	00002	02067250	00147889	OCT 09 2015	1

Invoice No.	Description	Amount
3903334 001	2014 Y/E WATER ADJ	2,627.51-
3903334 002	Harmonized Sales Tax	341.58-

GST/HST # 87849 3915 RT0001

Total Due On Receipt 2,969.09-

MSD CONSTRUCTION LTD.

Invoice

Number 1517

Date 7/8/2015

MSD CONSTRUCTION LTD
72 Molson St. Port Hope
ONT L1A 2J9
msdconstruction.ca
info@msdconstruction.ca
416-854-3393

BILL TO
BCC
Morguard
25 Peel Centre Dr.
Brampton, ONT, L6T 3R

[illegible]	[illegible]	[illegible]
Petro## 15021 date 15-04-09		Target Hoarding

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	To supply and install materials and labour for Hoarding as per drawings and specs. 1 -layer of drywall corridor side finished and painted with rubber base.		$41,400.15	✔	$41,400.15
	Supply and install materials and labour for escalator hoarding non painted 1 side drywall.		$2,286.00	✔	$2,286.00

RECEIVED
JUL 29 2015
BRAMALEA CITY CENTRE

BL
[illegible]

Amount Paid	$0.00
Amount Due	$49,365.35
PO#	

Discount	$0.00
SUB TOTAL	$43,686.15
HST 889041828 GST Tax 13.00%	$5,679.20
TOTAL	$49,365.35

[illegible]

HENRY'S HARDWARE LOCKSMITHING

Henry's Hardware&Locksmithing Ltd.
1020 Meyerside Drive Unit 9
Mississauga, ON L5T 1K7
Phone :905-696-7315 Fax: 905-696-7318

Invoice

Date	Invoice #
29/05/2015	0021 S

Bill To

Morguard Investment Lim.
Bramalea City Centre
25 Peel City Centre Unit 395B
Bramalea, ON L6T 3R5

Ship To

Target Employee Entrance

P.O. No.	Terms	Due Date	Ship Date	Packing Slip
Shaun/Peter	Net 30	28/06/2015	29/05/2015	0021 S

Description	Qty	Rate	Amount
Rim locks picked open	2	12.00	24.00T
Rim cylinder S&I on employee entrance	1	45.00	45.00T
Keys supplied N/C	2	0.00	0.00T
SC1 keys cut on site	4	3.50	14.00T
1" Mortise S&I on exterior	5	45.00	225.00T
Mortise rekeyed to match employee entrance	5	20.00	100.00T
Protection rings S&I	5	15.00	75.00T
Service call to pick open and replace employee entrance lock at vacant target space. Waited for one hour in the morning to change locks. I was told to come back at the end of the day because codes were not released. Returned at 4 pm to change locks. Came back on Monday to install lock on remaining exterior doors	1	85.00	85.00T
Hour labour charge	1	65.00	65.00T
Subtotal			633.00
HST (ON) on sales		13.00%	82.29

THANK YOU FOR YOUR ORDER	Please pay to: Henry's Hardware & Locksmithing Ltd.	Total	$715.29

WE APPRECIATE YOUR BUSINESS. GIVE US A CALL FOR ALL YOUR LOCKSMITHING NEEDS

Payments/Credits $0.00

Balance Due $715.29

Phone #	Fax#	E-Mail	GST/HST No.
905-696-7315	905-696-7318	henryshardware@bellnet ca	853742682

JUN 18 2015

JUN 04 2015

INVOICE

JUN 19 2015

Project: 16021.00 Target Canada Site Plan /Sketches/Proposals, ON

Morguard Investments Limited 300
333 Seymour Street
Suite 400
Vancouver, British Columbia, V6B 5A3
Canada

Invoice #: PPA28774
Issue Date: March 30, 2015

Attention: Warbeto, Nathan

Professional Services From February 01, 2015 to February 28, 2015

Reimbursable	Amount
Courier	$30.25
Printing	$98.95
Subtotal:	$129.20
Tax:	$16.79
Total:	$145.99

R04.1413

Timur K

RECEIVED
APR 09 2015

RECEIVED
APR 10 2015
K.K.

JUL 23 2015

INVOICE

Project: 15021.08 Target: Bramalea City Centre, Brampton, ON

Morguard Investments Limited 388
333 Seymour Street
Suite 400
Vancouver, British Columbia, V6B 5A6
Canada

Invoice #: PPA30872
Issue Date: June 26, 2015

Attention: Worbeto, Nathan

Professional Services From May 01, 2015 **to** May 31, 2015

- Prepare SK-004 for upper & lower level, attend meetings & co-ordinate

	Hours	Rate	Amount
Architectural Services			
Yeung, Raymond	6.00	$110.44	$662.64
Labour Total:	6.00		$662.64
		Subtotal:	$662.64
		Tax:	$86.15
		Total:	$748.79

1204.1413.TARGET X

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JUL 10 2015
KV

PETROFF

2

JUN 18 2015

JUN 11 2015

INVOICE

Project: 15021.08 Target: Bramalea City Centre, Brampton, ON

Morguard Investments Limited 300
333 Seymour Street
Suite 400
Vancouver, British Columbia, V6B 5A6
Canada

Invoice #: PPA30511

Issue Date: May 28, 2015

Attention: Werbeto, Nathan

Professional Services From April 01, 2015 to April 30, 2015

- Prepare & issue drawings SK-002, SK-003, SK-004, attend meetings & co-ordinate with existing condition survey

Architectural Services		Hours	Rate	Amount
Niaz, Yusra		0.75	$79.75	$59.81
Uddin, Arif		5.50	$175.00	$962.50
Yeung, Raymond		13.75	$110.44	$1,518.55
	Labour Total:	20.00		$2,540.86
			Subtotal:	$2,540.83
			Tax:	$330.31
			Total:	$2,871.17

1204.1-43 TARGET

RECEIVED
JUN 08 2015

PETROFF PARTNERSHIP ARCHITECTS 260 TOWN CENTRE BLVD MARKHAM ONTARIO CANADA L3R 8H8 TEL 905 470.7000 FAX 905 470.2500 [illegible]629629

PETROFF

INVOICE

Project: 16921 06 Target, Bramalea City Centre, Bramp ON — AUG 17 2015

M guard Investments Limite 385,
333 Seym r Street
e 400
V ncouve British Colu B A6
Canada

Invoice #: PPAS1026
Issue Date: July 28, 2015

Attention: Warbrie Nathan

Professional Services From June 01, 2015 to June 30, 2015

evise leasing plans 04,SK-005, SK-006 & SK-007, attend meetings & co-ordinate with leasing

Architectural Services	Hours	Rate	Amount
Niaz, Yusra	0.50	$79.75	$39.88
Uddin, Arif	11.00	$175.00	$1,925.00
Young, Raymond	10.50	$110.46	$1,159.92
Labour Total:	22.00		$3,124.80
		Subtotal:	$3,124.80
		Tax:	$406.19
		Total:	$3,530.99

P204.1413

RECEIVED
AUG 11 2015

RECEIVED
AUG 12 2015

PETROFF PARTNERSHIP ARCHITECTS 260 TOWN CENTRE BLVD MARKHAM ONTARIO CANADA L3R 8H8 TEL 905 470.7000 FAX 905 470.2000

PETROFF

TARGET REDEMISE - BCC
ROI & VALUE METRICS

ACCOUNT CATEGORY	UNIT RATE (PER SF/%/ACRE)	TOTAL COST	COST PER SF ENTIRE GLA
HARD COSTS:			
Target Space Work	$106.52	$14,939,975	$127.57
Target Space Work	$300.00	$2,580,600	$22.04
SUBTOTAL HARD COSTS		$17,520,575	$149.61
SOFT COSTS:			
Contractors Estimated Soft Costs	11%	$1,904,682	$16.26
Architechtural & Engineering Fees, Disbursements	10%	$1,752,058	$14.96
Municipal Fees	Lump Sum	$75,000	$0.64
MIL Development Fee	3.75%	$1,145,537	$9.78
Contingency	7.50%	$1,593,924	$13.61
SUBTOTAL SOFT COSTS		$6,471,200	$55.26
TOTAL HARD/SOFT COST ESTIMATES	COST PER SF	$23,991,775	$204.86
Tenant Allowance	$40.00	$916,400	$7.82
Tenant Allowance	$85.00	$2,357,815	$20.13
Tenant Allowance	$40.00	$1,164,080	$9.94
Tenant Allowance	$75.00	$2,427,075	$20.72
Tenant Allowance	$40.00	$200,000	$1.71
Leasing Commission	$5.00	$114,550	$0.98
Leasing Commission	$4.65	$128,986	$1.10
Leasing Commission	$6.05	$176,067	$1.50
Leasing Commission	$9.65	$280,732	$2.40
Leasing Commission	$8.95	$44,750	$0.38
Construction Financing (Prime + 1%)	4% Coupon/50% Weight	$636,045	$5.43
TOTAL CAPITAL COSTS		$32,438,275	$288.57

NOTICE OF REVISION OR DISALLOWANCE

For Persons that have asserted Claims against the Target Canada Entities[1], D&O Claims against the Directors and/or Officers of the Target Canada Entities

Claim Reference Number: **1199.1**

CLAIMANT: **Morguard Investments Limited as agent for Morguard Corporation and Bramalea City Centre Equities Inc.**

#800-55 City Centre Drive
Mississauga, ON L5B 1M3

Attention: Ed Lincz

elincz@morguard.com

PROPERTY: Bramalea City Centre
Toronto, ON

Target Store #: 3623

CLAIM AGAINST: **Target Canada Co., Target Canada Property LLC, Target Canada Property LP**

Capitalized terms used but not defined in this Notice of Revision or Disallowance have the meaning ascribed in the Order of the Ontario Superior Court of Justice (Commercial List) in the CCAA proceedings of the Target Canada Entities dated June 11, 2015, as amended by further Orders dated, September 21, 2015 and October 30, 2015 and as may be further amended from time to time (the "**Claims Procedure Order**").

Pursuant to the Claims Procedure Order, the Monitor hereby gives you notice that it has reviewed your Proof of Claim or D&O Proof of Claim and has revised or disallowed all or part of your purported Claim. Subject to further dispute by you in accordance with the Claims Procedure Order, your Claim will be as follows:

[1] Target Canada Co., Target Canada Health Co., Target Canada Mobile GP Co., Target Canada Pharmacy (BC) Corp., Target Canada Pharmacy Corp., Target Canada Pharmacy (Ontario) Corp., Target Canada Pharmacy (SK) Corp., Target Canada Property LLC, Target Canada Pharmacy Franchising LP, Target Canada Mobile LP, And Target Canada Property LP (collectively, the "**Target Canada Entities**").

	Amount as submitted		Amount allowed by Monitor	Target Canada Entity allowed by Monitor against
	Currency			
A. Unsecured Claim	CAD	$43,431,250.64	$3,480,946.77	Target Canada Co.
B. Secured Claim		$	$	
C. D&O Claim		$	$	
E. Total Claim	**CAD**	**$43,431,250.64**	**$3,480,946.77**	**Target Canada Co.**

Reasons for Revision or Disallowance:

Your claim has been asserted against Target Canada Co., Target Canada Property LLC, and Target Canada Property LP. Based on the material submitted in support of your Proof of Claim, there is no basis for claims asserted against any entities other than Target Canada Co., as tenant under the lease. Accordingly, your claim against all entities other than Target Canada Co. has been disallowed.

Your claim against Target Canada Co. has been partially disallowed. The Monitor, based on data and information gathered from various sources, is of the view that, on balance, the Landlord Formula Amount (as defined in the Target Canada Entities' Joint Plan of Compromise and Arrangement pursuant to the *Companies' Creditors Arrangement Act* dated November 27, 2015 (the "**Plan**") is within the range of reasonableness and has applied such formula in calculating your allowed Landlord Restructuring Period Claim (as defined in the Plan).

Based on (a) the information provided with your Proof of Claim, (b) the books and records of Target Canada Co. and the Monitor's review of same, and (c) application of the Landlord Formula Amount, your Landlord Restructuring Period Claim has been allowed against Target Canada Co. in the amount of $3,465,368.26. Please refer to Schedule "A" for the calculation of your Landlord Formula Amount.

In addition, your claim for pre-filing rents has been allowed in the amount of $15,578.51.

SERVICE OF DISPUTE NOTICES

If you intend to dispute this Notice of Revision or Disallowance, you must, no later than 5:00 p.m. (prevailing time in Toronto) on the day that is twenty-eight (28) Calendar Days after this Notice of Revision or Disallowance is deemed to have been received by you, or, solely for any Notice of Revision or Disallowance deemed to be received between November 25, 2015 and December 15, 2015, no later than thirty-eight (38) Calendar Days after this Notice of Revision or Disallowance is deemed to have been received by you (in accordance with paragraph 32(a) of the Claims Procedure Order) submit a Notice of Dispute of Revision or Disallowance to the Monitor by ordinary prepaid mail, registered mail, courier, personal delivery or electronic transmission to the address below.

Alvarez & Marsal Canada Inc., Target Canada Monitor

Address: Royal Bank Plaza, South Tower
200 Bay Street
Suite 2900
P.O. Box 22
Toronto, Ontario Canada
M5J 2J1

Fax No.: 416-847-5201
Email: targetcanadaclaims@alvarezandmarsal.com

Attention: Greg Karpel

In accordance with the Claims Procedure Order, notices shall be deemed to be received by the Monitor upon actual receipt thereof by the Monitor during normal business hours on a Business Day, or if delivered outside of normal business hours, on the next Business Day.

The form of Notice of Dispute of Revision or Disallowance is enclosed and can also be accessed on the Monitor's website at www.alvarezandmarsal.com/targetcanada.

IF YOU FAIL TO FILE A NOTICE OF DISPUTE OF REVISION OR DISALLOWANCE WITHIN THE PRESCRIBED TIME PERIOD, THIS NOTICE OF REVISION OR DISALLOWANCE WILL BE BINDING UPON YOU.

DATED this 1st day of December, 2015.

Alvarez & Marsal Canada Inc., solely in its capacity as Court-appointed Monitor of the Target Canada Entities, and not in its personal or corporate capacity

Per: ____________________

For more information see www.alvarezandmarsal.com/targetcanada, or contact the Monitor by telephone (1-844-846-9548)

6515268

Schedule "A"

Claimant	Morguard Investments Limited as agent for Morguard Corporation and Bramalea City Centre Equities Inc.
Property Name	Bramalea City Centre

Claim #	1199.1
Store #	3623
Final Term Date	8/31/2020
Years Remaining on Lease	5.26

Claim Amount Allowed

3,465,368 Landlord Restructuring Period Claim

Calculation of Landlord Restructuring Period Claim

Step 1: Calculate Landlord Formula Rent

Total annual amounts, excluding HST/GST, of:

724,890	(a) fixed base rent at the rate payable as at January 15, 2015
95,069	(b) (i) common area maintenance ("CAM") charges, 2014 calendar year
412,471	(b) (ii) realty taxes at the rates payable, 2014 calendar year
1,232,430	[A]

Step 2: Calculate Landlord Formula Amount

Equal to the lesser of (a) or (b), plus (c):

2,464,861	(i) the Landlord Formula Rent for two years following the disclaimer effective date ([A] x 2)
601,837	(ii) fifteen percent of the Landlord Formula Rent for the remainder of the term of the real property lease after those two years
3,066,698	(a)

or,

4,929,721	(b) Four years' Landlord Formula Rent ([A] x 4)

plus,

GST/HST applicable to such amounts;

398,671	(c)
3,465,368	Total Landlord Restructuring Period Claim

In the Matter of the Companies' Creditors Arrangement Act, R.S.C. 1985, c.C.36 as am.
and in the Matter of a Plan of Compromise or Arrangement of Target Canada Co., Target Canada Health Co., Target Canada Mobile GP Co., Target Canada Pharmacy (BC) Corp., Target Canada Pharmacy (Ontario) Corp., Target Canada Pharmacy Corp., Target Canada Pharmacy (SK) Corp., and Target Canada Property LLC
Applicants

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

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at TORONTO

AFFIDAVIT OF SCOTT MACDONALD
(SWORN DECEMBER 8, 2015)

McLEAN & KERR LLP
Barristers & Solicitors
130 Adelaide Street West, Suite 2800
Toronto, ON M5H 3P5

Linda Galessiere / LSUC#: 34678A
Tel: 416-369-6609
Email: lgalessiere@mcleankerr.com

Walter R. Stevenson / LSUC#: 121780
Tel: 416-369-6602
Email: wstevenson@mcleankerr.com

Gus Camelino/LSUC#: 45607S
Tel: 416-369-6621
Email: gcamelino@mcleankerr.com

Lawyers for Morguard Investments Limited, Crombie REIT, Triovest Realty Advisors Inc. and SmartREIT (formerly Calloway Real Estate Investment Trust)

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

ONTARIO
SUPERIOR COURT OF JUSTICE
[COMMERCIAL LIST]

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

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

Applicants

AFFIDAVIT OF FRED SANTINI
SWORN DECEMBER 8, 2015

I, Fred Santini, of the City of Vaughn, in the Province of Ontario, **MAKE** OATH AND SAY:

1. I am the Regional Vice President, Central Canada with Crombie REIT and as such have knowledge of the matters to which I hereinafter depose. Where such knowledge is based upon the information of others I verily believe such information to be true.

2. Crombie REIT ("**Crombie**"), is the agent and manager for the landlords of three strip malls in which Target Canada Co. (directly or through related entities) (collectively "**Target Canada**") previously operated retail stores (the "**Target Stores**").

Appended to my affidavit as **Exhibit "A"** is a list of each landlord of the shopping centres in which the Target Stores were located.

3. For the North Bay location, Target Corp. executed a guarantee in favour of the landlord (the "**Parent Guarantee**").

4. For all three stores, Target Canada served as an "anchor" tenant of the shopping centres. Anchor tenants play a critical role in the financial viability of a shopping centre for both the landlord and other tenants as anchor tenants provide the single largest or one of the largest draws of customers to the shopping centres. Lease rates for other tenants are heavily dependent upon the identity and operation of anchor tenant(s). Furthermore, the retention of other tenants is also significantly impacted by the absence of anchor tenants. Target Canada was aware of its role as an anchor tenant and its impact on the shopping centres and the other tenants in the shopping centres.

Commencement of CCAA Proceeding and Parent Guarantees

5. When I learned that Target Canada had filed for protection under the *Companies' Creditors Arrangement Act*, (the "***CCAA***"), one of my immediate concerns was the impact the *CCAA* proceeding might have on the Parent Guarantee. This concern was heightened by the fact that the Initial Order granted by the court on January 15, 2015 included a stay of proceedings prohibiting landlords from taking steps to enforce the Parent Guarantees.

6. Given the seriousness of the matter, I was considering all options available to ensure that the Parent Guarantee would not be compromised by the *CCAA* proceeding, including the possibility of requesting that the *CCAA* proceeding be terminated and Target Canada be required to make an assignment in bankruptcy.

7. In addition, I was concerned with the manner in which Target Canada would liquidate its inventory and with the manner in which it would offer for sale and sell our real property leases.

8. Thereafter Crombie, through our counsel, began discussions/negotiations with Target Canada and Target Corp. to amend the provisions of the Initial Order, to stipulate the terms of an agreeable order for the sale and liquidation of Target's inventory, fixtures and equipment and to finalize the terms of an order which would govern the sale of real property leases (the "**RPPSP Order**").

9. I am advised by Linda Galessiere of McLean & Kerr LLP, our counsel, that each of Target Canada, Target Corp. and the Monitor were aware of our concerns regarding the preservation of the Parent Guarantee.

10. The amendments to the Initial Order and in particular the inclusion of the provisions confirming that the Parent Guarantees would not be compromised in the *CCAA* proceeding (paragraph 19A) were of utmost importance to Crombie. The final terms of the RPPSP Order were agreed to on the understanding that the Initial Order would be amended to include the negotiated changes (specifically paragraph 19(A)). In addition, pursuant to the agreement that had been reached for the terms of the Amended and Restated Initial Order (which included paragraph 19A) and the RPPSP Order, Crombie agreed that it would not challenge the appropriateness of the *CCAA* proceeding.

Disclaimed Leases – Damages Suffered

11. All three of Crombie's Target Stores were disclaimed in the *CCAA* proceeding.

12. Immediately upon learning that Target Canada had filed for insolvency protection on January15, 2015, Crombie mobilized its remerchandising team (which team includes leasing team members, development team members, and construction and design team members) to consider and assess all options for re-leasing the locations.

13. These efforts to re-lease continue to this date, however none of the 3 vacant Target Stores have been re-let. If and when new tenants are found, Crombie's losses arising from the disclaimer will be significant.

14. By way of example, one of Crombie's former Target Store (which store has a Parent Guarantee) is a store located in North Bay. Despite our efforts to re-lease this premises it remains vacant. There has been only one tenant which has expressed some interest in this location, however the prospective tenant is only willing to pay rent at a rate lower than that which was paid by Target, will pay such rent on only 84% of the gross leasable area (the "**gla**") of the store, requires that its common area costs be capped at a rate less than its proportionate share (and will continue to be capped on a go forward basis) and requires that the landlord invest approximately $7 million in leasehold improvements and tenant allowances. Even if a lease is executed with this new tenant, rent would not be paid until late 2017 at the earliest.

15. Crombie is also considering the possibility of re-demising the North Bay store into six smaller stores. If this is done, approximately 41,000 of the gla will be lost as the back half of the former Target Store would need to be severed off since tenants will only lease the front portion of the store. In addition, the landlord will need to expend more than $7,000,000 to reconfigure the space. If new tenants are located, the first tenant would likely not start paying rent until 2018 and it would likely take several more years before all six spaces are re-let.

Proofs of Claim

16. Crombie submitted proofs of claim for the three leases that were disclaimed. The proofs of claim particularized the rent lost for the term of the leases and the costs to re-demise and re-let the Target Stores. The Monitor has issued a Notice of Revision or Disallowance for each and every location and only allowed an amount equal to the amount Target Canada proposes in its Plan for the stores that were disclaimed. Crombie will be filing a Notice of Dispute for all of its disclaimed locations.

17. It appears that the Monitor has given no consideration to Crombie's actual losses as required by the *CCAA* prior to issuing its Notices of Revision or Disallowance and the amounts allowed by the Monitor are far below the damages that Crombie will actually suffer. By way of example, appended is the proof of claim and the Notice of Revision or Disallowance relating to the North Bay location.

> Appended to my affidavit as **Exhibit "B"** is a copy of Crombie's Proof of Claim and the Monitor's Notice of Revision or Disallowance.

Settlement by RioCan Real Estate Investment Trust

18. I learned that RioCan Real Estate Investment Trust (**"RioCan"**) reached an agreement with Target Corp. for the settlement of its *CCAA* claim and payments dues under its Parent Guarantees when RioCan issued its press release dated November 23, 2015. Crombie has no information regarding the terms of settlement with RioCan, however it appears that RioCan was paid significantly more than that which is being offer to landlords under Target Canada's proposed Plan. Crombie requires the particulars of the RioCan transaction to assess the appropriateness of Target Canada's Plan and to fully respond to Target Canada's motion to file its Plan. I am advised by Linda Galessiere that she requested such information, but both the Monitor and Target Corp. have refused to provide the requested information.

19. I make this affidavit in response to Target Canada's motion to approve the filing of its plan and for no other or improper purpose.

SWORN before me at the City of Mississauga, in the Province of Ontario, this 8th day of December, 2015. Commissioner for Taking Affidavits Antonella Talarico	Fred Santini

THIS IS EXHIBIT A TO THE AFFIDAVIT OF FRED SANTINI SWORN BEFORE ME AT THE CITY OF MISSISSAUGA, THIS 8TH DAY OF DECEMBER, 2015.

Commissioner For Taking Affidavits
Antonella Talarico

Exhibit "A"

Crombie REIT – List of Former Target Locations

1. North Bay – landlord: Crombie Property Holdings Limited
2. Uptown Centre, New Brunswick – landlord: Crombie Developments Limited
3. Sydney Shopping Centre, Nova Scotia – landlord: Crombie Developments Limited

THIS IS EXHIBIT B TO THE AFFIDAVIT OF FRED SANTINI SWORN BEFORE ME AT THE CITY OF MISSISSAUGA, THIS 8TH DAY OF DECEMBER, 2015.

Commissioner For Taking Affidavits
Antonella Talarico

NOTICE OF REVISION OR DISALLOWANCE

For Persons that have asserted Claims against the Target Canada Entities[1], D&O Claims against the Directors and/or Officers of the Target Canada Entities

Claim Reference Number: **1634 - C**

CLAIMANT: **Crombie Property Holdings Limited**

200 - 610 East River Rd.
New Glasgow, NS B2H 3S2

Attention: Antonella Talerico

Antonella.talerico@crombie.ca

PROPERTY: 1899 Algonquin Avenue
North Bay, ON

Target Store #: 3630

CLAIM AGAINST: **Target Canada Co.**

Capitalized terms used but not defined in this Notice of Revision or Disallowance have the meaning ascribed in the Order of the Ontario Superior Court of Justice (Commercial List) in the CCAA proceedings of the Target Canada Entities dated June 11, 2015, as amended by further Orders dated, September 21, 2015 and October 30, 2015 and as may be further amended from time to time (the "**Claims Procedure Order**").

Pursuant to the Claims Procedure Order, the Monitor hereby gives you notice that it has reviewed your Proof of Claim or D&O Proof of Claim and has revised or disallowed all or part of your purported Claim. Subject to further dispute by you in accordance with the Claims Procedure Order, your Claim will be as follows:

---

[1] Target Canada Co., Target Canada Health Co., Target Canada Mobile GP Co., Target Canada Pharmacy (BC) Corp., Target Canada Pharmacy Corp., Target Canada Pharmacy (Ontario) Corp., Target Canada Pharmacy (SK) Corp., Target Canada Property LLC, Target Canada Pharmacy Franchising LP, Target Canada Mobile LP, And Target Canada Property LP (collectively, the "**Target Canada Entities**").

	Amount as submitted		Amount allowed by Monitor	Target Canada Entity allowed by Monitor against
	Currency			
A. Unsecured Claim	CAD	$19,206,801.11	$4,537,318.20	**Target Canada Co.**
B. Secured Claim		$	$	
C. D&O Claim		$	$	
E. Total Claim	**CAD**	**$19,206,801.11**	**$4,537,318.20**	**Target Canada Co.**

Reasons for Revision or Disallowance:

Your claim against Target Canada Co. has been partially disallowed. The Monitor, based on data and information gathered from various sources, is of the view that, on balance, the Landlord Formula Amount (as defined in the Target Canada Entities' Joint Plan of Compromise and Arrangement pursuant to the *Companies' Creditors Arrangement Act* dated November 27, 2015 (the "**Plan**") is within the range of reasonableness and has applied such formula in calculating your allowed Landlord Restructuring Period Claim (as defined in the Plan).

Based on (a) the information provided with your Proof of Claim, (b) the books and records of Target Canada Co. and the Monitor's review of same, and (c) application of the Landlord Formula Amount, your Landlord Restructuring Period Claim has been allowed against Target Canada Co. in the amount of $4,537,318.20. Please refer to Schedule "A" for the calculation of your Landlord Formula Amount.

Schedule "A"

Claimant	Crombie Property Holdings Limited
Property Name	1899 Algonquin Avenue

Claim #	1634
Store #	3690
Final Term Date	1/31/2023
Years Remaining on Lease	7.67

Claim Amount Allowed

4,537,318 Landlord Restructuring Period Claim

Calculation of Landlord Restructuring Period Claim

Step 1: Calculate Landlord Formula Rent

Total annual amounts, excluding HST/GST, of:

762,974	(a) fixed base rent at the rate payable as at January 15, 2015
158,261	(b) (i) common area maintenance ("CAM") charges, 2014 calendar year
487,651	(b) (ii) realty taxes at the rates payable, 2014 calendar year
1,408,886	[A]

Step 2: Calculate Landlord Formula Amount

Equal to the lesser of (a) or (b), plus (c):

2,817,773	(i) the Landlord Formula Rent for two years following the disclaimer effective date ([A] x 2)
1,197,553	(ii) fifteen percent of the Landlord Formula Rent for the remainder of the term of the real property lease after those two years
4,015,326	(a)

or,

5,635,545	(b) four years' Landlord Formula Rent ([A] x 4)

plus,

GST/HST applicable to such amounts;

521,992	(c)
4,537,318	**Total Landlord Restructuring Period Claim**

PROOF OF CLAIM FORM FOR CLAIMS AGAINST THE TARGET CANADA ENTITIES[1]

1. **Name of Target Canada Entity or Entities (the "Debtor"):**
Debtor: TARGET CANADA Co.

2(a) Original Claimant (the "Claimant")

Legal Name of Claimant CROMBIE DEVELOPMENTS LIMITED
also: CROMBIE PROPERTY HOLDINGS LIMITED
Address 200-610 EAST RIVER Rd.

City NEW GLASGOW Prov /~~State~~ NS
Postal/~~Zip Code~~ B2H 3S2

Name of Contact ANTONELLA TALARICO
Title NATIONAL DIRECTOR LEGAL & LEASE ADMINISTRATION
Phone # 905 614-5458
Fax #
email antonella.talarico@crombie.ca

2(b) Assignee, if claim has been assigned

Legal Name of Assignee
Address

City Prov /State
Postal/Zip Code

Name of Contact
Phone #
Fax #
email:

PLEASE SEE ATTACHED STATEMENTS

[1] Target Canada Co., Target Canada Health Co., Target Canada Mobile GP Co., Target Canada Pharmacy (BC) Corp., Target Canada Pharmacy Corp., Target Canada Pharmacy (SK) Corp., Target Canada Property LLC, Target Canada Pharmacy Franchising LP, Target Canada Mobile LP, And Target Canada Property LP (collectively, the "Target Canada Entities").

3. Amount of Claim

The Debtor was and still is indebted to the Claimant as follows:

Currency	Amount of Claim (including interest up to and including January 14, 2015)	Unsecured Claim	Secured Claim

4. Documentation

Provide all particulars of the Claim and supporting documentation, including amount, and description of transaction(s) or agreement(s), or legal breach(es) giving rise to the Claim, including any claims assignment/transfer agreement or similar document, if applicable, and amount of invoices, particulars of all credits, discounts, etc. claimed, description of the security, if any, granted by the affected Debtor to the Claimant and estimated value of such security.

5. Certification

I hereby certify that:

1. I am the Claimant or authorized representative of the Claimant.
2. I have knowledge of all the circumstances connected with this Claim.
3. The Claimant asserts this Claim against the Debtor as set out above.
4. Complete documentation in support of this claim is attached.

Signature: Antonella Talarico

Name: Antonella Talarico

Title: National Director, Legal and Lease Administration

Witness: C Legaspi (signature)

Cathy Legaspi (print)

Dated at Mississauga this 31st day of August, 2015

6. Filing of Claim

This Proof of Claim must be received by the Monitor on or before 5:00 p.m. (Toronto time) on August 31, 2015 by prepaid ordinary mail, registered mail, courier, personal delivery or electronic transmission at the following address:

Alvarez & Marsal Canada Inc., Target Canada Monitor
Royal Bank Plaza, South Tower
200 Bay Street, Suite 2900, P.O. Box 22
Toronto, ON Canada M5J 2J1
Attention: Greg Karpel
Email: targetcanadaclaims@alvarezandmarsal.com
Fax No.: 416-847-5201

For more information see www.alvarezandmarsal.com/targetcanada, or contact the Monitor by telephone (1-844-864-9548)

SCHEDULE "A"

OVERVIEW OF CLAIM

1. This Proof of Claim is made against Target Canada Co, and Target Canada Property LLC and any other Target entity that held an interest in the Lease from time to time, including, if applicable, Target Canada Property LP (**"Target Canada"**) by Crombie Property Holdings Limited (**"Landlord"**) as owner of 1899 Algonquin Ave. (**"Shopping Centre"**), a shopping centre located in the City of North Bay_, Province of Ontario . This Proof of Claim is in respect of a Lease dated November 1, 1990 originally by and between Oshawa Holdings Limited as sublandlord, Towers Department Stores, as subtenant, Marchland Holdings as head landlord and the Oshawa Group Limited as landlord, as amended, restated, supplemented or modified from time to time. The Lease was subsequently assigned to Target Canada Co. on May 27, 2011 as may be amended, restated, modified, supplemented, renewed and extended from time to time, including as amended by First Amendment to Lease between the Landlord and Target Canada as of April 21, 2014 collectively, the **"Lease"**). A copy of the Lease is included with this Proof of Claim.

2. Pursuant to a Disclaimer Notice dated April 30, 2015 Target Canada disclaimed its rights under the Lease, such disclaimer being effective on May 30, 2015. A copy of the Disclaimer Notice is included with this Proof of Claim.

3. The total amount of this Proof of Claim is approximately $19,206,801.11. This amount, and certain of the amounts detailed below, may change as certain claim amounts cannot yet be determined, or determined with precision, at this time. The Landlord reserves its right to claim any additional amounts that may arise. The total claim amount caused by Target Canada's cessation of operations, breach of the Lease and disclaimer of the Lease includes:

(a) $6,380,470.06 of rent due to the end of the term of the Lease;

(b) $1,407,102.21 Target Canada's share of expenses for the Shopping Centre's common area;

(c) $4,219,966.13 Target Canada's share of realty tax;

(d) NIL on account of outstanding accounts receivable owing by Target Canada for rent accruals, operating expenses, taxes, liens, utilities and insurance, plus any accrued interest thereon up to and including January 14, 2015;

(e) approximately $7,000,000.00 in respect of costs and expenses associated with re-leasing the Premises (as defined below) including, but not limited to, leasehold improvements, construction costs, leasing and brokerage commissions and advertising and legal fees;

(f) an amount to be determined in respect of losses, costs and expenses associated with claims made by other tenants of the Shopping Centre and other persons;

(g) an amount to be determined for losses or diminishment of future rent streams for the Shopping Centre;

(h) to the extent not otherwise addressed by other claims or forms of damages herein, an amount to be determined in respect of the impairment / diminution of the value of the Shopping Centre; and

(i) pursuant to subsection 32(7) of the CCAA, an amount to be determined in respect of all costs, interest and expenses incurred by the Landlord in respect of Target Canada's disclaimer of its rights under the Lease, including without limitation, all legal, audit and accounting fees and expenses.

4. The basis for this Proof of Claim is described in further detail below and is supported by the terms of the Lease, which are attached to this Proof of Claim, and section 32 of the CCAA.

II. BASIS FOR CLAIM

1. Target Canada assigned, transferred and/or sublet the Lease to other Target entities including Target Canada Property LLC and/or Target Canada Property LP (the "**Target Entities**") and such other Target Entities further assigned, transferred and/or sublet the Lease to one or more Target Entities which Target Entities transferred, assigned and/or subleased the Lease back to Target Canada. As such, each of the Target Entities are liable to the Landlord for the damages set out herein.

2. Prior to disclaiming its rights under the Lease, Target Canada rented 116,187 square feet of commercial leasable area within the Shopping Centre (the "**Leased Premises**").

3. Prior to disclaiming its rights under the Lease, Target Canada served as an "anchor" tenant. An anchor tenant plays a critical role in the financial viability of the Shopping Centre for both the Landlord and the other tenants of the Shopping Centre alike as it provides the single largest or one of the largest draws of customers to the Shopping Centre. Lease rates for other tenants are heavily dependent upon the identity and operation of anchor tenant(s) of the Shopping Centre. Furthermore, retention of other tenants is also significantly impacted by Target Canada's absence from the Leased Premises. Target Canada was aware of its role as an anchor tenant and its impact on the Shopping Centre and other tenants in the Shopping Centre and used its position as an anchor tenant to obtain favorable Lease terms.

4. Pursuant to the process established by the Real Property Portfolio Sales Process (the "**RPPSP**") in this proceeding, Target Canada marketed its rights under leases to various entities across Canada. While Target Canada was successful in finding purchasers / assignees for certain of the leases, it could not find a purchaser for the Lease, which was disclaimed by Target Canada.

5. As a result of Target Canada's demise, breach of the Lease and the disclaimer of the Lease, the Landlord has suffered and will continue to suffer significant losses. In addition to the losses suffered due to the breach of the Lease, subsection 32(7) of the CCAA provides for the recovery of losses in relation to the disclaimer of the Lease. The losses as set out in the Overview of Claim are described in further detail below.

A. Rent to the End of the Term of the Lease:

The Target Canada is responsible for all unpaid rent owing under the Lease during the full remainder of the term of the Lease which expires on January 31, 2023. Pursuant to the terms of the Lease, $6,380,470.06 of base rent is due or to become due. A chart setting out the rent owing per year is attached.

B. Common Area Expenses:

Pursuant to the terms of the Lease, $1,407,102.21 of expenses attributable to the Leased Premises is due or to become due as a result of Target Canada's disclaimer of the Lease. This number assumes that common area expenses increase 2.5% annually. A chart setting out the common area expenses per year is attached.

C. **Realty Taxes:**

Pursuant to the terms of the Lease, $4,219,966.13 of realty tax is due or will be due and owing as a result of Target Canada's disclaimer of the Lease. This number assumes that realty tax will increase 2.5% annually. A chart setting out the realty tax owing per year is attached.

D. **Arrears of Rent:**

Target Canada owes NIL on account of arrears of rent, operating expenses, taxes, liens, utilities and insurance, plus any accrued interest thereon up to and including January 14, 2015.

E. **Costs and expenses incurred in re-leasing the Premises:**

(i) Due to Target Canada's disclaimer of its rights under the Lease, the Landlord has incurred and continues to incur significant costs and expenses to re-lease the Leased Premises. Such costs and expenses include, without limitation, construction costs, leasing and brokerage commissions and advertising and legal fees.

(ii) Target Canada's failure to find an assignee of the Lease through the RPPSP demonstrates that there is no tenant willing to take over the Leased Premises in the current circumstances.

(iii) Accordingly, any re-leasing of the Leased Premises will almost surely require leasing the space to multiple tenants, which will be a costly and lengthy process that will require, among other things, obtaining requisite municipal zoning approvals, reconstructing the facades and loading facilities, building demising walls and modifying the HVAC and other systems.

(iv) Dividing up the Premises among multiple tenants will result in the loss of an anchor tenant which will lead to a further loss in future rent streams and also further reduce the value of the Shopping Centre.

(v) In total, the Landlord currently anticipates that it will incur approximately $7 million in re-leasing expenses. The full extent of such expenses is not yet known.

F. **Co-tenancy Claims:**

(i) Certain tenants of the Shopping Centre may assert claims for rent abatement or lease termination resulting from Target Canada's demise and disclaiming of the Lease. The Landlord currently anticipates that it will incur approximately $185,498.76 in claims for rent abatement or lease termination resulting from Target Canada disclaiming its rights under the Lease, however, the full extent of such Landlord losses is not yet known. These losses will be incurred as a direct result of Target Canada's disclaimer of the Lease.

G. **Loss of rent from other tenants of the Shopping Centre:**

The loss of Target Canada as an anchor tenant in the Shopping Centre will negatively impact the Landlord's ability to attract new tenants to the Shopping Centre and will negatively impact future negotiations with other tenants (including prospective tenants) of the Shopping Centre. Target

Canada is liable for any loss or diminishment of future rent streams caused by the disclaimer of its rights under the Lease.

H. Impairment / diminution of value of Project:

The value of the Shopping Centre has been impaired and reduced as a result of the fact that Target Canada is no longer the tenant of the Leased Premises. To the extent not otherwise addressed by other claims or forms of damages herein, Target Canada is liable for the diminution of value of the Shopping Centre in relation to the disclaimer of the Lease.

I. Additional costs and expenses:

Due to Target Canada's disclaimer of the Lease, the Landlord has suffered and will continue to suffer additional costs and expenses in an amount to be determined including legal, audit and accounting fees and expenses. The full extent of such losses is not yet known.

J. reservation of claims and rights

1. As many of the losses and damages suffered by the Landlord at the expense of Target Canada cannot yet be determined, the Landlord reserves its right to assert further heads of claim or damages, or amounts thereof, as they become known or more precisely capable of determination. The Landlord reserves the right to amend and/or supplement this Proof of Claim with, among other things, additional information, and to file additional claims for any reason whatsoever.

2. The filing of this Proof of Claim is not and shall not be construed as a waiver or limitation of any right, interest or cause of action held by the Landlord in these proceedings or in any other proceeding.

III. FURTHER INFORMATION

Any inquiries with respect to the information contained in this Proof of Claim may be directed to:

Antonella Talarico
National Director of Legal and Lease Administration
810 – 5935 Airport Road, Mississauga, Ontario L4V 1W5

Telephone: 905 614-5458
E-Mail: antonella.talarico@crombie.ca

Target Calculation of Restructuring Claims for Disclaimed Lease

Landlord	Crombie Property Holdings Limited	
Location	North Bay	
Address	1899 Algonquin Avenue	
	North Bay, Ontario	
Target Canada Co.	sub-lease:	**Target Canada Property LP**
Project ID	NTHBAYR	North Bay ON
Lease ID	LTARG////	Target #3630
CCAA	15-Jan-15	
Leases Disclaimed	30-May-15	
Area	116,187 sf	
Lease expiry	31-Jan-23	

		Annual Rent	Monthly Rent
Minimum Rent	May 31, 2015 - November 30,2017	$ 762,974.00	$ 63,581.17
	December 1, 2017 - January 31, 2023	$ 839,497.82	$ 69,958.15

Rent Calculation	May 31/2015	$ 762,974.00	x	1 days / 365 =	$ 2,090.34
	Jun - Nov 2015	$ 762,974.00	x	6 months / 12 =	$ 381,487.00
	Dec 2015 - Nov 2017	$ 762,974.00	x	2 years =	$ 1,525,948.00
	Dec 2017 - Nov 2022	$ 839,497.82	x	5 years =	$ 4,197,489.10
	Dec 2022 - Jan 2023	$ 839,497.82	x	2 months / 12 =	$ 139,916.30
					$ 6,380,470.06

Increase 2.5% for each year (did not increase Capital Expense Amortization)

2014 Actual Sharable Expense Costs	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 (January only)	Total
Outside Common Area	$ 107,460 37	$ 110,146.88	$ 112,900.55	$ 115,723.06	$ 118,616.14	$ 121,581.54	$ 124,621.08	$ 127,736.61	$ 130,930.03	$ 11,183.61	$ 973,439.50
Water and Sewage	$ 6,642 75	$ 6,808.82	$ 6,979.04	$ 7,153.52	$ 7,332.36	$ 7,515.67	$ 7,703.56	$ 7,896.15	$ 8,093.55	$ 691.32	$ 60,173.99
Insurance	$ 22,836 16	$ 23,407.06	$ 23,992.24	$ 24,592.05	$ 25,206.85	$ 25,837.02	$ 26,482.95	$ 27,145.02	$ 27,823.65	$ 2,376.60	$ 206,863.44
Property Tax	$ 465,852 39	$ 477,498.70	$ 489,436.17	$ 501,672.07	$ 514,213.87	$ 527,069.22	$ 540,245.95	$ 553,752.10	$ 567,595.90	$ 48,482.15	$ 4,219,966.13
	$ 602,791.67	$ 617,861.46	$ 633,308.00	$ 649,140.70	$ 665,369.22	$ 682,003.45	$ 699,053.54	$ 716,529.88	$ 734,443.13	$ 62,733.68	$ 5,460,443.06
Capital Expense Amortization	$ 18,513 92	$ 18,513.92	$ 18,513.92	$ 18,513.92	$ 18,513.92	$ 18,513.92	$ 18,513.92	$ 18,513.92	$ 18,513.92	$ 18,513.92	$ 166,625.28
	$ 621,305.59	$ 636,375.38	$ 651,821.92	$ 667,654.62	$ 683,883.14	$ 700,517.37	$ 717,567.46	$ 735,043.80	$ 752,957.05	$ 81,247.60	$ 5,627,068.34

Legal Fees Divided between the three locations $ 38,914.20

	Area	Percentage	Allocation
North Bay	116,187	35.37	$ 13,763.95
Sydney	104,532	31.82	$ 12,382.50
Uptown	107,814	32.82	$ 12,771.64
	328,533	100.01	$ 38,918.09

Summary

Arrears at January 15, 2015	Nil
Minimum Rent until January 31, 2013	$ 6,380,470.06
Common Area and Taxes estimated until January 31, 2023	$ 5,627,068.34
Legal Fees	$ 13,763.95
Mitigation Costs	$ 7,000,000.00
Co-Tenancy Claim	$ 185,498.76
Total Claim	$ 19,206,801.11

Pet Valu
Project ID NTHBAYR North Bay ON
Lease ID
Area 3,648 sf

Co-Tenancy Provision:
(i) Provision Applies - 90 consecutive days after Target is closed. The co-tenancy provision applies during the lease term and any extensions thereof
(ii) Alternative Rent - 50% of minimum rent plus full proportionate share of operating costs, taxes and any other amount payable under the lease
(iii) Alternative Rent Period - 91st day after Target closes until replacement anchor tenant opens.
(iv) Replacement Tenant - another anchor tenant for entire Target space.
(v) Termination Right - None

						Annual Rent	Monthly Rent	Claim 50%
Minimum Rent	August 29, 2015 -April 30,2018					$ 81,000.00	$ 6,750.00	$ 3,375.00
Rent Calculation	August 29-31, 2015	$	81,000.00	x	3 days / 365 =		$ 665.75	$ 332.88
	Sept - Dec 2015	$	81,000.00	x	4 months / 12 =		$ 27,000.00	$ 13,500.00
	Jan 2016 - Dec 2017	$	81,000.00	x	2 years =		$ 162,000.00	$ 81,000.00
	Jan - Apr 2018	$	81,000.00	x	4 months / 12 =		$ 27,000.00	$ 13,500.00
							$ 223,415.75	**$ 111,707.88**

Increase 2.5% for each year (did not increase Capital Expense Amortization)

2014 Actual Sharable Expense Costs	**2014**	**2015**	**2016**	**2017**	**2018(Jan-Apr)**	**Total**
Outside Common Area	$ 3,480.85	$ 3,567.87	$ 3,657.07	$ 3,748.50	$ 1,280.74	$ 12,254.18
Water and Sewage	$ 205.82	$ 210.97	$ 216.24	$ 221.65	$ 75.73	$ 724.59
Insurance	$ 707.56	$ 725.25	$ 743.38	$ 761.96	$ 260.34	$ 2,490.93
Property Tax	$ 14,434.21	$ 14,795.07	$ 15,164.95	$ 15,544.07	$ 5,310.89	$ 50,814.98
	$ 18,828.44	$ 19,299.16	$ 19,781.64	$ 20,276.18	$ 6,927.70	$ 66,284.68
Capital Expense Amortization	$ 1,876.55	$ 1,876.55	$ 1,876.55	$ 1,876.55	$ 1,876.55	$ 7,506.20
	$ 20,704.99	$ 21,175.71	$ 21,658.19	$ 22,152.73	$ 8,804.25	$ 73,790.88

Summary

50% of Minimum Rent until April 30, 2018	$ 111,707.88
Common Area and Taxes estimated until April 30, 2018	$ 73,790.88
Total Claim	**$ 185,498.76**

Osler, Hoskin & Harcourt LLP
Box 50, 1 First Canadian Place
Toronto, Ontario, Canada M5X 1B8
416.362.2111 MAIN
416.862.6666 FACSIMILE

OSLER

Toronto

Montréal

Calgary

Ottawa

New York

April 30, 2015

Joshua Hurwitz
Direct Dial: 416.862.6845
jhurwitz@osler.com
Our Matter Number: 1159785

By Courier

CROMBIE DEVELOPMENTS LIMITED
115 King Street
Stellarton, NS B0K 1S0

Attention: The President

Dear Sir/Madam:

CCAA Proceedings of Target Canada Co. et al. (Court File No. CV-15-10832-00CL)

As you may be aware, Target Canada Co. and certain of its subsidiaries and affiliates (collectively, the "**Target Canada Entities**") filed for and were granted protection from their creditors under the Companies' Creditors Arrangement Act (Canada) (the "**CCAA**") pursuant to an Initial Order issued by Regional Senior Justice Morawetz of the Ontario Superior Court of Justice (Commercial List) on January 15, 2015 as amended and restated on February 11, 2015. We act for the Target Canada Entities in connection with these CCAA proceedings (the "**CCAA Proceedings**").

Please find enclosed a Notice by Debtor Company to Disclaim or Resiliate an Agreement which is being delivered to you in connection with the CCAA Proceedings pursuant to section 32 of the CCAA.

Yours very truly,

Joshua Hurwitz
JH:
Enclosure

c: Scott Nelson and Mark Wong, *Target Canada Co.*
Caroline Descours, *Goodmans LLP*
Alan Hutchens, *Alvarez & Marsal Canada Inc.*
Walter Stevenson, *McLean & Kerr LLP*

T3630

FORM 4

NOTICF BY DEBTOR COMPANY TO DISCLAIM OR RESILIATE AN AGREEMENT

To: **Alvarez & Marsal Canada Inc.,** in its capacity as court-appointed Monitor, and **Crombie Property Holdings Limited**

Take notice that

1. Proceedings under the *Companies' Creditors Arrangement Act* ("the Act") in respect 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., Target Canada Property LLC, Target Canada Pharmacy Franchising LP, Target Canada Mobile LP** and **Target Canada Property LP** (the "Target Canada Entities") were commenced on the 15th day of January, 2015.

2. In accordance with subsection 32(1) of the Act, the debtor company gives you notice of its intention to disclaim or resiliate the following agreement(s):

Title of Agreement	Company	Vendor Name/Counter Party	Dated
Lease	Target Canada Co.	Crombie Property Holdings Limited	11/1/1990

(as assigned, amended, renewed, extended, restated, modified and/or supplemented from time to time, together with all other agreements and instruments, whether written or oral, between any of the Target Canada Entities and Crombie Property Holdings Limited arising out of or relating to the premises leased by Target Canada Co. at 1899 Algonquin Avenue, in each case as assigned, amended, renewed, extended, restated, modified and/or supplemented from time to time, the "Agreement").

3. In accordance with subsection 32(2) of the Act, any party to the Agreement may, within 15 days after the day on which this notice is given and with notice to the other parties to the agreement and to the Monitor, apply to court for an order that the Agreement is not to be disclaimed or resiliated.

4. In accordance with paragraph 32(5)(a) of the Act, if no application for an order is made in accordance with subsection 32(2) of the Act, the Agreement is disclaimed or resiliated on the 30th day of May, 2015, being 30 days after the day on which this notice has been given.

Dated at Mississauga, Ontario, on April 30, 2015.

Target Canada Co.

T3630

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The Monitor approves the proposed disclaimer or resiliation.

Dated at Toronto, Ontario, on April 30, 2015.

Afutcheuf

Monitor's representative
responsible for the proceedings

Project	NTHBAYR	North Bay ON-1899 Algonquin Av	Billing	TTARGCANA	Payment	CRODEV
Tenant	TTARGCANA	Target Canada Co.	Address	Target Canada Co	Override	Crombie REIT
Lease	LTARG////	Target #3630 (t)		Property DevelopTPN 12th Floor	Address	610 East River Road, Suite 200
Corporate Name		Target Canada Co.		Real Estate-Existing Store		New Glasgow, NS B2H 3S2
				1000 Nicollet Mall		
				Minneapolis, MN 55403		
				UNITED STATES		
				612-304-6073		

LEASE INFORMATION

Crombie Property Holdings Limited
1899 Algonquin Avenue
NORTHBAY ON.

Lease Start	1/11/1990	01 Nov 1990
Lease End	31/01/2023	31 Jan 2023
Lease Execution	27/05/2011	27 May 2011
Insurance Review		
Lease Renewal		
Move Out	30/05/2015	30 May 2015
Move Out Reason	CCA	C.C.A.A.
Lease Type	CLL	Centre's Lease
Lease Status	TER	Termination
Invoicing Method	3	By Lease - Changes Only
Credit Rating		
Terms	NET	Net Due Upon Receipt
Tenant's Audito		crm03464
Late Charges	Yes	Tax Exempt No
		Finance Charges No

Lease Guarantee

Guarantor	GTARGCANA	Target Canada
Amount		1.00
Guarantee Start	27 May 2012	
Guarantee End	26 May 2021	

Crombie Properties Limited
Lease Abstract Report
All Leases

Project	NTHBAYR	North Bay ON-1899 Algonquin Av
Tenant	TTARGCANA	Target Canada Co.
Lease	LTARG////	Target #3630 (t)

SPACE INFORMATION

Spc	Floor	Space Type	Unit	Space Start/End	Rentable/Useable Area Per Lease	Actual Rentable /Useable Area	Recovery Billing /Install	Fixture Start/End	Rent Trmate Dat	Open Date/ Possession	RPT	Sales	Class
001	001	RET Retail Space	A300	10/04/2012	114,373.00	114,373.00	AUTOMATIC					N	
				31/12/2012	114,373.00	114,373.00	CATEGORY		31/12/2012				

Inside Commissions — Agent Code; Amount .00; Refundable No; Refundable Expiration — SIC Code; Sublet To

Outside Commissions — Broker; Agent; Amount .00; Refundable No; Refundable Expiration — Start; End

Spc	Floor	Space Type	Unit	Space Start/End	Rentable/Useable Area Per Lease	Actual Rentable /Useable Area	Recovery Billing /Install	Fixture Start/End	Rent Trmate Dat	Open Date/ Possession	RPT	Sales	Class
002	001	RET Retail Space	A300	1/01/2013	114,682.00	114,682.00	AUTOMATIC		1/01/2013	1/01/2013		N	
				15/07/2013	114,682.00	114,682.00	CATEGORY		15/07/2013				

Inside Commissions — Agent Code; Amount .00; Refundable No; Refundable Expiration — SIC Code; Sublet To

Outside Commissions — Broker; Agent; Amount .00; Refundable No; Refundable Expiration — Start; End

Spc	Floor	Space Type	Unit	Space Start/End	Rentable/Useable Area Per Lease	Actual Rentable /Useable Area	Recovery Billing /Install	Fixture Start/End	Rent Trmate Dat	Open Date/ Possession	RPT	Sales	Class
003	001	RET Retail Space	A300	16/07/2013	116,187.00	116,187.00	AUTOMATIC		16/07/2013	16/07/2013		N	
				30/05/2015	116,187.00	116,187.00	CATEGORY		30/05/2015				

Project NTHBAYR North Bay ON-1899 Algonquin Av
Tenant TTARGCANA Target Canada Co.
Lease LTARG//// Target #3630 (t)

Expansion Space Commission Information

Inside Commissions	Agent Code			
	Amount		.00	
	Refundable	No	Refundable Expiration	
Outside Commissions	Broker			
	Agent			
	Amount		.00	
	Refundable	No	Refundable Expiration	

Other Space Information

SIC Code

Sublet To
Start End

RECURRING CHARGE INFORMATION

Spc	Flr	Chg Cde	Chg Seq	Frq	Space Area	Annual Rate SF	Period Rate SF	Annual Amount	Period Amount	Start Charge	End Charge	Last Charge	Next Charge	Inv Grp	% Rnt	Re-Cov	Re-Chg	Billing Address	Terms
001	001	BAS	1	MON	114,373.00	6.670928	.555911	762,974.04	63,581.17	10/04/12	31/12/12	1/12/12	99/99/99				NO	TTARGCANA	NET
		BSL	5	MON	114,373.00	6.990790	.582566	799,557.60	66,629.80	10/04/12	31/12/12	1/12/12	99/99/99				NO	TTARGCANA	NET
		BSL	6	MON	114,373.00	2.779128-	.231594-	317,857.20-	26,488.10-	1/01/13	31/01/13	1/01/13	99/99/99				NO	TTARGCANA	NET
		CAO	3	MON	114,373.00	1.220001	.101667	139,535.16	11,627.93	10/04/12	31/12/12	1/12/12	99/99/99			CAO	YES	TTARGCANA	NET
		TXC	4	MON	114,373.00	2.098799	.174900	240,045.96	20,003.83	10/04/12	31/12/12	1/12/12	99/99/99			TXC	YES	TTARGCANA	NET
002	001	BAS	1	MON	114,682.00	6.670928	.555911	765,035.36	63,752.95	1/01/13	30/06/14	1/06/14	99/99/99				NO	TTARGCANA	NET
		BAS	21	MON	114,682.00	6.670928-	.555911-	765,035.36-	63,752.95-	1/01/13	30/06/14	1/06/14	99/99/99				NO	TTARGCANA	NET
		BAS	32	MON	114,682.00	6.652953	.554413	762,974.00	63,581.17	1/01/13	15/07/13	1/07/13	99/99/99				YES	TTARGCANA	NET
		BSL	5	MON	114,682.00	7.013758	.584480	804,351.84	67,029.32	1/01/13	31/07/13	1/07/13	99/99/99				NO	TTARGCANA	NET
		BSL	15	MON	114,682.00	2.779806	.231651	318,793.68	26,566.14	1/06/13	30/06/13	1/06/13	99/99/99				YES	TTARGCANA	NET
		BSL	16	MON	114,682.00	.024172-	.002014-	2,772.12-	231.01-	1/07/13	31/07/13	1/07/13	99/99/99				YES	TTARGCANA	NET
		BSL	17	MON	114,682.00	6.989586	.582466	801,579.72	66,798.31	1/08/13	30/06/14	1/06/14	99/99/99				YES	TTARGCANA	NET
		BSL	33	MON	114,682.00	76.878078-	6.406507-	8,816,531.76-	734,710.98-	1/06/14	30/06/14	1/06/14	99/99/99				YES	TTARGCANA	NET
		CAO	11	MON	114,682.00	1.090000	.090833	125,003.38	10,416.95	1/01/13	31/12/13	1/12/13	99/99/99			CAO	YES	TTARGCANA	NET

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All Leases

Project NTHBAYR North Bay ON-1899 Algonquin Av
Tenant TTARGCANA Target Canada Co.
Lease LTARG//// Target #3630 (t)

RECURRING CHARGE INFORMATION

Spc	Flr	Chg Cde	Chg Seq	Frq	Space Area	Annual Rate SF	Period Rate SF	Annual Amount	Period Amount	Start Charge	End Charge	Last Charge	Next Charge	Inv Grp	% Rnt	Re-Cov	Re-Chg	Billing Address	Terms
002	001	CAO	18	MON	114,682.00	1.080000	.090000	123,856.56	10,321.38	1/01/14	30/06/14	1/06/14	99/99/99			CAO	YES	TTARGCANA	NET
		CAO	29	MON	114,682.00	1.080000-	.090000-	123,856.56-	10,321.38-	1/01/14	30/06/14	1/06/14	99/99/99			CAO	YES	TTARGCANA	NET
		CWS	12	MON	114,682.00	.090000	.007500	10,321.38	860.12	1/01/13	30/06/14	1/06/14	99/99/99			CWS	YES	TTARGCANA	NET
		CWS	26	MON	114,682.00	.090000-	.007500-	10,321.38-	860.12-	1/01/14	30/06/14	1/06/14	99/99/99			CWS	YES	TTARGCANA	NET
		GBG	6	MON	114,682.00	.000000	.000000	.00	.00	1/01/13	30/06/14	1/06/14	99/99/99			GBG	YES	TTARGCANA	NET
		HVM	10	MON	114,682.00	.000000	.000000	.00	.00	1/01/13	30/06/14	1/06/14	99/99/99			HVM	YES	TTARGCANA	NET
		INS	13	MON	114,682.00	.200000	.016667	22,936.40	1,911.37	1/01/13	31/12/13	1/12/13	99/99/99			INS	YES	TTARGCANA	NET
		INS	19	MON	114,682.00	.190000	.015833	21,789.58	1,815.80	1/01/14	30/06/14	1/06/14	99/99/99			INS	YES	TTARGCANA	NET
		INS	30	MON	114,682.00	.190000-	.015833-	21,789.58-	1,815.80-	1/01/14	30/06/14	1/06/14	99/99/99			INS	YES	TTARGCANA	NET
		SPM	9	MON	114,682.00	.000000	.000000	.00	.00	1/01/13	30/06/14	1/06/14	99/99/99			SPM	YES	TTARGCANA	NET
		TXC	14	MON	114,682.00	3.460000	.288333	396,799.72	33,066.64	1/01/13	31/12/13	1/12/13	99/99/99			TXC	YES	TTARGCANA	NET
		TXC	20	MON	114,682.00	3.120000	.260000	357,807.84	29,817.32	1/01/14	30/06/14	1/06/14	99/99/99			TXC	YES	TTARGCANA	NET
		TXC	31	MON	114,682.00	3.120000-	.260000-	357,807.84-	29,817.32-	1/01/14	30/06/14	1/06/14	99/99/99			TXC	YES	TTARGCANA	NET
												Nov 30/2017							
003	001	BAS	1	MON	116,187.00	6.566776	.547231	762,974.00	63,581.17	16/07/13	30/06/15	1/06/15	99/99/99				NO	TTARGCANA	NET
		BAS	2	MON	116,187.00	7.225402	.602117	839,497.82	69,958.15	1/12/17	31/01/23		1/12/17				NO	TTARGCANA	NET
		BAS	23	MON	116,187.00	6.566776-	.547231-	762,974.00-	63,581.17-	1/05/15	30/06/15	1/06/15	99/99/99				NO	TTARGCANA	NET
		BAS	28	MON	116,187.00	6.566776	.547231	762,974.00	63,581.17	1/05/15	30/05/15	1/05/15	99/99/99				NO	TTARGCANA	NET
		BSL	16	MON	116,187.00	6.923331	.576944	804,401.04	67,033.42	16/07/13	30/04/15	1/04/15	99/99/99				NO	TTARGCANA	NET
		BSL	21	MON	116,187.00	4.669021-	.389085-	542,479.56-	45,206.63-	1/04/15	30/04/15	1/04/15	99/99/99				YES	TTARGCANA	NET
		BSL	22	MON	116,187.00	6.881616	.573468	799,554.36	66,629.53	1/05/15	30/06/15	1/06/15	99/99/99				YES	TTARGCANA	NET
		BSL	33	MON	116,187.00	18.841091-	1.570091-	2,189,089.80-	182,424.15-	1/06/15	30/06/15	1/06/15	99/99/99				YES	TTARGCANA	NET
		CAO	13	MON	116,187.00	1.080000	.090000	125,481.96	10,456.83	1/01/14	31/12/14	1/12/14	99/99/99			CAO	YES	TTARGCANA	NET
		CAO	19	MON	116,187.00	1.400000	.116667	162,661.80	13,555.15	1/01/15	30/06/15	1/06/15	99/99/99			CAO	YES	TTARGCANA	NET
		CAO	26	MON	116,187.00	1.400000-	.116667-	162,661.80-	13,555.15-	1/05/15	30/06/15	1/06/15	99/99/99			CAO	YES	TTARGCANA	NET

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Project NTHBAYR North Bay ON-1899 Algonquin Av
Tenant TTARGCANA Target Canada Co.
Lease LTARG//// Target #3630 (t)

RECURRING CHARGE INFORMATION

Spc	Flr	Chg Cde	Chg Seq	Frq	Space Area	Annual Rate SF	Period Rate SF	Annual Amount	Period Amount	Start Charge	End Charge	Last Charge	Next Charge	Inv Grp	% Rnt	Re-Cov	Re-Chg	Billing Address	Terms
003	001	CAO	29	MON	116,187.00	1.400000	.116667	162,661.80	13,555.15	1/05/15	30/05/15	1/05/15	99/99/99			CAO	YES	TTARGCANA	NET
		CWS	8	MON	116,187.00	.090000	.007500	10,456.83	871.40	1/01/14	30/06/15	1/06/15	99/99/99			CWS	YES	TTARGCANA	NET
		CWS	24	MON	116,187.00	.090000-	.007500-	10,456.83-	871.40-	1/05/15	30/06/15	1/06/15	99/99/99			CWS	YES	TTARGCANA	NET
		CWS	30	MON	116,187.00	.090000	.007500	10,456.83	871.40	1/05/15	30/05/15	1/05/15	99/99/99			CWS	YES	TTARGCANA	NET
		INS	14	MON	116,187.00	.190000	.015833	22,075.53	1,839.63	1/01/14	30/06/15	1/06/15	99/99/99			INS	YES	TTARGCANA	NET
		INS	25	MON	116,187.00	.190000-	.015833-	22,075.53-	1,839.63-	1/05/15	30/06/15	1/06/15	99/99/99			INS	YES	TTARGCANA	NET
		INS	31	MON	116,187.00	.190000	.015833	22,075.53	1,839.63	1/05/15	30/05/15	1/05/15	99/99/99			INS	YES	TTARGCANA	NET
		TXC	15	MON	116,187.00	3.120000	.260000	362,503.44	30,208.62	1/01/14	31/07/14	1/07/14	99/99/99			TXC	YES	TTARGCANA	NET
		TXC	17	MON	116,187.00	3.120000-	.260000-	362,503.44-	30,208.62-	1/01/14	31/07/14	1/07/14	99/99/99			TXC	YES	TTARGCANA	NET
		TXC	18	MON	116,187.00	4.000000	.333333	464,748.00	38,729.00	1/01/14	31/12/14	1/12/14	99/99/99			TXC	YES	TTARGCANA	NET
		TXC	20	MON	116,187.00	4.330000	.360833	503,089.71	41,924.14	1/01/15	30/06/15	1/06/15	99/99/99			TXC	YES	TTARGCANA	NET
		TXC	27	MON	116,187.00	4.330000-	.360833-	503,089.71-	41,924.14-	1/05/15	30/06/15	1/06/15	99/99/99			TXC	YES	TTARGCANA	NET
		TXC	32	MON	116,187.00	4.330000	.360833	503,089.71	41,924.14	1/05/15	30/05/15	1/05/15	99/99/99			TXC	YES	TTARGCANA	NET

Space 002 Charge 032 Notes

-Only adjusting base rent for start date of expansion for 2013.
Shareables will be completed on the year end for bot space 2 and 3

SPECIAL COVENANTS

No	Type	Status	Future Condition
001	ADJ Adjustment for Y/E	TXT Please see Text	TER Terminated

	Start/End		Covenant On			Minimum	Maximum
Covenant	1/11/1990	30/05/2015	Project	NTHBAYR	Rentable Area	.00	.00
Exercise			Floor		Useable Area	.00	.00
Notify/Respond			Space Type		Rate	.00	.00
			Unit Number		Amount	.00	.00

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Project	NTHBAYR	North Bay ON-1899 Algonquin Av
Tenant	TTARGCANA	Target Canada Co.
Lease	LTARG////	Target #3630 (t)

Notes

Admin @ 10 %, excluding Taxes & Capital Tax. Pays only 50% of proportionate share of Capital Tax
The Tenant has up to 9 months from May 27, 2011 to redevelope the premises to a Target Store. If the Tenant expnads the premises, the Minimum Rent shall NOT increase, However the Tenant shall pay taxes and operating costs on the expansion area.
Roof repairs over 25,000.00 in the first year (increased by CPI annually) must be amortized over 10 years with interest at the rate charged by the Landlord's bank in Toronto.
*As per 3rd amending agreement dated Apr 21/14:
-Space confirmed 114,682 sqft as of January 01/13
-Expansion effective July 16/13 space now 116,187 sqft.
-Base rent to be charged annually regardless of the square footage
-All shareables to be billed on new square footage effective July 16/13
- called ADDITION EFFECTIVE DATE

No	Type	Status	Future Condition
002	GLI General Liability Insurance	2.5 2.5 Million Dollars	TER Terminated

	Start/End	Covenant On			Minimum	Maximum
Covenant	1/11/1990 30/05/2015	Project	NTHBAYR	Rentable Area	.00	.00
Exercise		Floor		Useable Area	.00	.00
Notify/Respond		Space Type		Rate	.00	.00
		Unit Number		Amount	.00	.00

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Project	NTHBAYR	North Bay ON-1899 Algonquin Av
Tenant	TTARGCANA	Target Canada Co.
Lease	LTARG////	Target #3630 (t)

SPECIAL COVENANTS

No	Type	Status	Future Condition
003	MAD Merchants Association Dues	DNP Do Not Pay	TER Terminated

	Start/End	Covenant On			Minimum	Maximum
Covenant	1/11/1990 30/05/2015	Project	NTHBAYR	Rentable Area	.00	.00
Exercise		Floor		Useable Area	.00	.00
Notify/Respond		Space Type		Rate	.00	.00
		Unit Number		Amount	.00	.00

No	Type	Status	Future Condition
004	MJR Major Tenant Definition	GLA Billed on GLA	TER Terminated

	Start/End	Covenant On			Minimum	Maximum
Covenant	1/11/1990 30/05/2015	Project	NTHBAYR	Rentable Area	.00	.00
Exercise		Floor		Useable Area	.00	.00
Notify/Respond		Space Type		Rate	.00	.00
		Unit Number		Amount	.00	.00

RENT REVIEW INFORMATION

No Rent Reviews found

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Crombie REIT
115 King Street
Stellarton, NS B0K 1S0

INVOICE TO:

DBA	LEASE ID.	TENANT ID.	INVOICE NO.
Target #3630	LTARG////	TTARGCANA	R0619974

PROJECT NAME & ADDRESS	DATE
NTHBAYR North Bay ON-1899 Algonquin Av	31/MAR/2015

Item	AMOUNT
Common Area Maint - Outside	18,021.59-
Capital Expense Amortization	18,513.92
Water & Sewage	3,814.05-
Insurance	760.60
Property Tax - Current	40,001.78-
HST Reg No. 80761 2072 RT	5,533.16-

2014

This Invoice covers adjustments for Year-End Recoveries. Please see the attached sheet(s) for details. Contact 902-755-4440 Accounts Receivable Department if you have any questions.
Email: ardept@crombie.ca

Net Due Upon Receipt

TOTAL AMOUNT DUE 48,096.06-

PLEASE RETURN THIS PORTION WITH YOUR CHEQUE TO ENSURE PROPER CREDIT

INVOICE NO : R0619974
INVOICE AMOUNT : 48,096.06-
LEASE ID # : LTARG////

R0619974TTARGCANANTHBAYRLTARG////00000048096000

PLEASE REMIT CHEQUE PAYABLE TO:

Target Canada Co
Property DevelopTPN 12th Floor
Real Estate-Existing Store
1000 Nicollet Mall
Minneapolis, MN 55403
UNITED STATES

Crombie REIT
115 King Street
Stellarton, NS B0K 1S0

Recoverable Cost Computation Summary

RE: Project: NTHBAYR North Bay ON-1899 Algonquin Av
Tenant: TTARGCANA Target Canada Co.
Lease : LTARG//// Target #3630
Space : 003 Unit : A300

Date: 31/03/15
Page: 1

Recovery Category: CAO - Common Area Maint - Outside Recovery from 1/01/14 to 31/12/14

1.	Current Year Costs	$177,105.78
2.	Administrative Fee	$17,710.61
3.	Net Current Year Costs	$194,816.39
4.	Total Project Area (SF)	210,637.00
5.	Area Occupied By Tenant (SF)	116,187.00
6.	Rate Per SF	.924892
7.	Charge Commencement Date	1/01/14
8.	Total Number of Tenant Recovery Days	365
9.	Total Number of Days Costs Incurred	365
10.	Tenant Recovery Days as Fraction of Total Days (365/365)	1.000000
11.	Total Chargeable to Tenant ($.924891 X 1.000000 X 116,187.00)	$107,460.37
12.	Less Amount Previously Billed For Period	($125,481.96)
13.	Additional Amount Due or (Credit)	($18,021.59)
14.	Sales Tax on Additional Amount Due HST Reg No (.130000 X $107,460.37 - .130000 X $125,481.96)	($2,342.80)
15.	Total Amount Due or (Credit)	($20,364.39)

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Recoverable Cost Computation Summary

RE: Project: NTHBAYR North Bay ON-1899 Algonquin Av — Date: 31/03/15

Tenant: TTARGCANA Target Canada Co. — Page: 1

Lease : LTARG//// Target #3630

Space : 003 — Unit : A300

Recovery Category: CEA - Capital Expense Amortization — Recovery from 1/01/14 to 31/12/14

1.	Consumption Amount for Space	16,830.84
2.	Consumption Rate for Space	1.100000
3.	Total Chargeable to Tenant (16,830.84 X 1.100000 X 1.000000)	$18,513.92
4.	Less Amount Previously Billed For Period	($.00)
5.	Additional Amount Due or (Credit)	$18,513.92
6.	Sales Tax on Additional Amount Due HST Reg No (.130000 X $18,513.92 - .130000 X $.00)	$2,406.81
7.	Total Amount Due or (Credit)	$20,920.73

Would not increase
each year
Stay the
Same

Recoverable Cost Computation Summary

RE: Project: NTHBAYR	North Bay ON-1899 Algonquin Av		Date: 31/03/15
Tenant: TTARGCANA	Target Canada Co.		Page: 1
Lease : LTARG////	Target #3630		
Space : 003		Unit : A300	

Recovery Category: CWS - Water & Sewage   Recovery from 1/01/14 to 31/12/14

1.	Net Current Year Costs	$9,557.55
2.	Total Project Area (SF)	167,169.00
3.	Area Occupied By Tenant (SF)	116,187.00
4.	Rate Per SF	.057173
5.	Charge Commencement Date	1/01/14
6.	Total Number of Tenant Recovery Days	365
7.	Total Number of Days Costs Incurred	365
8.	Tenant Recovery Days as Fraction of Total Days (365/365)	1.000000
9.	Total Chargeable to Tenant ($.057172 X 1.000000 X 116,187.00)	$6,642.75
10.	Less Amount Previously Billed For Period	($10,456.80)
11.	Additional Amount Due or (Credit)	($3,814.05)
12.	Sales Tax on Additional Amount Due HST Reg No (.130000 X $6,642.75 - .130000 X $10,456.80)	($495.82)
13.	Total Amount Due or (Credit)	($4,309.87)

Recoverable Cost Computation Summary

RE: Project: NTHBAYR	North Bay ON-1899 Algonquin Av		Date: 31/03/15
Tenant: TTARGCANA	Target Canada Co.		Page: 1
Lease : LTARG////	Target #3630		
Space : 003		Unit : A300	

Recovery Category: INS - Insurance   Recovery from 1/01/14 to 31/12/14

1.	Net Current Year Costs	$41,400.00
2.	Total Project Area (SF)	210,637.00
3.	Area Occupied By Tenant (SF)	116,187.00
4.	Rate Per SF	.196547
5.	Charge Commencement Date	1/01/14
6.	Total Number of Tenant Recovery Days	365
7.	Total Number of Days Costs Incurred	365
8.	Tenant Recovery Days as Fraction of Total Days (365/365)	1.000000
9.	Total Chargeable to Tenant ($.196546 X 1.000000 X 116,187.00)	$22,836.16
10.	Less Amount Previously Billed For Period	($22,075.56)
11.	Additional Amount Due or (Credit)	$760.60
12.	Sales Tax on Additional Amount Due HST Reg No (.130000 X $22,836.16 - .130000 X $22,075.56)	$98.88
13.	Total Amount Due or (Credit)	$859.48

Recoverable Cost Computation Summary

RE: Project: NTHBAYR North Bay ON-1899 Algonquin Av

Tenant: TTARGCANA Target Canada Co.

Lease : LTARG//// Target #3630

Space : 003 Unit : A300

Date: 31/03/15

Page: 1

Recovery Category: TXC - Property Tax - Current Recovery from 1/01/14 to 31/12/14

1.	Net Current Year Costs		$844,550.18
2.	Total Project Area (SF)		210,637.00
3.	Area Occupied By Tenant (SF)		116,187.00
4.	Rate Per SF		4.009505
5.	Charge Commencement Date		1/01/14
6.	Total Number of Tenant Recovery Days		365
7.	Total Number of Days Costs Incurred		365
8.	Tenant Recovery Days as Fraction of Total Days	(365/365)	1.000000
9.	Total Chargeable to Tenant ($4.009505 X 1.000000 X 116,187.00)		$465,852.39
10.	Subject to a Maximum Amount (Cap Amount) Cap Type: NON Non-cumulative Cap		$424,746.22
11.	Less Amount Previously Billed For Period		($464,748.00)
12.	Additional Amount Due or (Credit)		($40,001.78)
13.	Sales Tax on Additional Amount Due HST Reg No (.130000 X $424,746.22 - .130000 X $464,748.00)		($5,200.23)
14.	Total Amount Due or (Credit)		($45,202.01)

Do not include Target Tax appeal ...

Target
LTARG////
31/01/2023

GLA
10% Admin

Common Area Costs	$203,672.00
Less Admin 15%	($26,566.00)
Sub Total	$177,106.00
10% Admin	$17,710.60
Adjusted Total	**$194,816.60**

CAO	$194,816.60	x	116,187 / 210,637	=	$107,460.59
					$0.9249 psf
TXC	$844,550.18	x	116,187 / 210,637	=	$465,852.40
				Less:	($41,106.18) Target Tax Appeal
					$424,746.22
					$3.6557 psf

THIS THIRD AMENDING AGREEMENT dated the **21st** day of **April, 2014**

BETWEEN:

Crombie Property Holdings Limited
(Hereinafter called the "**Landlord**")

OF THE FIRST PART

- and -

Target Canada Co.
(Hereinafter called the "**Tenant**")

OF THE SECOND PART

WHEREAS Zellers Inc. ("**Zellers**"), as tenant, and Landlord, as landlord, were parties to a Lease dated November 1,1990 originally by and between Oshawa Holdings Limited, as sublandlord, and Towers Department Stores, as subtenant, Marchland Holdings Limited, as head landlord, and The Oshawa Group Limited, as landlord (as amended, restated, supplemented or modified from time to time, the "**Lease**") relating to certain premises described in the Lease (the "**Premises**"), located at 1899 Algonquin Avenue, in the City of North Bay, Province of Ontario;

AND WHEREAS Target Canada Co. acquired the tenant's interest in the Lease (the "**Assignment**") pursuant to an Assignment Agreement dated May 27, 2011;

AND WHEREAS certain terms of the Lease were amended by an agreement dated May 27, 2011 (the "**Second Amending Agreement**");

AND WHEREAS the rights and obligations of the Landlord were subsequently assumed by Goldmanco;

AND WHEREAS the rights and obligations of the Landlord were subsequently assumed by Crombie Property Holdings Limited;

AND WHEREAS the Tenant expanded the original Premises in accordance with the provisions of Section 10.2(v) of the Second Amendment Agreement pursuant to which base rent (sometimes also known as minimum rent) will not increase but additional rent will increase with respect to such addition.

WITNESSETH that in consideration of the mutual covenants and agreements hereinafter contained, the parties hereto respectively covenant and agree each with the other as follows:

1. The Landlord and the Tenant wish to amend the Lease to reflect the addition to the Premises of 1,505 square feet (the "**Additional Premises**"), being that area outlined in GREEN on the plan annexed hereto as Schedule "A-1", thereby increasing the original Premises from 114,682 square feet (the "**Original Premises**") to 116,187 square feet (the "**Entire Premises**"), being that area outlined in RED on the plan annexed hereto as Schedule "A", to take effect on the 16th day of July, 2013 (the "**Addition Effective Date**"). For the avoidance of doubt, the Original Premises (as defined above) include both the "Existing Premises" and the "Expansion Premises" (as such terms were defined in the Lease prior to the execution of the Second Amending Agreement).

2. Since Articles 9(ii) and 9(iii) of the Second Amendment to Lease refer to the rent for the "Existing Premises" and "Expansion Premises" which are both already included within the definition of the Original Premises those Articles may result in confusion in connection with the calculation of rent after the Addition Effective Date. In furtherance thereof, Articles 9(ii) and 9(iii) of the Second Amendment will not be applicable with respect to the payment of rent for any period on and after the Addition Effective Date.

3. The parties hereby agree that, on and after the Addition Effective Date, the annual base rental for the Entire Premises (which consists of the Existing Premises, the Expansion Premises and the Additional Premises) shall be as follows:

> From and after the first day of the calendar month immediately following the Additional Effective Date, through and including November 30, 2017, the annual base rent for the Entire Premises shall be Seven Hundred and Sixty-Two Thousand, Nine Hundred and Seventy-Four Dollars ($762,974.00).
>
> From and after December 1, 2017, throughout the remainder of the Term, including exercised extensions thereof, the annual base rent for the Entire Premises shall be Eight Hundred and Thirty-Nine Thousand, Four Hundred and Ninety-Seven Dollars and Eighty-Two Cents ($839,497.82).

4. The Landlord and Tenant hereby covenant and agree that as of the Addition Effective Date and according to Article 10.2(v) of the Second Amending Agreement, Operating Costs and Taxes (but not base rent) will be due and payable by the Tenant to the Landlord on the Entire Premises. For the avoidance of doubt, the base rent for the entirety of the Premises will remain $762,974.00 through November 30, 2017, and will thereafter increase to $839,497.82 for the remainder of the term of the Lease.

5. The Landlord and Tenant hereby covenant and agree that any written notice or demand to be given by the Tenant to the Landlord pursuant to this Lease shall be served upon the Landlord personally or sent by registered mail or by courier service to the Landlord, Attention: The President, 115 King Street, Stellarton, Nova Scotia, B0K 1S0, or to the address as designated by the Landlord from time to time in writing.

6. All other terms and conditions of the Lease shall, save for Paragraph(s) 1, 2, 3, 4 and 5 hereof, remain the same and unaltered and shall continue in full force and effect. Except as otherwise defined herein, all defined terms in this agreement shall have the same meaning as contained in the Lease.

7. This Amending Agreement is incorporated in and made an integral part of the Lease and shall therefore be subject to its terms and conditions in the same manner as if the amendments herein were original clauses of the Lease.

IN WITNESS WHEREOF the Parties hereto have properly executed These Presents the day and year first above written.

CROMBIE PROPERTY HOLDINGS LIMITED
(the "Landlord")

Gary Finkelstein
Regional Vice President
Central Canada

Witness

Fred Santini
National Director, Legal

TARGET CANADA CO.
(the "Tenant")

Scott Nelson
Authorized Signatory of
Target Canada Co.

MEMORANDUM OF AGREEMENT

This Agreement is dated as of the 1st day of November, 1990.

NO.: 58
LOCATION: 1899 Algonquin Avenue
CITY: North Bay
PROVINCE: Ontario

The following are certain specific terms and provisions that form part of a sublease (hereinafter referred to as a "Lease") attached hereto as Schedule "C" between:

Landlord (of the First Part): The Oshawa Group Limited

Tenant (of the Second Part): Oshawa Holdings Limited

Head Landlord (of the Third Part: Marchland Holdings Limited

WHEREAS:

(A) The Head Landlord is the owner of the fee simple title to the Shopping Centre and as such entered into a lease for the Leased Premises dated March 7, 1968 with The Oshawa Wholesale Limited (the "First Lease");

(B) The Landlord hereunder is the successor corporation of The Oshawa Wholesale Limited;

(C) The Head Landlord and the Landlord confirm that the term of the First Lease expires on January 31, 2011;

(D) The Landlord and Tenant wish to enter into this Lease on the terms and conditions contained herein;

(E) The Head Landlord hereby enters into this Lease for purposes of (i) recognizing this Lease in accordance with Section 23.14 (AA) and (ii) the demise contained in Section 23.14 (CC).

Section 1.6 Commencement Date:	November 1, 1990
Section 1.22 Acea of Mezzanine:	To be determined by the Land Surveyor
Section 1.23 Mezzanine Rent:	Based on Two Dollars ($2.00) per square foot per annum

which such statement is addressed and in the case of a statement delivered to the Landlord, may be relied on by any prospective or actual "transferee" of the Landlord or Mortgagee; and in the case of a statement delivered to the Tenant, may be relied on by any prospective or actual transferee or Mortgagee of the Tenant. The delivery of any such statement, however, shall not preclude any rights of the party giving such statement with respect to any defaults not set forth in such statement and of which the party giving such statement has no actual knowledge at the time thereof as against the other party to this Lease.

Section 18.2 Subordination and Non-Disturbance Agreement

Upon request and at the Landlord's expense, the Tenant shall subordinate this Lease and all of its rights hereunder to any Mortgages. If possession of the Shopping Centre or any part thereof is taken under any Mortgage pursuant to any proceedings that are brought for the foreclosure of the interest of the Landlord, the Tenant shall attorn to the Mortgagee in possession and will recognize such Mortgagee as Landlord under this Lease. Notwithstanding anything contained in this Section 18.2 to the contrary, any subordination or attornment or the execution of any indenture in respect thereof by the Tenant shall not be required until each such Mortgagee first delivers to the Tenant in writing and under seal a Non-Disturbance Agreement in substantially the form set out in Schedule "1" to this Lease. Further, the Landlord covenants that it will immediately discharge or cause to be discharged any Mortgage existing prior to the date of this Lease if such Mortgagee notifies the Tenant that it intends to, or if such Mortgagee takes any action which would, materially and detrimentally affect the Tenant's continued use and enjoyment of the Leased Premises in accordance with the terms of the Lease, and the Landlord will indemnify the Tenant in respect of any losses and damages of any nature and kind that the Tenant suffers as a result of the occurrence of any such material and detrimental effect.

ARTICLE 19
Default

Section 19.1 Right to Re-enter

(a) An "Event of Default" occurs whenever:

(i) the Tenant defaults in the payment of Rent or Sales Taxes and the default continues for fifteen (15) days after written notice to the Tenant;

(ii) the Tenant commits a breach of any covenant or condition of this Lease other than a breach specified in Section 19.1(a)(i) and/or (iii) and the Tenant has not commenced nor continued, if necessary, to remedy the breach within twenty (20) days (or such longer period of time as may be required under the Landlord and Tenant Act) after written notice to the Tenant; or

(iii) any of the following events occurs and the Landlord gives to the Tenant whatever notice is required under the Landlord and Tenant Act:

(1) the Tenant becomes bankrupt or takes the benefit of any statute for bankrupt debtors or makes any proposal, assignment or arrangements with its creditors;

(2) a receiver or a receiver and manager is appointed for all or a part of the property of the Tenant which includes the Leased Premises and the Lease, unless such appointment is being disputed in good faith pursuant to proceedings that effectively postpone the rights of such receiver or receiver and manager;

(3) steps are taken or proceedings are instituted for the dissolution, winding-up or other termination of the Tenant's existence or the liquidation of their respective assets other than in connection with a corporate reorganization of the Tenant which would not result in the Tenant becoming insolvent or bankrupt;

(4) the Tenant makes or attempts to make a bulk sale of any of its assets in the Leased Premises regardless of where they are situated (except for a bulk sale made to a transferee when the Transfer is permitted under this Lease or has been consented to by the Landlord or if done in accordance with the Bulk Sales Act (Ontario) or any legislation similar to such Act enacted for the Province);

(5) if the Tenant is required to continuously carry on business pursuant to Article 8 subject to Delay, the Leased Premises are vacant or unoccupied for fifteen (15) consecutive days, subject to Delay, or the Tenant abandons the Leased Premises, unless such breach is rectified within forty-eight (48) hours after notice to the Tenant;

(6) the Tenant effects a Transfer that is not permitted by this Lease; or

(7) this Lease is taken or seized under a writ of execution, an assignment, pledge, charge, debenture, or other security instrument unless such is being disputed in good faith pursuant to proceedings that effectively postpone the taking or seizure.

(b) Upon the occurrence of an Event of Default, (i) the full amount of the current month's and the next three (3) months' instalments of Rent (calculated according to Section 19.1(c)) and the Sales Taxes, will become due and payable, and (ii) the Landlord may re-enter and re-possess the Leased Premises and on such a re-entry, this Lease and all of the Tenant's rights hereunder will terminate without liability on the part of the Landlord for loss or damage, and without prejudice to the Landlord's rights to recover arrears of Rent and Sales Taxes and damages for any previous breach by the Tenant of any covenant or condition of this Lease. On such a termination, (1) the Tenant will promptly (and in any case within ten (10) days after written notice requiring it to do so) remove all of its property from the Leased Premises, or (2) the Landlord may at any time remove all or part of the property from the Leased Premises and store it in a public warehouse or elsewhere at the cost of the Tenant. If the Tenant fails to remove its property as required by clause (1) above, or if it fails to pay the Landlord's costs of removal and storage within ten (10) days after written notice specifying those costs, the Tenant will be the Head Landlord agrees to enter into a new lease with the Tenant on the terms and conditions of this Lease.

It is understood and agreed that Schedules "A", "B-1", "B-2", "B-3", "B-4", "B-5", "B-6", and "C" attached thereto and Riders 1, 2, 3,4 and 5 are deemed to be part of this Agreement.

IN WITNESS WHEREOF the parties hereto have duly executed this Agreement as of the 1st day of November, 1990.

SIGNED, SEALED AND DELIVERED in the presence of:	THE OSHAWA GROUP LIMITED (Landlord)
Witness	Per: c/s
Witness	Per:
	OSHAWA HOLDINGS LIMITED (Tenant)
Witness	Per: c/s
Witness	Per:
	MARCHLAND HOLDINGS LIMITED (Head Landlord)
Witness	Per: c/s
Witness	Per:

LEASE AMENDING AGREEMENT

This Agreement is made as of the 20th day of January, 1997.

BETWEEN:

1122687 Ontario Limited
(the "Landlord")

OF THE FIRST PART

- and -

Zellers Inc.
(the "Tenant")

OF THE SECOND PART.

WHEREAS:

A. By a lease dated March 7, 1968 and made between Marchland Holdings Limited and The Oshawa Wholesale Limited, Marchland Holdings Limited leased to The Oshawa Wholesale Limited the premises more particularly described in the lease for a term of years expiring on January 31, 2011 in accordance with and subject to the terms of such lease (the "First Lease");

B. By a memorandum of agreement, with lease form attached, dated November 1, 1990 and made among Marchland Holdings Limited, as head landlord, The Oshawa Group Limited, as landlord and Oshawa Holdings Limited, as tenant, a copy of which is attached hereto as Schedule "A" (the "Head Lease"), The Oshawa Group Limited, as landlord, (and as the successor corporation of The Oshawa Wholesale Limited) leased to Oshawa Holdings Limited, as tenant, with the consent of Marchland Holdings Limited, as head landlord, the premises more particularly described in the Head Lease (the "Leased Premises") for a term of years expiring on January 30, 2011, together with the rights of renewal contained therein and otherwise in accordance with and subject to the terms of the Head Lease;

C. By a sublease dated the 1st day of November, 1990, and made among Oshawa Holdings Limited, as sublandlord, Towers Department Stores Inc., as subtenant, Marchland Holdings Limited, as head landlord and The Oshawa Group Limited, as landlord, a copy of which is attached hereto as Schedule "B" (the "Sublease"), the sublandlord leased to the subtenant the Leased Premises for the "Subterm" (as such term is defined in the Sublease and expiring one day prior to the expiration of the term of the Head Lease), together with all rights therein, including the rights of renewal, and otherwise in accordance with and subject to the terms of the Sublease;

D. At the date of the Head Lease, Marchland Holdings Limited, as head landlord, was the owner of the fee simple title to the lands on which the Leased Premises were located;

E. By agreement dated November 1, 1990, a copy of which is attached hereto as Schedule "C", Marchland Holdings Limited, as landlord and The Oshawa Group Limited, as tenant, agreed to amend the terms of the First Lease in accordance with and as more particularly set out in the agreement (the "Agreement");

21. Subject to the provisions hereinafter contained in this Paragraph 21, the parties acknowledge, confirm and agree that Schedule "B-6" of Schedule "A" attached to this Lease Amending Agreement is hereby deleted and removed in its entirety and Schedule "K" attached to this Lease Amending Agreement is substituted therefor, to the intent that from and after the Opening Date Schedule "K" attached to this Lease Amending Agreement shall be read as comprising Schedule "B-6" of Schedule "A" attached to this Lease Amending Agreement. Provided, however, and notwithstanding the provisions hereinbefore set out in this Paragraph 21, the parties acknowledge and agree that the provisions of this paragraph are subject to (i) the successful acquisition by the Landlord of the lands shown cross-hatched in blue on Schedule "G" attached to this Lease Amending Agreement and (ii) the rights of the tenants commonly known as "Food City" and "Zellers", respectively, (including their respective successors or assigns) pursuant to their respective leases to expand their existing premises, the existing location of which is shown on Schedule "K" attached to this Lease Amending Agreement, including, without limitation, the right of either such tenant to expand their existing premises into the area shown cross-hatched on Schedule "K" attached to this Lease Amending Agreement in accordance with their respective leases.

22. The parties hereto acknowledge and agree that, except as otherwise provided by the terms of this Lease Amending Agreement, the terms, covenants and conditions contained in the Lease shall remain unamended and in full force and effect.

23. This Agreement shall be binding upon and shall enure to the benefit of the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, the parties have signed this Lease Amending Agreement in the City of Toronto on this 30th day of January, 1997.

1122687 ONTARIO LIMITED
(the "Landlord")

Per: M Lbazun

Per: Paul D

Zellers Inc.
(the "Tenant")

Per:

Per:

MWS000024.AGY\LEASEAMEN.AGS

Z-269/1899 Algonquin Avenue North Bay
North Bay, Ontario

SECOND AMENDMENT TO LEASE

This Second Amendment to Lease (this "**Amendment**") is entered into as of May 27, 2011 (the "**Effective Date**"), by and between Target Canada Co., a Nova Scotia unlimited liability company ("**Target Canada**") and 1779904 Ontario Inc., a Ontario corporation ("**Landlord**").

BACKGROUND

A. Zellers Inc. ("**Zellers**"), as tenant, and Landlord, as landlord, were parties to a Lease dated November 1, 1990 originally by and between Oshawa Holdings Limited, as sublandlord, and Towers Department Stores, as subtenant, Marchland Holdings Limited, as head landlord, and The Oshawa Group Limited, as landlord (as amended, restated, supplemented or modified from time to time, the "**Lease**") relating to certain premises described in the Lease (the "**Premises**"), located in the commercial development municipally known as 1899 Algonquin Avenue, located in the City of North Bay, Province of Ontario (the "**Shopping Centre**") and which are legally described on Exhibit A attached hereto.

B. Target Canada acquired the tenant's interest in the Lease (the "**Lease Assignment**") pursuant to an assignment agreement dated as of the Effective Date, in part based on Landlord's willingness to agree to certain modifications of the Lease in accordance with the terms and provisions set forth herein. Landlord acknowledges that Target Canada would not have proceeded with the Lease Assignment without Landlord's agreement to proceed with this Amendment.

NOW, THEREFORE, for and in consideration of the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree that the Lease will be amended as follows as of the Effective Date:

1. Definitions; Recitals. Unless specifically defined herein, all capitalized terms used in this Amendment have the same meaning as the capitalized terms in the Lease. The party holding the tenant's interest under the Lease from time to time (including Target Canada pursuant to the Lease Assignment referred to above) is referred to herein as "Tenant". The above set out recitals are true in substance and in fact.

2. Landlord. Landlord represents and warrants to Tenant that Landlord owns fee simple title to the Shopping Centre and is the landlord under the Lease. Landlord further represents and warrants to Tenant that Landlord has not assigned, subleased, transferred or pledged its interests in the Lease, or any of Landlord's rights thereunder, to

IN AGREEMENT, the parties hereto have executed this Amendment as of the date first above written.

LANDLORD:

1779904 Ontario Inc.,
a Ontario corporation

By: ______________________

Name: Ori M. Goldman

Its: Secretary

TARGET CANADA

TARGET CANADA CO.,
a Nova Scotia unlimited liability corporation

By: ______________________

Name: Scott Nelson

Its: Authorized Signatory of Target Canada Co.

Store Z0269
1899 Algonquin Avenue
North Bay, Ontario

ASSIGNMENT AND ASSUMPTION OF LEASE AGREEMENT

THIS AGREEMENT is made as of May 22, 2011 (the "**Effective Date**").

BETWEEN:

ZELLERS INC.

(the "**Assignor**")

- and -

TARGET CANADA CO.

(the "**Assignee**")

RECITAL:

Pursuant to and subject to a Transaction Agreement dated January 12, 2011 among the Assignee, as purchaser, the Assignor, as vendor and certain other entities (as amended, the "**Transaction Agreement**"), the Assignor has agreed to assign and transfer to the Assignee the lease described on Schedule "A" hereto (as amended, restated, supplemented or modified from time to time, the "**Assigned Lease**") and the Assignor's interest in the leasehold lands, premises, buildings and leasehold improvements (excluding, for certainty, any trade fixtures and personal property) pertaining to the Assigned Lease (the "**Leased Property**"), and the Assignee has agreed to assume the Assignor's covenants and obligations in respect of the Assigned Lease to the extent provided herein.

THEREFORE in accordance with the Transaction Agreement and in consideration of the premises and of the mutual covenants and agreements contained herein and therein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Assignor and the Assignee, intending to be legally bound, hereby agree as follows:

1. Assignment

The Assignor does hereby grant, assign and set over unto the Assignee, effective as of 12:01 a.m. (Toronto time) on the Effective Date (the "**Effective Time**"), all of Assignor's right, title and interest in and to (a) the Assigned Lease, inclusive of (i) the unexpired residue of the terms of the Assigned Lease, (ii) any and all options to renew or extend contained therein, and (iii) all its rights, privileges, benefits and advantages to be derived therefrom, (b) the Leased Property, and (c) any option to purchase, right of first refusal or other similar right to acquire the landlord's interest in the Leased Property, whether or not contained in the Assigned Lease.

Store Z0269
1899 Algonquin Avenue
North Bay, Ontario

[Signature Page of Zellers Inc. to Assignment and Assumption of Lease Agreement]

ZELLERS INC.

By: D. [signature]

Name: DAVID PICKWOAD

Title: VICE PRESIDENT, LEGAL SERVICES

By: ______________________

Name:

Title:

Store Z0269
1899 Algonquin Avenue
North Bay, Ontario

[Signature Page of Target Canada Co. to Assignment and Assumption of Lease Agreement]

TARGET CANADA CO.

By: ______________________

Name: ***Scott Nelson***

Title: *Authorized Signatory of Target Canada Co.*

SCHEDULE "A"
ASSIGNED LEASE

<u>**Store Z0269** - 1899 Algonquin Avenue, North Bay , Ontario</u>

- Lease dated November 1, 1990 between The Oshawa Group Limited as the Landlord, Oshawa Holdings Limited, as the Tenant, Marchland Holdings Limited, as the Head Landlord, as amended, restated, supplemented or modified from time to time.

In the Matter of the Companies' Creditors Arrangement Act, R.S.C. 1985, c.C.36 as am.
and in the Matter of a Plan of Compromise or Arrangement of Target Canada Co., Target Canada Health Co., Target Canada Mobile GP Co., Target Canada Pharmacy (BC) Corp., Target Canada Pharmacy (Ontario) Corp., Target Canada Pharmacy Corp., Target Canada Pharmacy (SK) Corp., and Target Canada Property LLC
Applicants

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

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at TORONTO

AFFIDAVIT OF FRED SANTINI
(SWORN DECEMBER 8, 2015)

McLEAN & KERR LLP
Barristers & Solicitors
130 Adelaide Street West, Suite 2800
Toronto, ON M5H 3P5

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Email: gcamelino@mcleankerr.com

Lawyers for Morguard Investments Limited, Crombie REIT, Triovest Realty Advisors Inc. and SmartREIT (formerly Calloway Real Estate Investment Trust)

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

ONTARIO
SUPERIOR COURT OF JUSTICE
[COMMERCIAL LIST]

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

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

Applicants

AFFIDAVIT OF GUSTAVO F. CAMELINO

I, GUSTAVO F. CAMELINO, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am a partner of McLean & Kerr LLP, lawyers for Morguard Investments Limited, Crombie REIT, Triovest Realty Advisors Inc. and SmartREIT (formerly Calloway Real Estate Investment Trust) (the "**M&K Responding Landlords**") each a landlord or the agent and manager for landlords of leased premises in which Target Canada Co. (directly or through related entities) previously operated retail stores (the "**Target Stores**") and as such have knowledge of the matters to which I hereinafter depose. Where such knowledge is based upon the information of others I verily believe such information to be true.

2. On January 15, 2015, Target Canada Co. and various other related entities (hereinafter collectively referred to as "**Target Canada**"), applied for protection from 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***"). The Court granted Target Canada's application and an Order (the "**Initial Order**") was issued on January 15, 2015. The M&K Responding Landlords were not given notice of Target Canada's *CCAA* Application and therefore did not attend or make submissions prior to the Initial Order being issued.

The M&K Responding Landlords

3. The M&K Responding Landlords had the following Target Store leases:

(1) Morguard Investments Limited ("**Morguard**") had fifteen leases for Target Stores. Each of the Target Stores was previously a Zellers store and the leases were assigned to Target Canada. When the leases were assigned, Zellers was not released, but continued to be bound by the terms of the leases as original covenantor. In addition, for thirteen of the locations, Target Corp. executed a guarantee in favour of the landlord (the "**Morguard Parent Guarantees**"). Of the fifteen leases, six were assigned to others in the *CCAA* proceeding, one was purchased by Morguard and eight were disclaimed by Target Canada. A Morguard Parent Guarantee was executed for each of the eight disclaimed leases. McLean & Kerr LLP, on behalf of Morguard, sent Notices of Default to Target Corp. for each of the disclaimed leases advising it that it was in default of its Morguard Parent Guarantee. No payment has been made by Target Corp. pursuant to its Morguard Parent Guarantees.

(2) Triovest Realty Advisors Inc. ("**Triovest**") had two leases for Target Stores. Each of the Target Stores was previously a Zellers store and the leases were assigned to Target Canada. When the leases were assigned, Zellers was not released, but continued to be bound by the terms of the lease as original covenantor. Both leases were disclaimed by Target Canada. McLean & Kerr LLP, on behalf of Triovest, sent Notices of Default to the Hudson's Bay

Company for each of the disclaimed leases advising it that it was in default of its obligations. No payment has been made by the Hudson's Bay Company pursuant to its obligations under the leases.

(3) SmartREIT (formerly Calloway Real Estate Investment Trust) ("**SmartREIT**") had two leases for Target Stores. Each of the Target Stores was previously a Zellers store and the leases were assigned to Target Canada. Both leases were disclaimed by Target Canada. For each lease, Target Corp. executed a guarantee in favour of the landlord (the "**SmartREIT Parent Guarantees**"). SmartREIT sent Notices of Default to Target Corp. for each of the disclaimed leases for which Target Corp. had executed a SmartREIT Parent Guarantee, advising it that it was in default of its SmartREIT Parent Guarantee. No payment has been made by Target Corp. pursuant to its SmartREIT Parent Guarantees.

(4) Crombie REIT ("**Crombie**") had three leases for Target Stores. Each of the Target Stores was previously a Zellers store and the leases were assigned to Target Canada. For one of the locations, Target Corp. executed a guarantee (the "**Crombie Parent Guarantee**"). All three leases were disclaimed by Target Canada. McLean & Kerr LLP, on behalf of Crombie sent a Notice of Default to Target Corp. for the disclaimed lease for which a Crombie Parent Guarantee was executed advising it that it was in default of its Crombie Parent Guarantee. No payment has been made by Target Corp. pursuant to its Crombie Parent Guarantee.

Each of the Morguard Parent Guarantees, SmartREIT Parent Guarantees and Crombie Parent Guarantee are hereinafter referred to collectively as the "**Parent Guarantees**".

Target Canada's *CCAA* Proceeding

4. When the M&K Responding Landlords learned that Target Canada had filed for protection under the *CCAA*, one of their immediate concerns was the impact that the *CCAA*

proceeding might have on each of their Parent Guarantees. This concern was heightened by the fact that the Initial Order granted by the court on January 15, 2015 included a stay of proceedings prohibiting landlords from taking steps to enforce the Parent Guarantees.

5. Given the seriousness of the matter, McLean & Kerr LLP, on behalf of our clients, considered all options available to our clients to ensure that the Parent Guarantees would not be compromised by the *CCAA* proceeding, including the possibility of requesting that the *CCAA* proceeding be terminated and Target Canada be required to make an assignment in bankruptcy.

6. After the Initial Order was granted we began discussions/negotiations with Target Canada and Target Corp. to amend the provisions of the Initial Order, to stipulate the terms of an agreeable order for the sale and liquidation of Target's inventory, fixtures and equipment and to finalize the terms of an order which would govern the sale of real property leases (the "**RPPSP Order**").

7. During discussions with Target Canada, Target Corp. and the Monitor, we (and specifically Linda Galessiere of our office) advised counsel for Target Canada, counsel for Target Corp., counsel for the Monitor and the Monitor that our clients were very concerned with the stay that had been included in the Initial Order affecting the Parent Guarantees and we were very concerned and wished to ensure that the Parent Guarantees would not be compromised in the *CCAA* proceeding. In this regard, we did advise the parties that our clients were considering whether a *CCAA* proceeding was appropriate as opposed to a bankruptcy.

8. In an effort to address our concerns, on January 26, 2015 counsel for Target Canada and representatives of Target Canada attended at our office to discuss the *CCAA* proceeding. During the meeting, which meeting was attended by myself, Walter Stevenson (in-person) and Linda Galessiere by telephone, Target Canada provided us with a letter regarding the Parent Guarantees. The letter, which stated that guarantees given by Target Corporation were valid and binding, did not address our clients' concerns that the Parent Guarantees not be compromised in the *CCAA* proceeding.

> Appended to my affidavit as **Exhibit "A"** is a copy of the letter that was provided to McLean & Kerr LLP during the January 26, 2015 meeting.

9. In light of our clients' concerns, we requested amendments to the Initial Order and in particular the inclusion of the provisions confirming that the Parent Guarantees would not be compromised in the *CCAA* proceeding (paragraph 19A). This provision was of utmost importance to each of our clients.

10. RioCan Real Estate Investment Trust ("**RioCan**") filed submissions with the court on February 4, 2015 which outlined some of the concerns landlord counsel, including McLean & Kerr LLP, had regarding the terms of Target Canada's proposed RPPSP Order. RioCan did amend and re-file submissions on February 11, 2015.

> Appended to my affidavit as **Exhibit "B"** is a copy of RioCan's submissions dated February 4 and February 11, 2015.

11. Changes to the Initial Order and the changes to the RPPSP Order were negotiated simultaneously and agreed to on the understanding that both Orders would be amended as

agreed. As a result of the agreement regarding the changes to the Initial Order and the RPPSP Order, our clients agreed not to challenge the appropriateness of the *CCAA* proceeding. Although RioCan did file additional submissions at the hearing on February 11, 2015, as a result of the agreement reached on the amendments to each of the Orders, McLean & Kerr LLP advised the court that it did not oppose the Monitor's /Applicants' motion to amend the Initial Order and to obtain the RPPSP Order.

12. I am advised by Linda Galessiere that the discussion regarding the required changes to the Initial Order and RPPSP Order, including email correspondence and in-person meetings, included counsel for Target Corp. and that counsel for Target Corp. specifically negotiated and approved the inclusion of paragraph 19(A) in the Amended and Restated Initial Order issued by the court on February 11, 2015.

13. The Amended and Restated Initial Order and in particular paragraph 19(A) thereof provided our clients with total assurance that the Parent Guarantees would not be compromised in the *CCAA* proceeding.

Target Canada's Motion to Approve the Filing of a Proposed Plan

14. The M&K Responding Landlords oppose Target Canada's motion to file its proposed Plan. Each of our clients offered to swear affidavits in response to Target Canada's motion. In an effort to avoid duplication of submissions, we obtained and filed two affidavits from our landlord clients which exemplify the issues applicable to all of the M&K Responding Landlords.

Settlement with RioCan

15. We and our clients learned that RioCan and Target Corp. had reached an agreement to settle RioCan's damages' claims arising from the disclaimer and/or assignment of its leases when the settlement was announced by RioCan and reported by the local media outlets.

> Appended to my affidavit as **Exhibit "C"** is a copy of RioCan's Press releases dated January 15, 2015 and November 23, 2015.

16. As the information regarding the terms of settlement would assist the M&K Responding Landlords to assess the appropriateness of Target Canada's proposed Plan and Target Canada's motion to file its Plan, Linda Galessiere wrote to both counsel for the Monitor and counsel for Target Corp. requesting information regarding the settlement and if and how RioCan's claim would be voted in the Plan. Both the Monitor and Target Corp. have refused to provide any of the requested information.

17. We require the information to properly assess the Plan and advise our clients.

> Appended to my affidavit as **Exhibit "D"** are copies of various email correspondence between Linda Galessiere and counsel for the Monitor and counsel to Target Corp. dated November 30, 2015 to December 2, 2015.

18. I make this affidavit in response to Target Canada's motion to approve the filing of its Plan and for no other or improper purpose.

SWORN before me at the City of Toronto, in the Province of Ontario, this 8th day of December, 2015.	)))))))
Commissioner for Taking Affidavits Linda Galessiere	GUSTAVO F. CAMELINO

THIS IS EXHIBIT A TO THE AFFIDAVIT OF GUSTAVO F. CAMELINO SWORN BEFORE ME AT THE CITY OF TORONTO, THIS 8TH DAY OF DECEMBER, 2015.

Commissioner For Taking Affidavits
LINDA GALESSIERE

TARGET

MEMORANDUM

To: Scott Nelson, Senior Vice President, Target Properties, Canada

From: John Mulligan, Chief Financial Officer, Target Corporation

Date: January 23, 2015

Re: Target Corporation Guaranties

In your new position as Senior Vice President, Target Properties, for Target Canada Co. ("TCC") I understand you will soon be meeting with various landlords to discuss TCC's leases. Some of the landlords under those leases hold guaranties given by Target Corporation.

To the extent any landlord holding a Target Corporation guaranty expresses any questions or concerns about that guaranty, Target Corporation wishes to assure the landlord as follows:

1. Target Corporation acknowledges the guaranties which it gave various landlords to facilitate the assignment of the Zeller's leases to TCC. These are valid and binding obligations of Target Corporation.

2. The amount of a landlord's claim under a guaranty, if any, will not be able to be determined until the underlying lease is dealt with in the CCAA proceedings initiated by TCC.

3. TCC will be seeking assignees for the leases who will fully perform the obligations to the landlords.

4. To the extent a guarantied lease is not able to be assigned to a satisfactory tenant that will fully perform all obligations, Target Corporation will seek to reach mutual agreement on any damages with the affected landlord.

Please feel free to share this memorandum with any landlord holding a Target Corporation guaranty.

THIS IS EXHIBIT B TO THE AFFIDAVIT OF GUSTAVO F. CAMELINO SWORN BEFORE ME AT THE CITY OF TORONTO, THIS 8TH DAY OF DECEMBER, 2015.

Commissioner For Taking Affidavits
LINDA GALESSIERE

Galessiere, Linda

From: Sean Zweig <ZweigS@bennettjones.com>
Sent: Wednesday, February 04, 2015 5:22 PM
To: tsandler@osler.com; jdacks@osler.com; sirving@osler.com; rcarson@osler.com; jswartz@dwpv.com; rschwill@dwpv.com; dmilivojevic@dwpv.com; Dennis.Ryan@FaegreBD.com; jcarfagnini@goodmans.ca; amark@goodmans.ca; grubenstein@goodmans.ca; mwagner@goodmans.ca; jmighton@goodmans.ca; dmcintosh@alvarezandmarsal.com; ahutchens@alvarezandmarsal.com; sphilpott@kmlaw.ca; sarcher@kmlaw.ca; cgodkewitsch@kmlaw.ca; jharnum@kmlaw.ca; harvey@chaitons.com; wolfgang@dv-law.com; ggalati@dv-law.com; kpimentel@dv-law.com; kevin.salsberg@plaza.ca; Jamie.petrie@plaza.ca; michael.zakuta@plaza.ca; hferris@lawsonlundell.com; kenneth.kraft@dentons.com; john.salmas@dentons.com; robert.kennedy@dentons.com; jwilliams@owenbird.com; kandersen@blg.com; dennis.a.obrien@maersk.com; jan.k.andersen@damco.com; colin.green@damco.com; kellie.kopec@damco.com; cmaclean@londondrugs.com; djmiller@tgf.ca; aslavens@torys.com; lcoodin@torys.com; themmendinger@brcsm.com; renee.brosseau@dentons.com; dbish@torys.com; sbomhof@torys.com; jopolsky@torys.com; michelles@hylouie.com; robert.franklin@cit.com; jcarhart@millerthomson.com; msims@millerthomson.com; chunter@bdplaw.com; randy.garcha@ucsl.com; vdare@foglers.com; jwarin@lavery.ca; manon.deslauriers@cominar.com; michel.paquet@cominar.com; sylvain.cossette@cominar.com; jean.leclerc@cominar.com; gilles.hamel@cominar.com; Guillaume.rouleau@cominar.com; Ken_legrand@cpr.ca; Cassandra_Quach@cpr.ca; gackerley@weirfoulds.com; smcgrath@weirfoulds.com; gbrown@weirfoulds.com; dullmann@mindengross.com; Stevenson, Wally; Galessiere, Linda; Camelino, Gus; fgagnon@blg.com; ahodhod@blg.com; rshindleman@shindico.com; jzarnowski@shindico.com; tosullivan@counsel-toronto.com; lepstein@counsel-toronto.com; djkroft@fillmoreriley.com; lellis@casselsbrock.com; ecraddock@casselsbrock.com; dmurdoch@stikeman.com; kesaw@stikeman.com; msolmon@srglegal.com; claude.paquet@bcf.com; kes@bht.com; ejm@bht.com; brian@sica.ca; akauffman@fasken.com; lmorin@fasken.com; bfarber@fasken.com; lewis.dolezal@scotts.com; robert_spensieri@cotyinc.com; lbrzezinski@blaney.com; ckopach@blaney.com; varman@blaney.com; mmaloley@dgclex.com; sraicek@dgclex.com; david.elliott@dentons.com; fraser.mackinnon.blair@dentons.com; livia.kolter-held@rbc.com; skukulowicz@casselsbrock.com; jdietrich@casselsbrock.com; Hillary.Gardner@elfontheshelf.com; eschnitzer@hahnhessen.com; jorbach@hahnhessen.com; jwolf@blaney.com; mmestinsek@stikeman.com; Kal@transourcefreightways.ca; wvs@strosbergco.com; afranco@cochetiere-petrin.qc.ca; pcarvell@atriomphe.com; Raj Sahni; Derek Bell; steve.lam@correpartners.com; linc.rogers@blakes.com; aryo.shalviri@blakes.com; clifton.prophet@gowlings.com; frank.lamie@gowlings.com
Cc: S. Richard Orzy; Richard Swan
Subject: Target Canada - Court File No. CV-15-10832-00CL
Attachments: Outline of Submissions.PDF

All,

Attached please find the Outline of Submissions of (i) RioCan Management Inc. and certain of its affiliates, and (ii) Kingsett Capital Inc. and certain of its affiliates, which is hereby served upon you. This is the document that was handed-up to Morawetz R.S.J. at today's motion.

Sean Zweig
Bennett Jones LLP

3400 One First Canadian Place, P.O. Box 130, Toronto, ON, M5X 1A4
P. 416 777 6254 | F. 416 863 1716
E. zweigs@bennettjones.com

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 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

OUTLINE OF SUBMISSIONS OF RIOCAN MANAGEMENT INC. AND CERTAIN OF ITS AFFILIATES AND KINGSETT CAPITAL INC. AND CERTAIN OF ITS AFFILIATES

(Motion for Process Approval and Stay Extension Orders)
(Returnable on February 4, 2015)

BENNETT JONES LLP
3400 One First Canadian Place
P.O. Box 130
Toronto, Ontario M5X 1A4
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S. Richard Orzy (LSUC #: 23181I)
Tel: 416-777-5737
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Sean H. Zweig (LSUC#: 57307I)
Tel: 416-777-6254
Email: zweigs@bennettjones.com

Lawyers for (i) RioCan Management Inc. and certain of its affiliates and (ii) Kingsett Capital Inc. and certain of its affiliates

PART I - BACKGROUND

1. These submissions are jointly filed by (i) RioCan Management Inc. and certain of its affiliates (collectively, "**RioCan**") and (ii) Kingsett Capital Inc. and certain of its affiliates (collectively, "**Kingsett**"). RioCan and Kingsett are each landlords of Target Canada (defined below), and each obtained a guarantee or indemnity from the U.S. parent corporation, Target Corp. ("**Target U.S.**"), in respect of some or all of its leases. RioCan is Target Canada's single largest landlord with 26 leased properties. Kingsett is the landlord for 5 of Target Canada's leased premises, one of which is a joint venture with RioCan.

2. Approximately two years ago, Target U.S., a major U.S. retailer came into Canada and, through a Canadian start-up subsidiary, opened for business by taking over a large number of properties with existing leases. Two years later, it has failed and declared its intention to liquidate and vacate Canada.

3. Rather than turning over the business and assets to a Trustee in Bankruptcy for realization and distribution, Target U.S. has instead asked the Court (defined below) to allow it, through its almost-defunct Canadian start-up, to control its own liquidation and, in the process, to tie up all of the assets and rights of the suppliers and landlords, and even to attempt to alter and override their rights in certain important respects.

4. On January 15, 2015, Target Canada Co. and certain of its affiliates (collectively, "**Target Canada**") sought and obtained an *ex parte* Initial Order from 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**"). The Initial Order, among other things: (i) granted a stay of proceedings in respect of Target Canada; (ii) granted a stay of proceedings in respect of Target U.S. and its direct and indirect subsidiaries (other than Target Canada) (the "**Parent Stay**"); and (iii) scheduled a full "comeback hearing" for February 11, 2015. In connection with the granting of the Initial Order, Regional Senior Justice Morawetz made an Endorsement dated January 16, 2015, providing, among other things, that "[t]he comeback hearing is to be a 'true' comeback hearing."

5. By notice of motion served after 10:00 p.m. on January 29, 2015, Target Canada has brought a motion returnable February 4, 2015, a week in advance of the comeback hearing, for an order, among other things:

(a) approving an Agency Agreement, Inventory Liquidation Process and Real Property Portfolio Sales Process (each as defined in the Affidavit of Mark J. Wong, sworn January 29, 2015); and

(b) granting an extension of the Stay of Proceedings (as defined in the Initial Order), which is currently set to expire on February 13, 2015, to May 15, 2015.

6. On February 2, 2015, counsel to various of Target Canada's landlords met with counsel to Target Canada, the Monitor, the Monitor's counsel and counsel to Target U.S. The purpose of the meeting was to discuss the landlords' issues and concerns with respect to the various orders being sought by Target Canada, including the terms of the Initial Order.

7. At that meeting, counsel for RioCan and Kingsett provided the other parties present with a mark-up (the "**RPPSP Mark-up**") to the Real Property Portfolio Sales Process (the "**RPPSP**") that had been included in Target Canada's January 29 motion record. The RPPSP Mark-up had been previously circulated to counsel for the various other landlords in attendance (in person or phone) at the meeting, and each had expressed support for the changes being sought.

PART II - ARGUMENT

A. General Concerns Regarding the CCAA Proceeding and the Parent Stay

8. As a preliminary matter, it is important to note that this proceeding is not in any way a restructuring or reorganization as is contemplated by the CCAA. It is a liquidation or de facto bankruptcy situation. In fact, the Affidavit of Mark J. Wong sworn January 15, 2015 in support of the Initial Order (the "**Initial Affidavit**") explicitly states that "TCC and Target Corporation intend to wind down Canadian operations in a responsible and controlled manner...". While this Court has permitted the CCAA to be used for liquidations in certain instances, those liquidations generally result from a failed (but attempted) restructuring under the CCAA, or are otherwise

justified due to the complexity of the situation. It is submitted that neither is the case with respect to Target Canada.

9. Although Target Canada has attempted to frame this proceeding as unique and in need of special treatment under the CCAA, it strains credulity to suggest that something as clear as this liquidation – a liquidation of a company that has been operating for approximately two years – cannot be conducted under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (as amended, the "**BIA**") more efficiently and effectively. However, in respect of this liquidation, tens of millions of dollars will be expended in fees and costs (the 13-week cash flow filed in support of the extension of the Stay Period estimates that approximately $28 million of professional fees will be in incurred by Target Canada in the first 4 months of the CCAA proceeding), there are or will be court-ordered secured charges, stays of proceedings for non-CCAA applicants, a manufactured (and likely to be disputed) claims process (notwithstanding that one already exists under the BIA) and, ultimately, either a distribution under a statute which has no distribution provisions (or conversion to a BIA proceeding at the appropriate time) or a Plan of Arrangement (including all the cost that entails).

10. The liquidation (or wind down of operations in a responsible and controlled manner) of the Target Entities is precisely the type of situation envisaged by the BIA and for which it has been used for over a century. Target Canada is insolvent and is ceasing its operations permanently. It is therefore Target Canada's creditors that have the primary interest in maximizing value for Target Canada's assets in order to obtain a distribution of the proceeds, if any. Target Canada itself no longer has any independent interest; in fact, it will very likely cease to exist in the very near future. Accordingly, there is no compelling reason why Target Canada should remain in charge of its liquidation process, and not a Trustee in Bankruptcy under the BIA. Canadian insolvency law allows for debtor-in-possession restructurings under the CCAA and the proposal provisions under the BIA, but liquidations that are intended as such from the outset are to be administered by officers of the Court that have a fiduciary duty to maximize value for the benefit of creditors. There is nothing unique about the current situation facing Target Canada. It is a classic bankruptcy circumstance.

11. The Initial Order provides for the Parent Stay, which is a stay in favour of a non-CCAA applicant. The appropriateness of the Parent Stay is an issue for the "comeback hearing", and not for this motion, but it need be said that this is a significant issue for RioCan and Kingsett. Those issues will no doubt be addressed at the comeback hearing on February 11, but RioCan and Kingsett consider it important to outline their concerns at this time to better explain the issues that arise now in respect of the RPPSP. RioCan and Kingsett submit that Target Canada's liquidation should have proceeded by way of a bankruptcy under the well-established regime of the BIA. To the extent that Target Canada and the Court believe it is appropriate for the liquidation to be conducted under the CCAA as Target Canada has proposed, RioCan and Kingsett submit that this proceeding should be a CCAA that is effectively an analog to a bankruptcy under the BIA in all respects and that there should be a clear pronouncement by the Court to that effect to avoid further misunderstanding and to provide the type of certainty and expectation that the BIA provides.

12. It is submitted that the Court must be particularly careful and circumspect when allowing a clear and straightforward liquidation to proceed as a CCAA proceeding because of the prejudice that can be suffered down the line and because there is already a statute to deal with such situations, without extra cost, extra orders and processes that need to be manufactured and extra uncertainty. It is further submitted that those issues must be dealt with up front, before matters progress too far and the legitimate rights of parties are trampled by the inertia of the CCAA proceedings.

B. Issues Regarding Real Property Portfolio Sales Process

13. Most of the proposed changes sought in the RPPSP Mark-up fall into one or more of the following categories: (i) the RPPSP should be run by the Monitor, not Target Canada; (ii) the time limits proposed by Target Canada (in consultation with its advisors) and supported by the Monitor shculd be strictly adhered to; and (iii) no landlord rights should be affected in any respect by the RPPSP.

(i) The RPPSP should be run by the Monitor, not Target Canada

14. As noted, Target Canada is proposing to liquidate and no longer has any independent or real interest to speak of. Its assets are being sold by professional advisors, and the legal entities comprising Target Canada will likely cease to exist in legal or practical terms shortly after the completion of the liquidation processes.

15. The parties that have an economic interest in the RPPSP are Target Canada's landlords and other creditors. They are the ones that will benefit from a successful process by way of increased recoveries.

16. It is submitted that the fact that the debtor has no independent interest in the liquidation process is precisely the reason liquidations under the BIA are conducted by a Trustee in Bankruptcy, and not the debtor. The Trustee in Bankruptcy is an officer of the Court and has a fiduciary duty to the creditors. The role of the Trustee in Bankruptcy is to maximize value for creditors generally and not to advance interests of one creditor or stakeholder group over the interests of another. The Trustee in Bankruptcy in answerable to the creditors and is directed by the Inspectors (who are elected by the creditors), as opposed to having the process run by the almost-defunct debtor. Creditors can take some degree of comfort knowing that they will be treated fairly and in accordance with the priority regime in the BIA.

17. In this case, Target Canada, an insolvent enterprise that will cease to exist in the near term, is proposing that it conduct the liquidation process and, among other things, determine which offer is the "most favourable". The term "most favourable" is difficult to define in any event, but it seems very problematic in the context of Target Canada. What is most favourable from the perspective of an insolvent company that is about to cease to exist, and why is that perspective relevant?

18. RioCan and Kingsett submit that the liquidation process should be run by the Monitor, an officer of the Court with a duty to all stakeholders. That is consistent with how the process would be run if this were a bankruptcy under the BIA. In addition, if the proceeding is converted into a bankruptcy, the transition of the RPPSP from the Monitor to the Trustee in Bankruptcy

would be much more seamless. It is therefore most appropriate that the Monitor run the process, which the Monitor has not objected to doing.

(ii) The time limits proposed by Target Canada (in consultation with its advisors) and supported by the Monitor should be strictly adhered to

19. Under the BIA, there is a finite period within which leases are to be dealt with. In Ontario, the rights of the Trustee In Bankruptcy include: (i) the ability to retain the leased premises for a period of 3 months following the date of bankruptcy; (ii) the ability to elect to retain the leased premises for the whole or any portion of the unexpired term of a lease and any renewal thereof; (iii) the ability to assign the lease with rights of renewal, if any, to a third party even if the lease prohibits assignment; and (iv) the ability to disclaim or surrender the lease within 3 months of the date of bankruptcy. Accordingly, under the BIA, a lease will generally be dealt with one way or another within 3 months of the date of bankruptcy.

20. Under the proposed RPPSP, Target Canada originally proposed to give itself to May 15, 2015 to complete the sale process, a period of 4 months from the date of the Initial Order. In its revised draft, it has actually given itself until June 30, 2015 just to enter into a definitive agreement (as opposed to closing the transaction(s)). In addition, the proposed sales process contemplates the possibility of endless extensions to virtually each stage of the process.

21. Even the proposed "Outside Date" of June 30, 2015, which RioCan and Kingsett submit is far too long a time period, does not result in finality to the process. Target Canada proposes that if a definitive agreement is not entered into with respect to a particular lease by June 30, 2015, upon a request by the relevant landlord, Target Canada will bring a motion for advice and directions. If this were a bankruptcy, the landlords would have certainty and finality within 3 months from the date of bankruptcy (certainly not more than 5 months after the date of filing).

22. RioCan and Kingsett submit that the liquidation process should have definitive deadlines, subject of course to the Monitor's ability to return to Court to seek an extension for very good reasons to any timeline on notice to the Service List. The timeline was created by Target Canada with the assistance of two professional advisors with extensive experience in liquidation processes and the leasing market, respectively, and was supported by the Monitor. It also

contemplates that leases may not be dealt with until 4 months (and now 5.5 months with the proposed changes by Target Canada) after the Initial Order was granted. It is submitted that the Court should not permit the Monitor and/or Target Canada to extend the timelines at their discretion and without hearing the objections of others, including landlords. This process must yield certainty for the landlords and other stakeholders within a reasonable time period.

23. In that vein, the RPPSP Mark-up contains provisions that provide in essence that if there is no interest with respect to a particular lease after the lease has been sufficiently marketed, upon a request by the applicable landlord to be released from any stay of proceedings with respect to such lease, Target Canada will forthwith disclaim such lease, provided that the merchandise liquidation process has been completed at the applicable premises. This proposed change is to provide greater certainty for the landlords that this process will not keep them in a process for a longer period of time than is required.

(iii) No landlord rights should be affected by the sales process

24. With respect to this issue, RioCan and Kingsett adopt paragraphs 12 – 64 of the Responding Factum of The Cadillac Fairview Corporation Limited and its affiliates.

Other Issues

25. With respect to other issues not specifically dealt with in this Outline of Submissions, RioCan and Kingsett adopt the submissions in the Responding Factum of The Cadillac Fairview Corporation Limited and its affiliates.

(i) Stay extension

26. With respect to Target Canada's proposed extension of the Stay Period, RioCan and Kingsett submit that the extension of the stay should be considered at the comeback hearing on February 11 as was originally intended and adopt the submissions in the Responding Factum of The Cadillac Fairview Corporation Limited and its affiliates. In any event, if the Court determines that it is appropriate to grant the extension at this time, RioCan and Kingsett submit that paragraph 5 of the draft order approving the extension be deleted and replaced with the following:

THIS COURT ORDERS that nothing in this Order, including the extension of the Stay Period set out herein, shall (i) in any way affect the "comeback rights" of any interested party, including as set out in paragraph 77 of the Initial Order and in the Endorsement of Morawetz R.S.J. dated January 16, 2015, (ii) in any way preclude or prejudice any argument that any interested party may make with respect to the Initial Order, including any challenges to any stay of proceedings contained therein, (iii) in any way preclude or prejudice any argument that any interested party may make that the within proceedings be terminated and the liquidation of Target Canada be continued pursuant to bankruptcy proceedings under the *Bankruptcy and Insolvency Act*.

27. RioCan and Kingsett do not anticipate that Target Canada or the Monitor will have any objection to that proposed language given that both have indicated through counsel that any extension of the Stay Period is truly without prejudice to <u>all</u> rights and arguments.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 4th day of February, 2015.

Bennett Jones LLP

BENNETT JONES LLP

Lawyers for (i) RioCan Management Inc. and certain of its affiliates and (ii) Kingsett Capital Inc. and certain of its affiliates

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

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

OUTLINE OF SUBMISSIONS OF RIOCAN MANAGEMENT INC. AND CERTAIN OF ITS AFFILIATES AND KINGSETT CAPITAL INC. AND CERTAIN OF ITS AFFILIATES

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Cc: S. Richard Orzy; Richard Swan
Subject: Target Canada - Court File No. CV-15-10832-00CL
Attachments: Target - Outline of Submissions (February 10, 2015).PDF

In respect of tomorrow's Court attendance, attached please find the Outline of Submissions of (i) RioCan Management Inc. and certain of its affiliates (collectively, "RioCan"), and (ii) KingSett Capital Inc., certain funds under its management and certain of its and their affiliates (collectively, "KingSett"), which is hereby served upon you.

RioCan and KingSett are supporting the contemplated amendments to the proposed Amended and Restated Initial Order and the Real Estate Portfolio Sales Process, and are not opposing the stay extension being sought (upon the contemplated amendments being made).

We do not intend to supplement these submissions with oral argument tomorrow.

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 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

OUTLINE OF SUBMISSIONS OF RIOCAN AND KINGSETT

(Motion Returnable February 11, 2015)

PART I – DETAILED OVERVIEW

Introduction

1. The following is an outline of the submissions of RioCan Management Inc. and certain of its affiliates ("**RioCan**") and KingSett Capital Inc., certain funds under its management and certain of its and their affiliates (collectively, "**KingSett**", and together with RioCan, these "**Responding Parties**"), in respect of: (i) the motion returnable February 11, 2015 concerning the Initial Order in this proceeding; and (ii) the motion originally returnable February 4, 2015, and adjourned to February 11, 2015, regarding the Real Property Portfolio Sales Process (the "**RPPSP**").

2. Following lengthy negotiations with counsel for Target Canada Co. and certain of its affiliates (the "**Applicants**" or "**Target Canada**"), Target Corp. ("**Target U.S.**"), the Monitor, and other landlords, these Responding Parties have reached a resolution (the "**Resolution**") under which certain amendments are being made to the Initial Order and the RPPSP. While supportive of these amendments being made pursuant to the Resolution, that support should not be construed as support of an undefined and open-ended CCAA process to run this liquidation, nor as consent (as opposed to non-opposition) to the other terms of the Amended and Restated Initial Order or the RPPSP. As well, for greater certainty, the Responding Parties are not opposing the requested extension of the stay of proceedings (provided that the amendments contemplated by the Resolution are approved by the Court).

3. However, for the reasons described below, these Responding Parties have significant concerns about the nature of this CCAA proceeding, which they are obliged to highlight for the Court notwithstanding the Resolution.

Background

4. These Responding Parties are collectively landlords of Target Canada in respect of 31[1] properties (the "**Properties**"), and each of these Responding Parties holds guarantees and/or indemnities (collectively, the "**Indemnities**") from the U.S. parent corporation, Target U.S., in respect of some of such leases.

5. On January 15, 2015, Target Canada sought and obtained an Initial Order from 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**"). The Initial Order, among

[1] This includes the Bayshore Shopping Centre. KingSett is the landlord of the Bayshore Shopping Centre and it is represented by Fasken Martineau DuMoulin LLP in relation to that property in this proceeding.

other things: (i) granted a stay of proceedings in respect of Target Canada; (ii) granted a stay of proceedings in respect of Target U.S. and its direct and indirect subsidiaries (other than Target Canada) (the "**Parent Stay**"); and (iii) scheduled a "comeback hearing" for February 11, 2015.

These Responding Parties' Serious Concerns about this Proceeding and the Initial Order

6. Prior to the Resolution, these Responding Parties had made clear their intention to bring a motion at this comeback hearing to either: (i) amend the Initial Order and the proposed RPPSP to closely mirror the balancing of interests reflected in the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3 (the "**BIA**"), including as between landlords (and their other tenants) and the debtor/tenant; or (ii) alternatively, lift the stay of proceedings for the purpose of petitioning Target Canada Co. into bankruptcy under the BIA.

7. These Responding Parties' disclosed intentions were motivated by a very serious concern that Target U.S. and the Applicants might attempt to use the "flexibility" of a CCAA proceeding, notwithstanding that this is a pure liquidation, to, among other things: (a) advance an agenda and plan of arrangement or compromise to eliminate or to circumscribe significantly Target U.S.'s liabilities under the Indemnities, and/or (b) conduct a drawn-out and extendible marketing process for the leases (without a definitive and reasonable end date) that could constitute a significant impairment of value for the landlords, and their other tenants, and which would run counter to the balancing of interests inherently recognized by the BIA.

8. While the Resolution has addressed a number of those concerns as to possible misuse or abuse of CCAA proceedings, especially in a clear liquidation such as this, many significant concerns regarding this choice of proceeding remain, including the potential for a flexible and open-ended CCAA proceeding to be used to attempt to shift the balance dictated by the

principles and provisions of the BIA away from protecting landlords and other creditors and in favour of a liquidating debtor and its U.S. parent.

The Use of Insolvency Statutes in a Pure Liquidation

9. Simply put, in this pure liquidation, Target Canada has no real interest to serve or protect in these proceedings. It is soon to be wound-down and there is acknowledged to be no prospect or even intention of solvency or restructuring. The purpose of the CCAA is not to have the defaulting debtor appointed as the guardian of the interests of the creditors. It is to allow a debtor breathing space in order to propose a restructuring, while the oversight of the Court serves to help protect the interests of the creditors and to balance all of the interests as dictated by Parliament. This case does not fit that purpose.

10. In a pure liquidation from the outset such as this case, the bright lines are clearly defined, since there is no restructuring contemplated and no possible basis for allowing the debtor to claim that it is championing the interests of its creditors. Parliament under the BIA has rightly given that role to an independent Trustee, who is guided by a committee of creditors, and not by the debtor or its parent. The BIA process is clearly defined, more efficient, less costly and less time-consuming. It is therefore submitted that, going forward in these proceedings, extra care must be taken to have close regard to the principles of the BIA, and to avoid skewing the process to the detriment of the landlords and other creditors, all on the basis of a singular devotion to the principle of increasing recoveries for creditors.

11. Creditor recoveries are certainly very important, but the BIA (which is the only expression of Parliament's will with respect to such liquidations) clearly sets out a balancing of that principle against the rights of various parties to a liquidation, including landlords, through its

time limits and its rules. It creates a level of certainty that is necessary to respect that balancing and those rights.

12. The CCAA, on the other hand, with its flexibility and dearth of comprehensive rules, especially in the case of a liquidation, allows for a very unlevel playing field, one on which the debtor often is able to set the agenda and push the envelope, forcing the other parties to respond to such attempts on tight timelines and very often at considerable cost. Indeed, the debtor in such circumstances is able to use the process, and the funds that otherwise would go to creditors, to advance its agenda. That is a particular concern where the debtor has a non-insolvent parent or affiliate which owes obligations to some of the same creditors.

13. However much the flexible process of the CCAA may make sense in a restructuring, it is very difficult indeed to justify giving to a debtor that will not survive and which chose the timing of the proceedings, the ability to write its own rules and to dictate the agenda for something as clear and straightforward as liquidating its assets, especially where there is already a time-tested and Parliament-approved structure for doing so in the form of the BIA.

14. The events of the past few weeks are a prime example of the way in which the CCAA process can potentially become skewed. In arriving at the Resolution, a great deal of time and cost was incurred by many landlords (and funds that otherwise would have been available to creditors were expended by the debtor and the Monitor) simply to achieve a result that more fairly conforms to the principles referred to above. If this liquidation had been undertaken under the BIA, it would have seen only a portion of these key issues subject to disagreement and potential litigation, because there are clear rules. Instead, proceeding under the CCAA in this case may unfairly allow the insolvent and liquidating debtor to remain in control, to incur

significant additional cost, to overreach in terms of its desired flexibility and interference with the rights of landlords and others (e.g. the full-force Parent Stay in the Initial Order), and to use creditor funds (while all others must fund their own costs of resisting these attempts) to fight the very creditors, including landlords, whose interests should be one of the primary focuses of protection in a liquidation.

Going Forward

15. The Resolution has addressed some of the important concerns that arose at this stage, but the potential for further prejudice to landlords and other creditors remains. These Responding Parties submit that the Court should ensure as this liquidation proceeds that the debtor is to be guided by the principles and general timelines of the BIA in pursuing the current process.

16. These Responding Parties have prepared these submissions and filed them because ongoing fairness in this (or a substitute) proceeding depends on consistency of treatment of various parties and principles over the course of the proceeding. These Responding Parties and others have expressed serious concerns as to the potential for unfairness or an un-levelling of the playing field. It is only fair and appropriate that the Court and the Monitor, in supervising these proceedings, and in having been made aware of these concerns, approach future decisions with this context and with these concerns made clear from the outset and carried forward. These Responding Parties and others can and have anticipated a number of such potential situations and are specifically asking the Court and the Monitor to understand these concerns now and going forward, rather than these Responding Parties being accused at some future point of having been silently acquiescent.

PART II – ARGUMENT AND SPECIFIC CONCERNS GOING FORWARD

These Responding Parties' Rights as Landlords are Important

17. The Properties are important and valuable assets generally and in these Responding Parties' respective real estate portfolios.

18. The Target Canada stores are important to these properties for a number of reasons. For example, the stores are mostly very large tenancies in retail shopping centres, with many being what is referred to in the industry as an "anchor" tenancy. Such very large tenants of Canadian shopping centres play a critical role in the financial viability of those centres for both landlords and other tenants alike as they provide a significant draw of customers to the shopping centre. Indeed, lease rates for other tenants are often determined based upon the existence and operation of such large tenants. Without the proper major tenants needed to draw consumers to retail premises, other tenants may suffer immediate and adverse effects.

19. In short, every day that the shopping centres in question are missing their large tenants and/or face the uncertainty of not knowing if they will have a large tenant and who it might be, has very real and material financial consequences for the landlord.

Target Canada's Liquidation is Not a Restructuring

20. Although Target Canada has tried to frame this proceeding as unique and in need of special treatment under the CCAA, there is no reason that something as straightforward as this liquidation – a liquidation of a company that is only a few years old – could not have been conducted under the BIA more efficiently and effectively.

21. Under the BIA, the statutory regime specifically designed to address these kinds of liquidations, there is an attempt to balance the relevant interests, including a defined and restricted period within which leases are to be dealt with (being a period of significant uncertainty for landlords and their other tenants), after which landlords regain the necessary commercial certainty of being able to deal with their leases, to the extent that such leases have been disclaimed. In Ontario, a Trustee in Bankruptcy has three months in which to elect to retain the leased premises, assign the lease (subject to court approval) or disclaim or surrender the lease.[2] Accordingly, under the BIA, the time during which a landlord and its other tenants will be subject to uncertainty with respect to a lease is limited to three months from the date of bankruptcy.

22. Thus, Parliament has struck a balance in the provisions of the BIA, one that is time-tested and time-honoured, between attempting to increase recoveries for unsecured creditors in a liquidation and the rights of landlords and other third party tenants for whom commercial leases are very significant agreements. Essentially, those purporting to act for the benefit of the creditors (in the case of a proceeding in Ontario under the BIA, the Trustee in Bankruptcy) have a three-month period within which to determine the value of the lease, if any, and to decide whether or not to continue with the lease. Three months is the period that the legislators have chosen in the striking of this balance.

23. This balance is all the more critical on the present facts given that Target Canada stores are generally "anchor tenants", as the implications of these proceedings extend not only to the directly involved suppliers, employees and landlords, but also to many of the other thousands of

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[2] BIA, s. 146; *Commercial Tenancies Act*, R.S.O. 1990, c.L.7, s. 38(2).

retail tenants of these shopping centres who are seeing their businesses affected both during these proceedings and afterward.

24. While increasing recoveries for unsecured creditors in a liquidation is certainly an important goal, it is not the overriding principle which trumps the rule of law and the balancing of interests inherent in the BIA (the only statute through which Parliament has spoken on this issue), the need for commercial certainty, and the reputation of the Canadian system for the fair treatment of all parties. Nowhere in the BIA or the CCAA does Parliament state that the overriding principle is "more value for creditors at all costs, including at the expense of commercial certainty, fairness and equitable treatment of certain creditors". If it had, the treatment of leases and many other types of assets under the BIA would be very different and subject to different time limits. As this is a pure liquidation, the debtor will not emerge and no jobs will be saved by a plan of arrangement under the CCAA. Extra cost and delay could, however, be very significant to those parties affected by this insolvency, who will survive and continue to conduct commerce and employ people following the completion of this insolvency.

Certain Specific Concerns of these Responding Parties Going Forward

1. When Leases are to be Disclaimed

25. These Responding Parties would have preferred that Target Canada be obliged to disclaim those leases for which there is no material bidder interest within the RPPSP process, if requested by the landlord after that point in time. Although that request was not incorporated into the Resolution, both Target Canada and the Monitor have indicated to counsel for these Responding Parties that Target Canada is not likely to continue to keep leased premises in the process (with the concomitant requirement to pay rent using creditor funds) without a good reason to do so. It

is only logical that the basis or justification for doing so declines as the RPPSP progresses and no tangible interest is expressed in a particular property, including no qualified bid. The Court should be aware of this going forward.

2. No Assignment Without Complying With All Lease Terms

26. These Responding Parties are particularly concerned about Target Canada's future intentions in connection with attempting to force assignments of leases where the proposed assignee does not intend or expect to comply with *all* of the terms of the applicable lease or where a proposed assignee is not a fit tenant. Obviously, that is an issue that will only become relevant if such prospective tenants emerge as winning bidders pursuant to the RPPSP. These Responding Parties fully expect that, as a matter of law, absent the consent of the relevant landlord, all lease terms will be complied with and that no assignment will be permitted otherwise. The CCAA cannot be used to amend lease provisions.

27. If, later in this proceeding, Target Canada (with or without the support of the Monitor) seeks Court approval of an assignment of a lease of one of these Responding Parties to an assignee that does not comply with the foregoing, and is otherwise not acceptable to the landlord, the relevant Responding Party will forcefully oppose that. Although this is clearly an issue for another day, these Responding Parties believe that it was the mutual understanding and agreement of all parties to the Resolution that neither the Amended and Restated Initial Order nor the amended RPPSP would create any presumption or reliance argument to the contrary.

3. Time Certainty of RPPSP Deadline

28. Paragraph 50 of the amended RPPSP provides that if a transaction with respect to a particular lease has not been completed on or before June 30, 2015 (or such later date as may be ordered by the Court), any such lease that is the subject of such transaction shall be released from the stay of proceedings and shall be disclaimed in accordance with the CCAA and the Initial Order on the later of (i) June 30, 2015, and (ii) such later date as may be ordered by the Court, as applicable.

29. These Responding Parties would like it to be clearly understood that such wording was agreed upon by all parties to the Resolution so as not to create any presumption in favour of Target Canada or the Monitor if an extension to a later date is sought from the Court. The various landlords (including these Responding Parties), Target Canada and the Monitor have agreed that the sales process is intended and expected to be completed by no later than June 30, 2015.

4. Interpretation of Paragraphs 19 and 19A of the Amended and Restated Initial Order

30. The Moving Parties wish to make clear to the Court that, as agreed with Target Canada, Target US and the Monitor, the word "landlord" in paragraphs 19 and 19A of the Amended and Restated Initial Order is not intended to be read restrictively. Accordingly, to the extent that the party attempting to pursue or enforce its rights pursuant to or in accordance with paragraph 19 or 19A is not the same legal entity as the actual landlord on the lease agreement, such party will not be denied the benefits afforded landlords by those paragraphs for that reason. All parties to the Resolution agreed with this interpretation.

ALL OF WHICH IS RESPECTFULLY SUBMITTED, THIS 10th DAY OF FEBRUARY, 2015

Bennett Jones LLP

BENNETT JONES LLP

Lawyers for RioCan and KingSett

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF TARGET CANADA CO. ET AL

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

OUTLINE OF SUBMISSIONS OF RIOCAN AND KINGSETT

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Lawyers for RioCan and KingSett

**THIS IS EXHIBIT C TO THE
AFFIDAVIT OF GUSTAVO F. CAMELINO
SWORN BEFORE ME AT THE CITY
OF TORONTO, THIS 8TH DAY OF
DECEMBER, 2015.**

Commissioner For Taking Affidavits
LINDA GALESSIERE

RioCan Real Estate Investment Trust Provides an Update on Target Canada Corporation's Announcement to Withdraw from the Canadian Market

01/15/2015

TORONTO, ONTARIO--(Marketwired - Jan. 15, 2015) - In connection with Target Canada Corporation's ("Target") announcement earlier today to withdraw from the Canadian market RioCan Real Estate Investment Trust ("RioCan") (TSX:REI.UN) hereto provides summary of the locations that will be impacted by Target's announcement.

"RioCan will work closely with the management team from Target to facilitate an orderly transition at the properties where Target is closing. While significant, Target currently represents less than two percent of RioCan's annual rental revenue, thus reinforcing the strength of the Trust's tenant diversification within the portfolio," said Edward Sonshine, Chief Executive Officer of RioCan. "Our locations are in strong retail nodes, and while this process will unfold over time, we expect that the interruption to revenue will be minimal, if at all. Ultimately, this could prove to be an opportunity for RioCan."

RioCan has twenty-six locations that are currently leased by Target representing 1.9% of total annualized rental revenue at an average lease rate of $6.62 per square foot with an average remaining lease term of approximately 12.7 years. These leases are guaranteed by Target Canada Corporation's US parent, generally for the remaining terms of the leases.

The properties affected by today's announcement are:

Site	City	Prov.	RioCan Interest	GLA (100%)	GLA (RioCan %)
Abbotsford Power Centre	Abbotsford	BC	50%	115,407	57,704
Burlington Mall	Burlington	ON	50%	121,523	60,762
Charlottetown Mall	Charlottetown	PEI	50%	107,806	53,903
County Fair Mall	Smiths Falls	ON	100%	92,989	92,989
Desserte Ouest	Laval	PQ	50%	116,147	58,074
Five Points Shopping Centre	Oshawa	ON	100%	102,444	102,444
Flamborough Power Centre	Flamborough	ON	100%	116,493	116,493
Gates Of Fergus-Tower St	Fergus	ON	50%	95,978	47,989
Lawrence Square	Toronto	ON	100	89,432	89,432
Mill Woods Town Centre	Edmonton	AB	40%	122,804	49,539
Millcroft Shopping Centre	Burlington	ON	50%	115,566	57,783
Orillia Square Mall	Orillia	ON	100%	91,440	91,440
RioCan Durham Centre Target	Ajax	ON	100%	121,280	121,280
RioCan Niagara Falls	Niagara Falls	ON	100%	106,103	106,103
RioCan Scarborough Centre	Scarborough	ON	100%	116,241	116,241
RioCan Shoppes At Shawnessy	Calgary	AB	50%	124,216	62,108
RioCan St. Laurent	Ottawa	ON	50%	103,568	51,784
Shopper's World Brampton	Brampton	ON	100%	121,490	121,490
Shopper's World Danforth	Toronto	ON	50%	134,845	67,423
Signal Hill Centre	Calgary	AB	100%	112,488	112,488
South Hamilton Square	Hamilton	ON	100%	93,125	93,125
Stratford Centre	Stratford	ON	100%	88,935	88,935
Sudbury Place	Sudbury	ON	100%	109,554	109,554
The Stockyards	Toronto	ON	50%	153,456	76,728
Tillicum Centre	Victoria	BC	50%	120,684	60,342
Trinity Common Brampton	Brampton	ON	100%	118,228	118,228
Total 26 Locations				2,912,242	2,184,379

About RioCan

RioCan is Canada's largest real estate investment trust with a total capitalization of approximately $14.7 billion as at September 30, 2014. It owns and manages Canada's largest portfolio of shopping centres with ownership interests in a portfolio of 340 retail properties containing more than 80 million square feet, including 48 grocery anchored and new format retail centres containing 13 million square feet in the United States as at September 30, 2014. RioCan's portfolio also includes 15 properties under development in Canada. For further information, please refer to RioCan's website at www.riocan.com.

Forward-Looking Information

This news release contains forward-looking statements within the meaning of applicable securities laws. These statements include, but are not limited to, statements made in this News Release regarding the impact of Target's announcement to withdraw from the Canadian market and other statements concerning RioCan's objectives, its strategies to achieve those objectives, as well as statements with respect to management's beliefs, plans, estimates, and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "outlook", "objective", "may", "will", "would", "expect", "intend", "estimate", "anticipate", "believe", "should", "plan", "continue", or similar expressions suggesting future outcomes or events. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management. All forward-looking statements in this News Release are qualified by these cautionary statements.

These forward-looking statements are not guarantees of future events or performance and, by their nature, are based on RioCan's current estimates and assumptions, which are subject to risks and uncertainties, including those described under "Risks and Uncertainties" in RioCan's Management's Discussion and Analysis for the period ended September 30, 2014, which could cause actual events or results to differ materially from the forward-looking statements contained in this News Release. Those risks and uncertainties include, but are not limited to, those related to: liquidity in the global marketplace associated with economic conditions, tenant concentrations, occupancy levels, access to debt and equity capital, interest rates, joint ventures/partnerships, the relative illiquidity of real property, unexpected costs or liabilities related to acquisitions, construction, development projects, environmental matters, legal matters, reliance on key personnel, unitholder liability, income taxes, the investment in the United States of America ("US"), fluctuations in the currency exchange rate between the Canadian and US dollar and RioCan's qualification as a real estate investment trust for tax purposes. Material factors or assumptions that were applied in drawing a conclusion or making an estimate set out in the forward-looking information may include, but are not limited to: a stable retail environment; relatively low and stable interest costs; a continuing trend toward land use intensification in high growth markets; access to equity and debt capital markets to fund, at acceptable costs, the future growth program to enable the Trust to refinance debts as they mature; and the availability of purchase opportunities for growth in Canada and the US. Although the forward-looking information contained in this News Release is based upon what management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. Certain statements included in this News Release may be considered "financial outlook" for purposes of applicable securities laws, and such financial outlook may not be appropriate for purposes other than this News Release.

The Income Tax Act (Canada) contains provisions which potentially impose tax on publicly traded trusts (the "SIFT Provisions"). However, the SIFT Provisions do not impose tax on a publicly traded trust which qualifies as a real estate investment trust ("REIT"). RioCan currently qualifies as a REIT and intends to continue to qualify for future years. Should this not occur, certain statements contained in this News Release may need to be modified.

Except as required by applicable law, RioCan undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

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24.53

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Volume	157,113
Today's Open	24.55

Pricing delayed 20 minutes

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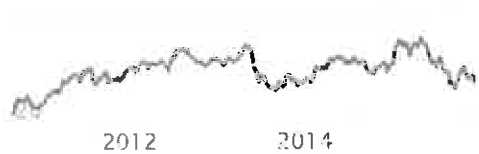

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RioCan Real Estate Investment Trust Announces Settlement With Target Corporation

11/23/2015

TORONTO, ONTARIO--(Marketwired - Nov. 23, 2015) - RioCan Real Estate Investment Trust ("RioCan") (TSX:REI.UN) is pleased to announce that, on its behalf and on behalf of its co-owners, it has entered into a binding agreement ("Settlement Agreement") with Target Corp., the US parent of Target Canada Co. ("Target Canada"), concluding terms of settlement relating to the eighteen leases that were disclaimed pursuant to the Companies' Creditors Arrangement Act ("CCAA").

Target Corp. had entered into indemnity agreements (the "Indemnities") with certain RioCan entities (including co-owned entities) and whereby Target Corp. indemnified those entities for, among other matters, the obligations of Target Canada Co. pursuant to the various leases.

In consideration of a net payment of $132 million to RioCan, of which approximately $92 million belongs to RioCan with the remainder to be distributed to its various co-owners, the relevant RioCan entities and their partners have agreed to release Target Corp. from the Indemnities relating to the Subject Leases. The relevant RioCan entities have also directed that any distributions from Target Canada to be made to such entities, insofar as they relate to the Subject Leases, will be paid to Target Corp.

RioCan has received payment in full of the settlement amount.

The proceeds of the settlement will be utilized by RioCan and its co-owners to mitigate losses caused by Target Canada's departure and disclaimer of the Subject Leases.

Leasing Update:

At the time of Target Canada's announcement that it would close all of its Canadian stores, RioCan had 26 locations that were under lease to Target Canada. Through the CCAA, leases at seven locations were assigned to other tenants (six locations to Lowe's and one to Canadian Tire). RioCan's leasing team continues to work diligently negotiating with potential tenants to backfill the premises at the remaining nineteen properties with the objective to utilize the space optimally so as to improve the overall shopping centre and increase revenues in the most efficient, expedient, and effective manner possible.

To date, RioCan has made great progress, and there is strong momentum behind the Trust's leasing efforts. It is anticipated that the backfilled units will begin to come on line in mid-2016, and that most of the work that has currently been identified will be completed by the end of 2017.

Once complete, the centres will benefit from increased cashflow, in part due to higher rental revenue, and from higher recoveries as the new leases are more market based, providing for a full pro-rata share of operating cost recoveries, utilities, and realty taxes, which were capped under the former Target Canada leases. Traffic to the centres is expected to be higher, which should result in greater sales, and stronger tenants. Furthermore, the new cashflow stream will be more diverse, have longer remaining terms, and will have a stronger growth profile than the previous Target Canada leases, which were assumed from Zellers and had little, if any, rent growth through the remaining lease terms and renewal options. As a result, management is very confident that overall RioCan will end up with a stronger portfolio that will generate a more secure, diverse, and faster growing cashflow stream.

To date, RioCan has completed 14 leases totalling approximately 443,000 square feet ("sf.") at 100% (344,000 sf. at RioCan's interest). These 14 leases will, at RioCan's interest, generate $5.2 million of base rental revenue per year.

RioCan has two conditional offers to lease space totalling 50,000 sf. at RioCan's interest and at 100%. These conditional leases are expected to generate $0.6 million at RioCan's interest of base rental revenue per year.

In addition, RioCan is in advanced stages of negotiation for another 16 leases totalling approximately 670,000 sf. at 100% (538,000 sf. at RioCan's interest) that are expected to be finalized by the end of the first quarter of 2016. These 16 leases are expected to generate $4.5 million at RioCan's interest of base rental revenue per year.

Collectively, these 32 leases represent approximately $10.3 million at RioCan's interest, or 94% of the total rental revenue lost through Target's departure. The expected cost to complete the redevelopment work related to the 32 leases is currently estimated to be approximately $110 million (approximately $75 million at RioCan's interest). The overall redevelopment costs will evolve as additional tenants are secured, development plans are completed and construction costs finalized.

There is 568,600 sf. at 100% (406,000 sf. at RioCan's interest) that is currently being marketed, but is not presently the subject of active lease negotiations where redevelopment plans are being prepared.

The area that will be converted for landlord purposes including common area, loading docks and other uses represents 186,000 sf. at 100% (156,000 sf. at RioCan's interest). The remaining 195,500 sf. at 100% and RioCan's interest represents space for potential redevelopment, where plans have not yet been finalized.

The lease agreements are in various stages of negotiations and there can be no assurance as to how many of the leases agreement will be completed or their timelines.

__Leasing Summary__

	Deal Count	Square Feet at 100%	Square Feet at RioCan's Interest	Annual Base Rental Revenue at RioCan's Interest (millions)
Original Target Leases				
Former Target Canada Space	19	2,091,480	1,662,977	$ 10.9
Backfill Progress				
Committed Space	14	448,130	343,669	$ 5.2
Conditional Agreements	2	49,906	49,906	$ 0.6
Advanced Discussions	16	669,544	538,321	$ 4.5
Total Leased or in discussions	**32**	**1,167,580**	**931,896**	**$ 10.3**
Space Currently Marketed		568,625	406,121	TBD
Total NLA upon completion of redevelopment		**1,736,205**	**1,338,017**	
GLA converted for landlord uses (common area, loading docks, etc.)		186,155	155,841	n/a
Space for demolition/potential redevelopment		195,433	195,433	TBD
Total*		**2,117,793**	**1,689,291**	

* Expansion space at RioCan Niagara Falls results in an additional 26,313sf. of net leasable area at this property.

__**Property Level Highlights:**__

RioCan's progress backfilling the spaces previously occupied by Target Canada varies from property to property. The following summaries highlight the progress that has been made to date in 13 of RioCan's shopping centres. Where not otherwise stated, all tenant spaces described below are at 100% interest.

Single Tenant Solutions:

At RioCan's Stockyards property in Toronto, Ontario, RioCan has entered into a lease agreement with Nations Fresh Foods to occupy the entire 153,450 sf. (76,725 sf. at RioCan's interest) that was previously occupied by Target Canada generating roughly the same base rental revenue that was generated by Target Canada. Nations Fresh Foods is part of an Ontario based full service grocery chain focused on providing a multi-ethnic fresh food shopping experience through its Oceans Fresh Food Market and Nations Fresh Foods banners.

Currently, RioCan is in advanced stages of lease negotiations involving various single tenant solutions totalling 455,663 sf. at 100% (397,880 sf. at RioCan's interest), which we expect will be completed over the next several months at Millcroft Shopping Centre, Orillia Square Mall, RioCan Niagara Falls, and RioCan Scarborough Centre.

Burlington Mall (RioCan ownership - 50%)

At RioCan's Burlington Mall property in Burlington, Ontario, Target Canada previously occupied approximately 121,500 sf. paying $4.17/sf. in base rent (approximately $0.5 million at 100%, $0.3 million at RioCan's interest). The former Target box will be reconfigured to accommodate four large format tenants of approximately 22,000 sf. each, and additional small shop space aggregating approximately 10,000 sf. RioCan currently has a commitment from Denninger's Fresh Foods of the World, a specialty food retailer (23,000 sf.), and negotiations are substantially complete with three national tenants for the remaining large format premises. As a result of the redevelopment, approximately 23,000 sf. of the former Target Canada premises will be converted to a new interior corridor, including a new mall entrance, landlord storage or will be demolished.

The Trust expects to file for site plan approvals in late 2015 and commence construction on the redevelopment in 2016 with tenants taking possession of the space in 2017. Upon completion, the redeveloped space is expected to generate base rental revenue of $20.72/sf. on the reconfigured space generating approximately $2.0 million annually at 100% ($1.0 million at RioCan's interest).

Charlottetown Mall (RioCan ownership - 50%)

At RioCan's Charlottetown Mall in Charlottetown, Prince Edward Island, Target Canada previously occupied approximately 107,800 sf. paying $4.20/sf. in base rent (approximately $0.5 million at 100%, $0.2 million at RioCan's interest). The former Target box will be reconfigured to accommodate four large format tenants ranging in size from approximately 20,000 sf. to 30,000 sf. each, as well as two small shop tenants totalling approximately 5,000 sf. each. Negotiations with three national tenants are at an advanced stage.

Approximately 7,000 sf. of the former Target Canada premises will be converted to landlord storage or demolished. Construction is expected to begin in the fourth quarter of 2015, with tenants taking possession and opening in the second half of 2016. Upon completion, the redeveloped space is expected to generate base rental revenue of $12.46/sf. generating approximately $1.3 million annually at 100% ($0.6 million at RioCan's interest).

Lawrence Square (RioCan ownership - 100%)

At its Lawrence Square property in Toronto, Ontario, RioCan has successfully backfilled most of the 89,430 sf. that was leased to Target Canada. Target Canada was paying $7.50/sf. (approximately $0.7 million). The space will be reconfigured to accommodate four large format tenants ranging in size from 12,000 sf. to 28,000 sf. RioCan has successfully leased 63,000 sf. to HomeSense (23,000 sf.), Marshalls (28,000 sf.), and PetSmart (12,000 sf.). Work began at the site in the third quarter of 2015 and RioCan expects to complete the redevelopment and expects the new tenants will take possession of the spaces in the first half of 2016. The remaining unit of approximately 15,000 sf. is being marketed. Upon completion, approximately 12,000 sf. will be used for common area uses.

Upon completion, the redeveloped space is expected to generate base rental revenue of $19.56/sf. generating approximately $1.5 million annually.

Trinity Common Brampton (RioCan ownership - 100%)

At Trinity Common Brampton, in Brampton, Ontario, Target Canada previously occupied 118,200 sf. paying $7.50/sf. in base rent (approximately $0.9 million). The former Target box will be reconfigured to accommodate three new large format tenants. RioCan currently has commitments from DSW (20,000 sf.) and Michaels (23,000 sf.) and negotiations are substantially complete with one national tenant for the remaining unit (25,000 sf.).

RioCan expects to file for site plan approvals in the fourth quarter of 2015, and commence construction in mid-2016, with tenants taking possession in early 2017. As a result of the redevelopment, approximately 50,000 sf. will be removed or reconfigured to create the new tenant facades and loading areas. Upon completion, the redeveloped space is expected to generate base rental revenue of $20.15/sf. generating approximately $1.4 million annually.

Shoppers World Brampton (RioCan ownership - 100%)

At Shoppers World Brampton, in Brampton, Ontario, Target Canada previously occupied 121,490 sf. paying $4.18/sf. in base rent (approximately $0.5 million). The former Target box (121,490 sf.) will be reconfigured to accommodate four large format tenants ranging in size from 15,000 sf. to 38,000 sf. and additional small shop space aggregating approximately 6,000 sf. RioCan currently has a commitment from GoodLife Fitness (38,000 sf.) and negotiations are in various stages with three national tenants for the balance of the large format premises.

Construction is anticipated to start in mid-2016 with tenants taking possession a year later. As a result of the redevelopment, approximately 13,000 sf. of the former Target Canada premises will be converted to common area. Upon completion, the redeveloped space is expected to generate base rental revenue of $9.77/sf. or approximately $1.1 annually.

RioCan Durham Centre (RioCan ownership - 100%)

At RioCan's Durham Centre in the Greater Toronto Area market of Ajax, Ontario, Target Canada previously occupied 121,280 sf. paying $8.11/sf. of base rent (approximately $1.0 million). The former Target box (121,280 sf.) will be reconfigured to accommodate three new large format tenants ranging in size from 20,000 sf. to 23,000 sf. and additional small shop space aggregating approximately 5,000 sf. RioCan currently has commitments from Michaels (23,000 sf.) and DSW (20,000 sf.) with negotiations in the final stages for another 23,000 sf. with a national retailer.

Construction is expected to commence in the second quarter of 2016, with tenants taking possession in the early 2017. As a result of the redevelopment, approximately 50,000 sf. of the former Target Canada premises will be demolished. Upon completion the redeveloped space is expected to generate base rental revenue of $18.68/sf. generating approximately $1.3 million annually.

Gates of Fergus (RioCan ownership - 50%)

At RioCan's Gates of Fergus shopping centre in Fergus, Ontario, Target Canada previously occupied 95,978 sf. paying $7.00/sf. of base rent ($0.7 million at 100%, $0.4 million at RioCan's interest). The former Target box will be reconfigured to accommodate three large format tenants ranging from approximately 9,000 sf. to 24,000 sf. per unit. RioCan currently has commitments from Dollarama (12,700 sf.) and Giant Tiger (20,000 sf.) and negotiations are at an advanced stage for the remaining unit.

Construction has commenced on demising the space and we anticipate tenants will take possession in the second quarter of 2016. As a result of the redevelopment, approximately 30,000 sf. of the former Target Canada premises will be converted to landlord storage or demolished. Upon completion, the redeveloped space is expected to generate base rental revenue of $10.92/sf. generating approximately $0.7 million annually ($0.4 million at RioCan's interest).

South Hamilton Square (RioCan ownership - 100%)

At RioCan's South Hamilton Square, in Hamilton, Ontario, Target Canada previously occupied 93,125 sf. paying $7.51/sf. of base rent (approximately $0.7 million). The former Target box will be reconfigured to accommodate three large format tenants ranging in size from 15,000 sf. to approximately 40,000 sf. RioCan currently has commitments from Fabricland (15,500 sf.) and Hamilton Trampoline Club (36,500 sf.).

Construction is anticipated to start in the second quarter of 2016 with tenants taking possession in late 2016. Upon completion the redeveloped space is expected to generate base rental revenue of $12.46/sf. generating approximately $1.2 million annually.

About RioCan

RioCan is Canada's largest real estate investment trust with a total enterprise value of approximately $15.1 billion as at September 30, 2015. It owns and manages Canada's largest portfolio of shopping centres with ownership interests in a portfolio of 354 retail properties containing approximately 78 million square feet, including 49 retail properties containing 13 million square feet in the United States as at September 30, 2015. RioCan's portfolio also includes 16 properties under development in Canada. For further information, please refer to RioCan's website at www.riocan.com.

Forward-Looking Information

This news release contains forward-looking statements within the meaning of applicable securities laws. These statements include, but are not limited to, statements made in this News Release (including the sections entitled: "Leasing Update" and "Property Level Highlights") regarding the settlement reached with Target Corporation and the Trust's ability to lease space previously vacated by Target Canada together with other statements concerning RioCan's objectives, its strategies to achieve those objectives, as well as statements with respect to management's beliefs, plans, estimates, and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "outlook", "objective", "may", "will", "would", "expect", "intend", "estimate", "anticipate", "believe", "should", "plan", "continue", or similar expressions suggesting future outcomes or events. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management. All forward-looking statements in this News Release are qualified by these cautionary statements.

These forward-looking statements are not guarantees of future events or performance and, by their nature, are based on RioCan's current estimates and assumptions, which are subject to risks and uncertainties, including those described under "Risks and Uncertainties" in RioCan's Management's Discussion and Analysis for the period ended September 30, 2015, which could cause actual events or results to differ materially from the forward-looking statements contained in this News Release. Those risks and uncertainties include, but are not limited to, those related to: liquidity and general market conditions; tenant concentrations and related risk of bankruptcy or restructuring (and the terms of any bankruptcy or restructuring proceeding), occupancy levels and defaults, including the failure to fulfill contractual obligations by the tenant or a related party thereof; lease renewals and rental increases; the ability to re-lease and find new tenants for vacant space; retailer competition; access to debt and equity capital; interest rate and financing risk; joint ventures and partnerships; the relative illiquidity of real property; unexpected costs or liabilities related to acquisitions and dispositions; development risk associated with construction commitments, project costs and related approvals; environmental matters; litigation; reliance on key personnel; management information systems; unitholder liability; income and indirect taxes; U.S. investments, property management and foreign currency risk; and credit ratings.

RioCan currently qualifies as a real estate investment trust for tax purposes and intends to continue to qualify for future years. The Income Tax Act (Canada) contains provisions which potentially impose tax on publicly traded trusts which qualify as specified investment flow-through entities (the SIFT Provisions). However, the SIFT Provisions do not impose tax on a publicly traded trust which qualifies as a real estate investment trust (REIT). Should RioCan no longer qualify as a REIT under the SIFT Provisions, certain statements contained in RioCan's MD&A may need to be modified. RioCan is still subject to Canadian tax in their incorporated Canadian subsidiaries.

The Trust's U.S. subsidiary qualifies as a REIT for U.S. income tax purposes. The subsidiary expects to distribute all of its U.S. taxable income (if any) to Canada and is entitled to deduct such distributions for U.S. income tax purposes. The subsidiary's qualification as a REIT depends on the REIT's satisfaction of certain asset, income, organizational, distribution, unitholder ownership and other requirements on a continuing basis. The Trust anticipates that the subsidiary will continue to qualify as a U.S. REIT in the future. The Trust's U.S. subsidiary is subject to a 30% or 35% withholding tax on distributions to Canada.

Other factors, such as general economic conditions, including interest rate and foreign exchange rate fluctuations, may also have an effect on RioCan's results of operations. Material factors or assumptions that were applied in drawing a conclusion or making an estimate set out in the forward-looking information may include, but are not limited to: a stable retail environment; relatively low and stable interest costs; a continuing trend toward land use intensification, including residential development in high growth and urban markets; access to equity and debt capital markets to fund, at acceptable costs, future capital requirements and to enable the Trust to refinance debts as they mature; and the availability of investment opportunities for growth in Canada and the U.S..

For a description of additional risks that could cause actual results to materially differ from management's current expectations, see "Risks and Uncertainties" in RioCan's Management's Discussion and Analysis in its 2014 Annual Report, and for the period ended September 30, 2015, and in "Risks and Uncertainties" in RioCan's AIF. Although the forward-looking information contained in this News Release is based upon what management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with this forward-looking information. Certain statements included in this News Release may be considered "financial outlook" for purposes of applicable Canadian securities laws, and as such the financial outlook may not be appropriate for purposes other than this News Release. The forward-looking information contained in this News Release is made as of the date of this News Release, and should not be relied upon as representing RioCan's views as of any date subsequent to the date of this News Release.

Management undertakes no obligation, except as required by applicable law, to publicly update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

Contact Information:
RioCan Real Estate Investment Trust
Edward Sonshine, O. Ont., Q.C.
Chief Executive Officer
(416) 866-3018
www.riocan.com

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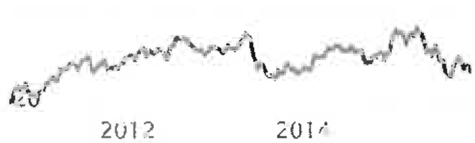

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RIOCAN

RIOCAN REIT YONGE EGLINTON CENTRE
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TF 1 800 465 2733
F 416 866 3020

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THIS IS EXHIBIT D TO THE AFFIDAVIT OF GUSTAVO F. CAMELINO SWORN BEFORE ME AT THE CITY OF TORONTO, THIS 8TH DAY OF DECEMBER, 2015.

____

Commissioner For Taking Affidavits
LINDA GALESSIERE

Galessiere, Linda

From: Galessiere, Linda
Sent: Monday, November 30, 2015 3:43 PM
To: 'Carfagnini, Jay'; Wagner, Melaney; Mighton, Jesse; Douglas McIntosh (dmcintosh@alvarezandmarsal.com)
Cc: 'Bomhof, Scott'; 'David Ullmann'; 'Gasper Galati'; Camelino, Gus; Stevenson, Wally; 'Catherine Francis'; 'jwolf@blaney.com'; 'hferris@lawsonlundell.com'; 'Ken Pimentel'; 'Raicek, Stephen M.'; 'Alan.Merskey@nortonrosefulbright.com'; 'Christian.Roy@nortonrosefulbright.com'; 'Evan.Cobb@nortonrosefulbright.com'; Matt Gottlieb (mgottlieb@counsel-toronto.com); 'Andrew Winton'; 'Laura Wagner'
Subject: RE: CCAA Plan - Target Landlords

Jay, in order to consider Target's motion and plan, it would be helpful if you could provide information regarding the points listed below. As you can imagine, my clients have significant concerns with the proposed plan and additional information would be very helpful to them. In this regard, could the Monitor provide the following information:

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Given Target's motion is next week, I would appreciate hearing from the Monitor as soon as possible.

Linda Galessiere
McLean & Kerr LLP
Direct: 416.369.6609
lgalessiere@mcleankerr.com

Galessiere, Linda

From: Carfagnini, Jay <jcarfagnini@goodmans.ca>
Sent: Tuesday, December 01, 2015 6:00 PM
To: Galessiere, Linda
Cc: 'Bomhof, Scott'; 'David Ullmann'; 'Gasper Galati'; Camelino, Gus; Stevenson, Wally; 'Catherine Francis'; 'jwolf@blaney.com'; 'hferris@lawsonlundell.com'; 'Ken Pimentel'; 'Raicek, Stephen M.'; 'Alan.Merskey@nortonrosefulbright.com'; 'Christian.Roy@nortonrosefulbright.com'; 'Evan.Cobb@nortonrosefulbright.com'; Matt Gottlieb (mgottlieb@counsel-toronto.com); Andrew Winton; Laura Wagner; Wagner, Melaney; Mighton, Jesse; Douglas McIntosh (dmcintosh@alvarezandmarsal.com); 'Hutchens, Al'; gkarpel@alvarezandmarsal.com
Subject: RE: CCAA Plan - Target Landlords

Linda et al,

Please see our responses below. Thank you.

Jay A. Carfagnini
Goodmans LLP

416.597.4107
jcarfagnini@goodmans.ca

Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, ON M5H 2S7
goodmans.ca

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RioCan settlement are confidential because the settlement involves information relating to RioCan's claims and properties; and (b) cannot be disclosed without the consent of both Target Corporation and RioCan.

As discussed, confidentiality of claims, and particularly landlord claims, has been a matter of critical importance throughout the CCAA process. Claims filed in CCAA proceedings are filed on a confidential basis. Creditors are not entitled to information on the individual claims of other creditors. In fact, creditors (including landlords) have reached out to the Monitor in the context of Consultative Committee meetings and otherwise to ensure individual claims are not discussed or disclosed, with landlords being particularly sensitive to this given confidential and commercially sensitive information relating to properties, rents and financial position. The Monitor has been very careful to respect and maintain this confidentiality. Therefore, we do not think it is appropriate to disclose RioCan's payment amount under the Plan. The Monitor is working with the company and Target Corporation to see if there is any additional information with respect to the RioCan settlement that can be provided.

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As discussed, the Monitor will be filing its Report on the Plan by January 7, 2015. It is our intention at that time to comment on the proposed Convenience Class. We do note the following preliminary observations. Plan approval requires satisfaction of a double majority test - a majority in number of affected creditors representing at least two-thirds in value of voting claims of those affected creditors voting in person or by proxy. For reference, please see the below table showing the estimated percentage of claim value and claim count of the Convenience Class (for both claims as filed and based on a preliminary assessment of filed claims, each using an estimated claim value of $900 million).

Convenience Class	Claims as Filed		Claims as Fil
	Claim Value	Claim Count	Claim Value
Convenience Class - <$25,000	5,543,685	615	5,759,547
Convenience Class Opt In - <$35,000	2,793,694	94	2,692,288
Total	**8,337,379**	**709**	**8,451,835**
Estimated Claim Value and # of claims filed	**900,000,000**	**1,710**	**900,000,000**
% of Total Claims	***0.93%***	***41.5%***	***0.94%***

The table reflects that, in both scenarios, Convenience Class Creditors and potential Convenience Class opt-in creditors represent in aggregate less than half of the total number of creditors and less than 1% of the total value of claims. As you know, Convenience Classes are routinely used in CCAA plans to, among other things, assist in an efficient administration of the estate and see small (and generally unsophisticated creditors) paid in full. In our experience, convenience class creditors have in some cases represented well over half of the number of claimants (see for example Canwest and Cline Mining); however, given the double majority test under the CCAA, satisfaction of two-thirds in value is still required.

From: Galessiere, Linda [mailto:lgalessiere@mcleankerr.com]
Sent: Monday, November 30, 2015 3:43 PM
To: Carfagnini, Jay; Wagner, Melaney; Mighton, Jesse; Douglas McIntosh (dmcintosh@alvarezandmarsal.com)
Cc: 'Bomhof, Scott'; 'David Ullmann'; 'Gasper Galati'; Camelino, Gus; Stevenson, Wally; 'Catherine Francis'; 'jwolf@blaney.com'; 'hferris@lawsonlundell.com'; 'Ken Pimentel'; 'Raicek, Stephen M.'; 'Alan.Merskey@nortonrosefulbright.com'; 'Christian.Roy@nortonrosefulbright.com'; 'Evan.Cobb@nortonrosefulbright.com'; Matt Gottlieb (mgottlieb@counsel-toronto.com); Andrew Winton; Laura Wagner
Subject: RE: CCAA Plan - Target Landlords

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Given Target's motion is next week, I would appreciate hearing from the Monitor as soon as possible.

Linda Galessiere

McLean & Kerr LLP

Direct: 416.369.6609

lgalessiere@mcleankerr.com

Galessiere, Linda

From: Galessiere, Linda
Sent: Tuesday, December 01, 2015 9:16 PM
To: tsandler@osler.com; Mr. Jay A. Swartz (jswartz@dwpv.com)
Cc: 'Bomhof, Scott'; 'David Ullmann'; 'Gasper Galati'; Camelino, Gus; Stevenson, Wally; 'Catherine Francis'; 'jwolf@blaney.com'; 'hferris@lawsonlundell.com'; 'Ken Pimentel'; 'Raicek, Stephen M.'; 'Alan.Merskey@nortonrosefulbright.com'; 'Christian.Roy@nortonrosefulbright.com'; 'Evan.Cobb@nortonrosefulbright.com'; Matt Gottlieb (mgottlieb@counsel-toronto.com); Andrew Winton; Laura Wagner; Wagner, Melaney; Mighton, Jesse; Douglas McIntosh (dmcintosh@alvarezandmarsal.com); 'Hutchens, Al'; gkarpel@alvarezandmarsal.com; 'Carfagnini, Jay'; wolfgang@dv-law.com; 'DaRe, Vern W.'
Subject: RE: CCAA Plan - Target Landlords

Tracy/Jay: as you will note form the below emails, we have requested that the Monitor provide us with information regarding RioCan's settlement. The Monitor has stated that it is not privy to such information and advised that Target Corp. claims the information is confidential.

Based on RioCan's press release, Target Corp. is to receive funds under the plan pursuant to its agreement with RioCan. Although I am of the view that full financial particulars of the transaction must be disclosed (and will request the such relief from the court if necessary), at the very least Target Corp. is obligated to advise all parties what amount it will receive under the plan pursuant to its agreement with RioCan and what arrangements are in place relating to the voting of RioCan's claim.

We would asked that you review the questions posed below and provide the information requested.

Linda Galessiere
McLean & Kerr LLP
Direct: 416.369.6609
lgalessiere@mcleankerr.com

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Subject: RE: CCAA Plan - Target Landlords

Linda et al,

Please see our responses below. Thank you.

Jay A. Carfagnini
Goodmans LLP

416.597.4107

jcarfagnini@goodmans.ca

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333 Bay Street, Suite 3400
Toronto, ON M5H 2S7
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To: Carfagnini, Jay; Wagner, Melaney; Mighton, Jesse; Douglas McIntosh (dmcintosh@alvarezandmarsal.com)
Cc: 'Bomhof, Scott'; 'David Ullmann'; 'Gasper Galati'; Camelino, Gus; Stevenson, Wally; 'Catherine Francis'; 'jwolf@blaney.com'; 'hferris@lawsonlundell.com'; 'Ken Pimentel'; 'Raicek, Stephen M.'; 'Alan.Merskey@nortonrosefulbright.com'; 'Christian.Roy@nortonrosefulbright.com'; 'Evan.Cobb@nortonrosefulbright.com'; Matt Gottlieb (mgottlieb@counsel-toronto.com); Andrew Winton; Laura Wagner
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Linda Galessiere

McLean
& Kerr LLP

Direct: 416.369.6609
lgalessiere@mcleankerr.com

Galessiere, Linda

From: Swartz, Jay <JSwartz@dwpv.com>
Sent: Wednesday, December 02, 2015 6:29 AM
To: Galessiere, Linda; tsandler@osler.com
Cc: 'Bomhof, Scott'; 'David Ullmann'; 'Gasper Galati'; Camelino, Gus; Stevenson, Wally; 'Catherine Francis'; 'jwolf@blaney.com'; 'hferris@lawsonlundell.com'; 'Ken Pimentel'; 'Raicek, Stephen M.'; 'Alan.Merskey@nortonrosefulbright.com'; 'Christian.Roy@nortonrosefulbright.com'; 'Evan.Cobb@nortonrosefulbright.com'; Matthew Gottlieb; Andrew Winton; Laura Wagner; Schwill, Robin; Wagner, Melaney; Mighton, Jesse; Douglas McIntosh (dmcintosh@alvarezandmarsal.com); 'Hutchens, Al'; gkarpel@alvarezandmarsal.com; Carfagnini, Jay; wolfgang@dv-law.com; DaRe, Vern W.; dryan@faegre.com; John Wheaton (john.wheaton@faegrebd.com)
Subject: RE: CCAA Plan - Target Landlords

Target Corp will receive the same distributions under the plan with respect to the RioCan claims that RioCan would have received. For greater certainty, the RioCan claims are not included among those which benefit from the Top-Up payment.
At this time, no notice of assignment has been given to the Monitor with respect to the RioCan claims and none will be given prior to the meeting. As such the entitlement to vote these claims remains with RioCan. I understand that the voting of the RioCan claims will be separately tracked at the creditors meeting

Jay Swartz | Bio

155 Wellington Street West
Toronto, ON M5V 3J7

T 416.863.5520
jswartz@dwpv.com

DAVIES WARD PHILLIPS & VINEBERG LLP

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Sent: December 1, 2015 9:16 PM
To: tsandler@osler.com; Swartz, Jay
Cc: 'Bomhof, Scott'; 'David Ullmann'; 'Gasper Galati'; Camelino, Gus; Stevenson, Wally; 'Catherine Francis'; 'jwolf@blaney.com'; 'hferris@lawsonlundell.com'; 'Ken Pimentel'; 'Raicek, Stephen M.'; 'Alan.Merskey@nortonrosefulbright.com'; 'Christian.Roy@nortonrosefulbright.com'; 'Evan.Cobb@nortonrosefulbright.com'; Matthew Gottlieb; Andrew Winton; Laura Wagner; Wagner, Melaney; Mighton, Jesse; Douglas McIntosh (dmcintosh@alvarezandmarsal.com); 'Hutchens, Al'; gkarpel@alvarezandmarsal.com; Carfagnini, Jay; wolfgang@dv-law.com; DaRe, Vern W.
Subject: RE: CCAA Plan - Target Landlords

Tracy/Jay: as you will note form the below emails, we have requested that the Monitor provide us with information regarding RioCan's settlement. The Monitor has stated that it is not privy to such information and advised that Target Corp. claims the information is confidential.

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We would asked that you review the questions posed below and provide the information requested.

Linda Galessiere

McLean & Kerr LLP

Direct: 416.369.6609
lgalessiere@mcleankerr.com

From: Carfagnini, Jay [mailto:jcarfagnini@goodmans.ca]
Sent: Tuesday, December 01, 2015 6:00 PM
To: Galessiere, Linda
Cc: 'Bomhof, Scott'; 'David Ullmann'; 'Gasper Galati'; Camelino, Gus; Stevenson, Wally; 'Catherine Francis'; 'jwolf@blaney.com'; 'hferris@lawsonlundell.com'; 'Ken Pimentel'; 'Raicek, Stephen M.'; 'Alan.Merskey@nortonrosefulbright.com'; 'Christian.Roy@nortonrosefulbright.com'; 'Evan.Cobb@nortonrosefulbright.com'; Matt Gottlieb (mgottlieb@counsel-toronto.com); Andrew Winton; Laura Wagner; Wagner, Melaney; Mighton, Jesse; Douglas McIntosh (dmcintosh@alvarezandmarsal.com); 'Hutchens, Al'; gkarpel@alvarezandmarsal.com
Subject: RE: CCAA Plan - Target Landlords

Linda et al,

Please see our responses below. Thank you.

Jay A. Carfagnini
Goodmans LLP

416.597.4107
jcarfagnini@goodmans.ca

Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, ON M5H 2S7
goodmans.ca

From: Galessiere, Linda [mailto:lgalessiere@mcleankerr.com]
Sent: Monday, November 30, 2015 3:43 PM
To: Carfagnini, Jay; Wagner, Melaney; Mighton, Jesse; Douglas McIntosh (dmcintosh@alvarezandmarsal.com)
Cc: 'Bomhof, Scott'; 'David Ullmann'; 'Gasper Galati'; Camelino, Gus; Stevenson, Wally; 'Catherine Francis'; 'jwolf@blaney.com'; 'hferris@lawsonlundell.com'; 'Ken Pimentel'; 'Raicek, Stephen M.'; 'Alan.Merskey@nortonrosefulbright.com'; 'Christian.Roy@nortonrosefulbright.com'; 'Evan.Cobb@nortonrosefulbright.com'; Matt Gottlieb (mgottlieb@counsel-toronto.com); Andrew Winton; Laura Wagner
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As we have advised you, the Monitor is not a party to the RioCan settlement agreement, was not involved in any discussions relating to the settlement agreement and, other than the public disclosure, is not aware of the terms of the settlement. We have requested a copy of the settlement agreement but have not been provided with one. Counsel for Target Corporation has advised the Monitor that: (a) the terms of the RioCan settlement are confidential because the settlement involves information relating to RioCan's claims and properties; and (b) cannot be disclosed without the consent of both Target Corporation and RioCan.

As discussed, confidentiality of claims, and particularly landlord claims, has been a matter of critical importance throughout the CCAA process. Claims filed in CCAA proceedings are filed on a confidential basis. Creditors are not entitled to information on the individual claims of other creditors. In fact, creditors (including landlords) have reached out to the Monitor in the context of Consultative Committee meetings and otherwise to ensure individual claims are not discussed or disclosed, with landlords being particularly sensitive to this given confidential and commercially sensitive information relating to properties, rents and financial position. The Monitor has been very careful to respect and maintain this confidentiality. Therefore, we do not think it is appropriate to disclose RioCan's payment amount under the Plan. The Monitor is working with the company and Target Corporation to see if there is any additional information with respect to the RioCan settlement that can be provided.

ii) Confirmation of whether Target Corp. intends to vote, either directly or indirectly via RioCan, RioCan's claim in the Plan and the Monitor's position regarding such.

As indicated above, the Monitor has not been provided with a copy of the settlement agreement. The Monitor made the inquiry of Target Corporation's counsel, who directed the Monitor to the press release. From the press release, we understand that RioCan has directed that any distributions to be made to it under the Plan be paid to Target Corporation. The Monitor notes that it has not received any notice of assignment of claim for voting purposes. Under the proposed Plan and Meeting Order, an assignee cannot vote (and the assignor would vote) unless evidence of an assignment has been received and acknowledged by the Monitor in writing not later than seven days before the Creditor's Meeting. The Monitor will disclose this information to the Court at the December 8 hearing and is also prepared, if the Meeting Order is granted, to tabulate these claims separately so that the Court is advised of their effect, if any, on the results at the Meeting.

iii) Confirmation of the number of claimants captured by the "convenience class" and what analysis was done by the Monitor, if any, to determine whether $25,000 was an appropriate threshold for such class. At first glance the amount seems high, but perhaps the Monitor reviewed this and could assist in advising whether such amount is appropriate/usual/common in the circumstances.

As discussed, the Monitor will be filing its Report on the Plan by January 7, 2015. It is our intention at that time to comment on the proposed Convenience Class. We do note the following preliminary observations. Plan approval requires satisfaction of a double majority test - a majority in number of affected creditors representing at least two-thirds in value of voting claims of those affected creditors voting in person or by proxy. For reference, please see the below table showing the estimated percentage of claim value and claim count of the Convenience Class (for both claims as filed and based on a preliminary assessment of filed claims, each using an estimated claim value of $900 million).

Convenience Class	Claims as Filed		Claims as Fil
	Claim Value	Claim Count	Claim Value
Convenience Class - <$25,000	5,543,685	615	5,759,547
Convenience Class Opt In - <$35,000	2,793,694	94	2,692,288
Total	**8,337,379**	**709**	**8,451,835**
Estimated Claim Value and # of claims filed	**900,000,000**	**1,710**	**900,000,000**
% of Total Claims	***0.93%***	***41.5%***	***0.94%***

The table reflects that, in both scenarios, Convenience Class Creditors and potential Convenience Class opt-in creditors represent in aggregate less than half of the total number of creditors and less than 1% of the total value of claims. As you know, Convenience Classes are routinely used in CCAA plans to, among other things, assist in an efficient administration of the estate and see small (and generally unsophisticated creditors) paid in full. In our experience, convenience class creditors have in some cases represented well over half of the number of claimants (see for example Canwest and Cline Mining); however, given the double majority test under the CCAA, satisfaction of two-thirds in value is still required.

From: Galessiere, Linda [mailto:lgalessiere@mcleankerr.com]
Sent: Monday, November 30, 2015 3:43 PM
To: Carfagnini, Jay; Wagner, Melaney; Mighton, Jesse; Douglas McIntosh (dmcintosh@alvarezandmarsal.com)
Cc: 'Bomhof, Scott'; 'David Ullmann'; 'Gasper Galati'; Camelino, Gus; Stevenson, Wally; 'Catherine Francis'; 'jwolf@blaney.com'; 'hferris@lawsonlundell.com'; 'Ken Pimentel'; 'Raicek, Stephen M.'; 'Alan.Merskey@nortonrosefulbright.com'; 'Christian.Roy@nortonrosefulbright.com'; 'Evan.Cobb@nortonrosefulbright.com';

Matt Gottlieb (mgottlieb@counsel-toronto.com); Andrew Winton; Laura Wagner
Subject: RE: CCAA Plan - Target Landlords

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iii) Confirmation of the number of claimants captured by the "convenience class" and what analysis was done by the Monitor, if any, to determine whether $25,000 was an appropriate threshold for such class. At first glance the amount seems high, but perhaps the Monitor reviewed this and could assist in advising whether such amount is appropriate/usual/common in the circumstances.

Given Target's motion is next week, I would appreciate hearing from the Monitor as soon as possible.

Linda Galessiere
McLean & Kerr LLP
Direct: 416.369.6609
lgalessiere@mcleankerr.com

Galessiere, Linda

From: Galessiere, Linda
Sent: Wednesday, December 02, 2015 7:18 AM
To: Swartz, Jay; tsandler@osler.com
Cc: 'Bomhof, Scott'; 'David Ullmann'; 'Gasper Galati'; Camelino, Gus; Stevenson, Wally; 'Catherine Francis'; 'jwolf@blaney.com'; 'hferris@lawsonlundell.com'; 'Ken Pimentel'; 'Raicek, Stephen M.'; 'Alan.Merskey@nortonrosefulbright.com'; 'Christian.Roy@nortonrosefulbright.com'; 'Evan.Cobb@nortonrosefulbright.com'; Matthew Gottlieb; Andrew Winton; Laura Wagner; Schwill, Robin; Wagner, Melaney; Mighton, Jesse; Douglas McIntosh (dmcintosh@alvarezandmarsal.com); 'Hutchens, Al'; gkarpel@alvarezandmarsal.com; Carfagnini, Jay; wolfgang@dv-law.com; DaRe, Vern W.; dryan@faegre.com; John Wheaton (john.wheaton@faegrebd.com)
Subject: Re: CCAA Plan - Target Landlords

Thank you Jay for your email. My question,however was not the treatment of RicoCan's claim (of course it will get the same treatment - BIA plus one year), but the amount that this equates to that your client will receive.

With regard to voting, I am confused, from the press release it is clear that Riocan has been paid on its claim so either RicoCan no longer has a claim and no vote (I expect the monitor will be looking into this) or some arrangement has been made with regard to voting. Please advise if an arrangement has been made and what the arrangement is (ie, has RioCan agreed to vote infavour of the Plan etc)?

Linda Galessiere
416.369.6609
Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Swartz, Jay
Sent: Wednesday, December 2, 2015 6:28 AM
To: Galessiere, Linda; tsandler@osler.com
Cc: 'Bomhof, Scott'; 'David Ullmann'; 'Gasper Galati'; Camelino, Gus; Stevenson, Wally; 'Catherine Francis'; 'jwolf@blaney.com'; 'hferris@lawsonlundell.com'; 'Ken Pimentel'; 'Raicek, Stephen M.'; 'Alan.Merskey@nortonrosefulbright.com'; 'Christian.Roy@nortonrosefulbright.com'; 'Evan.Cobb@nortonrosefulbright.com'; Matthew Gottlieb; Andrew Winton; Laura Wagner; Schwill, Robin; Wagner, Melaney; Mighton, Jesse; Douglas McIntosh (dmcintosh@alvarezandmarsal.com); 'Hutchens, Al'; gkarpel@alvarezandmarsal.com; Carfagnini, Jay; wolfgang@dv-law.com; DaRe, Vern W.; dryan@faegre.com; John Wheaton (john.wheaton@faegrebd.com)
Subject: RE: CCAA Plan - Target Landlords

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At this time, no notice of assignment has been given to the Monitor with respect to the RioCan claims and none will be given prior to the meeting. As such the entitlement to vote these claims remains with RioCan. I understand that the voting of the RioCan claims will be separately tracked at the creditors meeting

DAVIES

Jay Swartz | Bio

155 Wellington Street West
Toronto, ON M5V 3J7

T 416.863.5520
jswartz@dwpv.com

DAVIES WARD PHILLIPS & VINEBERG LLP

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Sent: December 1, 2015 9:16 PM
To: tsandler@osler.com; Swartz, Jay
Cc: 'Bomhof, Scott'; 'David Ullmann'; 'Gasper Galati'; Camelino, Gus; Stevenson, Wally; 'Catherine Francis'; 'jwolf@blaney.com'; 'hferris@lawsonlundell.com'; 'Ken Pimentel'; 'Raicek, Stephen M.'; 'Alan.Merskey@nortonrosefulbright.com'; 'Christian.Roy@nortonrosefulbright.com'; 'Evan.Cobb@nortonrosefulbright.com'; Matthew Gottlieb; Andrew Winton; Laura Wagner; Wagner, Melaney; Mighton, Jesse; Douglas McIntosh (dmcintosh@alvarezandmarsal.com); 'Hutchens, Al'; gkarpel@alvarezandmarsal.com; Carfagnini, Jay; wolfgang@dv-law.com; DaRe, Vern W.
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Subject: RE: CCAA Plan - Target Landlords

Linda et al,

Please see our responses below. Thank you.

Jay A. Carfagnini
Goodmans LLP

416.597.4107

jcarfagnini@goodmans.ca

Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, ON M5H 2S7
goodmans.ca

From: Galessiere, Linda [mailto:lgalessiere@mcleankerr.com]
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To: Carfagnini, Jay; Wagner, Melaney; Mighton, Jesse; Douglas McIntosh (dmcintosh@alvarezandmarsal.com)
Cc: 'Bomhof, Scott'; 'David Ullmann'; 'Gasper Galati'; Camelino, Gus; Stevenson, Wally; 'Catherine Francis'; 'jwolf@blaney.com'; 'hferris@lawsonlundell.com'; 'Ken Pimentel'; 'Raicek, Stephen M.'; 'Alan.Merskey@nortonrosefulbright.com'; 'Christian.Roy@nortonrosefulbright.com'; 'Evan.Cobb@nortonrosefulbright.com'; Matt Gottlieb (mgottlieb@counsel-toronto.com); Andrew Winton; Laura Wagner
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Sent: Monday, November 30, 2015 3:43 PM
To: Carfagnini, Jay; Wagner, Melaney; Mighton, Jesse; Douglas McIntosh (dmcintosh@alvarezandmarsal.com)
Cc: 'Bomhof, Scott'; 'David Ullmann'; 'Gasper Galati'; Camelino, Gus; Stevenson, Wally; 'Catherine Francis'; 'jwolf@blaney.com'; 'hferris@lawsonlundell.com'; 'Ken Pimentel'; 'Raicek, Stephen M.'; 'Alan.Merskey@nortonrosefulbright.com'; 'Christian.Roy@nortonrosefulbright.com'; 'Evan.Cobb@nortonrosefulbright.com'; Matt Gottlieb (mgottlieb@counsel-toronto.com); Andrew Winton; Laura Wagner
Subject: RE: CCAA Plan - Target Landlords

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Linda Galessiere

McLean
& Kerr LLP

Direct: 416.369.6609
lgalessiere@mcleankerr.com

Galessiere, Linda

From:	Swartz, Jay <JSwartz@dwpv.com>
Sent:	Wednesday, December 02, 2015 7:48 AM
To:	'Catherine Francis'; Galessiere, Linda; tsandler@osler.com
Cc:	'Bomhof, Scott'; David Ullmann; 'Gasper Galati'; Camelino, Gus; Stevenson, Wally; 'jwolf@blaney.com'; 'hferris@lawsonlundell.com'; 'Ken Pimentel'; 'Raicek, Stephen M.'; 'Alan.Merskey@nortonrosefulbright.com'; 'Christian.Roy@nortonrosefulbright.com'; 'Evan.Cobb@nortonrosefulbright.com'; Matthew Gottlieb; Andrew Winton; Laura Wagner; Schwill, Robin; Wagner, Melaney; Mighton, Jesse; Douglas McIntosh (dmcintosh@alvarezandmarsal.com); 'Hutchens, Al'; gkarpel@alvarezandmarsal.com; Carfagnini, Jay; wolfgang@dv-law.com; DaRe, Vern W.; dryan@faegre.com; John Wheaton (john.wheaton@faegrebd.com)
Subject:	RE: CCAA Plan - Target Landlords

RioCan's claim is calculated in accordance with the Landlord Formula for all purposes. As is the case for all landlords the Monitor has not yet sent out its calculations.

Jay Swartz | Bio

155 Wellington Street West
Toronto, ON M5V 3J7

T 416.863.5520
jswartz@dwpv.com

DAVIES WARD PHILLIPS & VINEBERG LLP

From: Catherine Francis [mailto:CFrancis@mindengross.com]
Sent: December 2, 2015 7:40 AM
To: Galessiere, Linda; Swartz, Jay; tsandler@osler.com
Cc: 'Bomhof, Scott'; David Ullmann; 'Gasper Galati'; Camelino, Gus; Stevenson, Wally; 'jwolf@blaney.com'; 'hferris@lawsonlundell.com'; 'Ken Pimentel'; 'Raicek, Stephen M.'; 'Alan.Merskey@nortonrosefulbright.com'; 'Christian.Roy@nortonrosefulbright.com'; 'Evan.Cobb@nortonrosefulbright.com'; Matthew Gottlieb; Andrew Winton; Laura Wagner; Schwill, Robin; Wagner, Melaney; Mighton, Jesse; Douglas McIntosh (dmcintosh@alvarezandmarsal.com); 'Hutchens, Al'; gkarpel@alvarezandmarsal.com; Carfagnini, Jay; wolfgang@dv-law.com; DaRe, Vern W.; dryan@faegre.com; John Wheaton (john.wheaton@faegrebd.com)
Subject: Re: CCAA Plan - Target Landlords

Put another way on point 1, what has Riocan's claim been valued at for voting purposes?

Catherine Francis
Minden Gross LLP
145 King Street West
Toronto, ON
M5H 4G2
416-369-4137
From: Galessiere, Linda
Sent: Wednesday, December 2, 2015 7:19 AM
To: Swartz, Jay; tsandler@osler.com

Cc: 'Bomhof, Scott'; David Ullmann; 'Gasper Galati'; Camelino, Gus; Stevenson, Wally; Catherine Francis; 'jwolf@blaney.com'; 'hferris@lawsonlundell.com'; 'Ken Pimentel'; 'Raicek, Stephen M.'; 'Alan.Merskey@nortonrosefulbright.com'; 'Christian.Roy@nortonrosefulbright.com'; 'Evan.Cobb@nortonrosefulbright.com'; Matthew Gottlieb; Andrew Winton; Laura Wagner; Schwill, Robin; Wagner, Melaney; Mighton, Jesse; Douglas McIntosh (dmcintosh@alvarezandmarsal.com); 'Hutchens, Al'; gkarpel@alvarezandmarsal.com; Carfagnini, Jay; wolfgang@dv-law.com; DaRe, Vern W.; dryan@faegre.com; John Wheaton (john.wheaton@faegrebd.com)
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Subject: RE: CCAA Plan - Target Landlords

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[dwpv]<http://www.dwpv.com>

Jay Swartz | Bio<http://www.dwpv.com/en/People/Jay-A-Swartz>

155 Wellington Street West
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jswartz@dwpv.com<mailto:jswartz@dwpv.com>

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From: Galessiere, Linda [mailto:lgalessiere@mcleankerr.com]
Sent: December 1, 2015 9:16 PM
To: tsandler@osler.com; Swartz, Jay
Cc: 'Bomhof, Scott'; 'David Ullmann'; 'Gasper Galati'; Camelino, Gus; Stevenson, Wally; 'Catherine Francis'; 'jwolf@blaney.com'; 'hferris@lawsonlundell.com'; 'Ken Pimentel'; 'Raicek, Stephen M.'; 'Alan.Merskey@nortonrosefulbright.com'; 'Christian.Roy@nortonrosefulbright.com'; 'Evan.Cobb@nortonrosefulbright.com'; Matthew Gottlieb; Andrew Winton; Laura Wagner; Wagner, Melaney; Mighton, Jesse; Douglas McIntosh (dmcintosh@alvarezandmarsal.com); 'Hutchens, Al'; gkarpel@alvarezandmarsal.com; Carfagnini, Jay; wolfgang@dv-law.com; DaRe, Vern W.
Subject: RE: CCAA Plan - Target Landlords

Tracy/Jay: as you will note form the below emails, we have requested that the Monitor provide us with information regarding RioCan's settlement. The Monitor has stated that it is not privy to such information and advised that Target Corp. claims the information is confidential.

Based on RioCan's press release, Target Corp. is to receive funds under the plan pursuant to its agreement with RioCan. Although I am of the view that full financial particulars of the transaction must be disclosed (and will request the such relief from the court if necessary), at the very least Target Corp. is obligated to advise all parties what amount it will receive under the plan pursuant to its agreement with RioCan and what arrangements are in place relating to the voting of RioCan's claim.

We would asked that you review the questions posed below and provide the information requested.

Linda Galessiere
[cid:image003.png@01CDD942.1CD9D800]
Direct: 416.369.6609
lgalessiere@mcleankerr.com<mailto:lgalessiere@mcleankerr.com>

From: Carfagnini, Jay [mailto:jcarfagnini@goodmans.ca]
Sent: Tuesday, December 01, 2015 6:00 PM
To: Galessiere, Linda
Cc: 'Bomhof, Scott'; 'David Ullmann'; 'Gasper Galati'; Camelino, Gus; Stevenson, Wally; 'Catherine Francis'; 'jwolf@blaney.com'; 'hferris@lawsonlundell.com'; 'Ken Pimentel'; 'Raicek, Stephen M.'; 'Alan.Merskey@nortonrosefulbright.com'; 'Christian.Roy@nortonrosefulbright.com'; 'Evan.Cobb@nortonrosefulbright.com'; Matt Gottlieb (mgottlieb@counsel-toronto.com<mailto:mgottlieb@counsel-toronto.com>); Andrew Winton; Laura Wagner; Wagner, Melaney; Mighton, Jesse; Douglas McIntosh (dmcintosh@alvarezandmarsal.com<mailto:dmcintosh@alvarezandmarsal.com>); 'Hutchens, Al'; gkarpel@alvarezandmarsal.com<mailto:gkarpel@alvarezandmarsal.com>
Subject: RE: CCAA Plan - Target Landlords

Linda et al,

Please see our responses below. Thank you.

Jay A. Carfagnini
Goodmans LLP

416.597.4107
jcarfagnini@goodmans.ca<mailto:jcarfagnini@goodmans.ca>

Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, ON M5H 2S7
goodmans.ca<http://goodmans.ca>

From: Galessiere, Linda [mailto:lgalessiere@mcleankerr.com]
Sent: Monday, November 30, 2015 3:43 PM
To: Carfagnini, Jay; Wagner, Melaney; Mighton, Jesse; Douglas McIntosh (dmcintosh@alvarezandmarsal.com<mailto:dmcintosh@alvarezandmarsal.com>)
Cc: 'Bomhof, Scott'; 'David Ullmann'; 'Gasper Galati'; Camelino, Gus; Stevenson, Wally; 'Catherine Francis'; 'jwolf@blaney.com'; 'hferris@lawsonlundell.com'; 'Ken Pimentel'; 'Raicek, Stephen M.'; 'Alan.Merskey@nortonrosefulbright.com'; 'Christian.Roy@nortonrosefulbright.com'; 'Evan.Cobb@nortonrosefulbright.com'; Matt Gottlieb (mgottlieb@counsel-toronto.com<mailto:mgottlieb@counsel-toronto.com>); Andrew Winton; Laura Wagner
Subject: RE: CCAA Plan - Target Landlords

Jay, in order to consider Target's motion and plan, it would be helpful if you could provide information regarding the points listed below. As you can imagine, my clients have significant concerns with the proposed plan and additional information would be very helpful to them. In this regard, could the Monitor provide the following information:

i) An analysis of the settlement that was reached with RioCan – in particular what RioCan's payment would have been under the proposed Plan as compared to the amount it received from Target Corp.

As we have advised you, the Monitor is not a party to the RioCan settlement agreement, was not involved in any discussions relating to the settlement agreement and, other than the public disclosure, is not aware of the terms of the settlement. We have requested a copy of the settlement agreement but have not been provided with one. Counsel for Target Corporation has advised the Monitor that: (a) the terms of the RioCan settlement are confidential because the settlement involves information relating to RioCan's claims and properties; and (b) cannot be disclosed without the consent of both Target Corporation and RioCan.

As discussed, confidentiality of claims, and particularly landlord claims, has been a matter of critical importance throughout the CCAA process. Claims filed in CCAA proceedings are filed on a confidential basis. Creditors are not entitled to information on the individual claims of other creditors. In fact, creditors (including landlords) have reached out to the Monitor in the context of Consultative Committee meetings and otherwise to ensure individual claims are not discussed or disclosed, with landlords being particularly sensitive to this given confidential and commercially sensitive information relating to properties, rents and financial position. The Monitor has been very careful to respect and maintain this confidentiality. Therefore, we do not think it is appropriate to disclose RioCan's payment amount under the Plan. The Monitor is working with the company and Target Corporation to see if there is any additional information with respect to the RioCan settlement that can be provided.

ii) Confirmation of whether Target Corp. intends to vote, either directly or indirectly via RioCan, RioCan's claim in the Plan and the Monitor's position regarding such.

As indicated above, the Monitor has not been provided with a copy of the settlement agreement. The Monitor made the inquiry of Target Corporation's counsel, who directed the Monitor to the press release. From the press release, we understand that RioCan has directed that any distributions to be made to it under the Plan be paid to Target Corporation. The Monitor notes that it has not received any notice of assignment of claim for voting purposes. Under the proposed Plan and Meeting Order, an assignee cannot vote (and the assignor would vote) unless evidence of an assignment has been received and acknowledged by the Monitor in writing not later than seven days before the Creditor's Meeting. The Monitor will disclose this information to the Court at the December 8 hearing and is also prepared, if the Meeting Order is granted, to tabulate these claims separately so that the Court is advised of their effect, if any, on the results at the Meeting.

iii) Confirmation of the number of claimants captured by the "convenience class" and what analysis was done by the Monitor, if any, to determine whether $25,000 was an appropriate threshold for such class. At first glance the amount seems high, but perhaps the Monitor reviewed this and could assist in advising whether such amount is appropriate/usual/common in the circumstances.

As discussed, the Monitor will be filing its Report on the Plan by January 7, 2015. It is our intention at that time to comment on the proposed Convenience Class. We do note the following preliminary observations. Plan approval requires satisfaction of a double majority test - a majority in number of affected creditors representing at least two-thirds in value of voting claims of those affected creditors voting in person or by proxy. For reference, please see the below table showing the estimated percentage of claim value and claim count of the Convenience Class (for both claims as filed and based on a preliminary assessment of filed claims, each using an estimated claim value of $900 million).

[cid:image004.png@01D12B9F.4BC98EF0]

The table reflects that, in both scenarios, Convenience Class Creditors and potential Convenience Class opt-in creditors represent in aggregate less than half of the total number of creditors and less than 1% of the total value of claims. As you know, Convenience Classes are routinely used in CCAA plans to, among other things, assist in an efficient administration of the estate and see small (and generally unsophisticated creditors) paid in full. In our experience, convenience class creditors have in some cases represented well over half of the number of claimants (see for example Canwest and Cline Mining); however, given the double majority test under the CCAA, satisfaction of two-thirds in value is still required.

www.goodmans.ca<http://www.goodmans.ca>. You may unsubscribe to certain communications by clicking here<mailto:privacyofficer@goodmans.ca>.

From: Galessiere, Linda [mailto:lgalessiere@mcleankerr.com]
Sent: Monday, November 30, 2015 3:43 PM
To: Carfagnini, Jay; Wagner, Melaney; Mighton, Jesse; Douglas McIntosh (dmcintosh@alvarezandmarsal.com<mailto:dmcintosh@alvarezandmarsal.com>)
Cc: 'Bomhof, Scott'; 'David Ullmann'; 'Gasper Galati'; Camelino, Gus; Stevenson, Wally; 'Catherine Francis'; 'jwolf@blaney.com'; 'hferris@lawsonlundell.com'; 'Ken Pimentel'; 'Raicek, Stephen M.'; 'Alan.Merskey@nortonrosefulbright.com'; 'Christian.Roy@nortonrosefulbright.com'; 'Evan.Cobb@nortonrosefulbright.com'; Matt Gottlieb (mgottlieb@counsel-toronto.com<mailto:mgottlieb@counsel-toronto.com>); Andrew Winton; Laura Wagner
Subject: RE: CCAA Plan - Target Landlords

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i) An analysis of the settlement that was reached with RioCan – in particular what RioCan's payment would have been under the proposed Plan as compared to the amount it received from Target Corp.;

ii) Confirmation of whether Target Corp. intends to vote, either directly or indirectly via RioCan, RioCan's claim in the Plan and the Monitor's position regarding such; and

iii) Confirmation of the number of claimants captured by the "convenience class" and what analysis was done by the Monitor, if any, to determine whether $25,000 was an appropriate threshold for such class. At first glance the amount seems high, but perhaps the Monitor reviewed this and could assist in advising whether such amount is appropriate/usual/common in the circumstances.

Given Target's motion is next week, I would appreciate hearing from the Monitor as soon as possible.

Linda Galessiere
[cid:image003.png@01CDD942.1CD9D800]
Direct: 416.369.6609
lgalessiere@mcleankerr.com<mailto:lgalessiere@mcleankerr.com>

Galessiere, Linda

From: Galessiere, Linda
Sent: Wednesday, December 02, 2015 7:50 AM
To: Swartz, Jay; 'Catherine Francis'; tsandler@osler.com
Cc: 'Bomhof, Scott'; David Ullmann; 'Gasper Galati'; Camelino, Gus; Stevenson, Wally; 'jwolf@blaney.com'; 'hferris@lawsonlundell.com'; 'Ken Pimentel'; 'Raicek, Stephen M.'; 'Alan.Merskey@nortonrosefulbright.com'; 'Christian.Roy@nortonrosefulbright.com'; 'Evan.Cobb@nortonrosefulbright.com'; Matthew Gottlieb; Andrew Winton; Laura Wagner; Schwill, Robin; Wagner, Melaney; Mighton, Jesse; Douglas McIntosh (dmcintosh@alvarezandmarsal.com); 'Hutchens, Al'; gkarpel@alvarezandmarsal.com; Carfagnini, Jay; wolfgang@dv-law.com; DaRe, Vern W.; dryan@faegre.com; John Wheaton (john.wheaton@faegrebd.com)
Subject: Re: CCAA Plan - Target Landlords

I expected that was the case, hence my question for the amount your client will receive - which your client most certainly knows.

Linda Galessiere
416.369.6609
Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Swartz, Jay
Sent: Wednesday, December 2, 2015 7:47 AM
To: 'Catherine Francis'; Galessiere, Linda; tsandler@osler.com
Cc: 'Bomhof, Scott'; David Ullmann; 'Gasper Galati'; Camelino, Gus; Stevenson, Wally; 'jwolf@blaney.com'; 'hferris@lawsonlundell.com'; 'Ken Pimentel'; 'Raicek, Stephen M.'; 'Alan.Merskey@nortonrosefulbright.com'; 'Christian.Roy@nortonrosefulbright.com'; 'Evan.Cobb@nortonrosefulbright.com'; Matthew Gottlieb; Andrew Winton; Laura Wagner; Schwill, Robin; Wagner, Melaney; Mighton, Jesse; Douglas McIntosh (dmcintosh@alvarezandmarsal.com); 'Hutchens, Al'; gkarpel@alvarezandmarsal.com; Carfagnini, Jay; wolfgang@dv-law.com; DaRe, Vern W.; dryan@faegre.com; John Wheaton (john.wheaton@faegrebd.com)
Subject: RE: CCAA Plan - Target Landlords

RioCan's claim is calculated in accordance with the Landlord Formula for all purposes. As is the case for all landlords the Monitor has not yet sent out its calculations.

DAVIES

Jay Swartz | Bio

155 Wellington Street West
Toronto, ON M5V 3J7

T 416.863.5520
jswartz@dwpv.com

DAVIES WARD PHILLIPS & VINEBERG LLP

From: Catherine Francis [mailto:CFrancis@mindengross.com]
Sent: December 2, 2015 7:40 AM
To: Galessiere, Linda; Swartz, Jay; tsandler@osler.com
Cc: 'Bomhof, Scott'; David Ullmann; 'Gasper Galati'; Camelino, Gus; Stevenson, Wally; 'jwolf@blaney.com'; 'hferris@lawsonlundell.com'; 'Ken Pimentel'; 'Raicek, Stephen M.'; 'Alan.Merskey@nortonrosefulbright.com';

'Christian.Roy@nortonrosefulbright.com'; 'Evan.Cobb@nortonrosefulbright.com'; Matthew Gottlieb; Andrew Winton; Laura Wagner; Schwill, Robin; Wagner, Melaney; Mighton, Jesse; Douglas McIntosh (dmcintosh@alvarezandmarsal.com); 'Hutchens, Al'; gkarpel@alvarezandmarsal.com; Carfagnini, Jay; wolfgang@dv-law.com; DaRe, Vern W.; dryan@faegre.com; John Wheaton (john.wheaton@faegrebd.com)
Subject: Re: CCAA Plan - Target Landlords

Put another way on point 1, what has Riocan's claim been valued at for voting purposes?

Catherine Francis
Minden Gross LLP
145 King Street West
Toronto, ON
M5H 4G2
416-369-4137
From: Galessiere, Linda
Sent: Wednesday, December 2, 2015 7:19 AM
To: Swartz, Jay; tsandler@osler.com
Cc: 'Bomhof, Scott'; David Ullmann; 'Gasper Galati'; Camelino, Gus; Stevenson, Wally; Catherine Francis; 'jwolf@blaney.com'; 'hferris@lawsonlundell.com'; 'Ken Pimentel'; 'Raicek, Stephen M.'; 'Alan.Merskey@nortonrosefulbright.com'; 'Christian.Roy@nortonrosefulbright.com'; 'Evan.Cobb@nortonrosefulbright.com'; Matthew Gottlieb; Andrew Winton; Laura Wagner; Schwill, Robin; Wagner, Melaney; Mighton, Jesse; Douglas McIntosh (dmcintosh@alvarezandmarsal.com); 'Hutchens, Al'; gkarpel@alvarezandmarsal.com; Carfagnini, Jay; wolfgang@dv-law.com; DaRe, Vern W.; dryan@faegre.com; John Wheaton (john.wheaton@faegrebd.com)
Subject: Re: CCAA Plan - Target Landlords

Thank you Jay for your email. My question,however was not the treatment of RicoCan's claim (of course it will get the same treatment - BIA plus one year), but the amount that this equates to that your client will receive.

With regard to voting, I am confused, from the press release it is clear that Riocan has been paid on its claim so either RicoCan no longer has a claim and no vote (I expect the monitor will be looking into this) or some arrangement has been made with regard to voting. Please advise if an arrangement has been made and what the arrangement is (ie, has RioCan agreed to vote infavour of the Plan etc)?

Linda Galessiere
416.369.6609
Sent from my BlackBerry 10 smartphone on the Rogers network.
From: Swartz, Jay
Sent: Wednesday, December 2, 2015 6:28 AM
To: Galessiere, Linda; tsandler@osler.com
Cc: 'Bomhof, Scott'; 'David Ullmann'; 'Gasper Galati'; Camelino, Gus; Stevenson, Wally; 'Catherine Francis'; 'jwolf@blaney.com'; 'hferris@lawsonlundell.com'; 'Ken Pimentel'; 'Raicek, Stephen M.'; 'Alan.Merskey@nortonrosefulbright.com'; 'Christian.Roy@nortonrosefulbright.com'; 'Evan.Cobb@nortonrosefulbright.com'; Matthew Gottlieb; Andrew Winton; Laura Wagner; Schwill, Robin; Wagner, Melaney; Mighton, Jesse; Douglas McIntosh (dmcintosh@alvarezandmarsal.com); 'Hutchens, Al'; gkarpel@alvarezandmarsal.com; Carfagnini, Jay; wolfgang@dv-law.com; DaRe, Vern W.; dryan@faegre.com; John Wheaton (john.wheaton@faegrebd.com)
Subject: RE: CCAA Plan - Target Landlords

Target Corp will receive the same distributions under the plan with respect to the RioCan claims that RioCan

would have received. For greater certainty, the RioCan claims are not included among those which benefit from the Top-Up payment.
At this time, no notice of assignment has been given to the Monitor with respect to the RioCan claims and none will be given prior to the meeting. As such the entitlement to vote these claims remains with RioCan. I understand that the voting of the RioCan claims will be separately tracked at the creditors meeting

[dwpv]<http://www.dwpv.com>

Jay Swartz | Bio<http://www.dwpv.com/en/People/Jay-A-Swartz>

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jswartz@dwpv.com<mailto:jswartz@dwpv.com>

DAVIES WARD PHILLIPS & VINEBERG LLP

From: Galessiere, Linda [mailto:lgalessiere@mcleankerr.com]
Sent: December 1, 2015 9:16 PM
To: tsandler@osler.com; Swartz, Jay
Cc: 'Bomhof, Scott'; 'David Ullmann'; 'Gasper Galati'; Camelino, Gus; Stevenson, Wally; 'Catherine Francis'; 'jwolf@blaney.com'; 'hferris@lawsonlundell.com'; 'Ken Pimentel'; 'Raicek, Stephen M.'; 'Alan.Merskey@nortonrosefulbright.com'; 'Christian.Roy@nortonrosefulbright.com'; 'Evan.Cobb@nortonrosefulbright.com'; Matthew Gottlieb; Andrew Winton; Laura Wagner; Wagner, Melaney; Mighton, Jesse; Douglas McIntosh (dmcintosh@alvarezandmarsal.com); 'Hutchens, Al'; gkarpel@alvarezandmarsal.com; Carfagnini, Jay; wolfgang@dv-law.com; DaRe, Vern W.
Subject: RE: CCAA Plan - Target Landlords

Tracy/Jay: as you will note form the below emails, we have requested that the Monitor provide us with information regarding RioCan's settlement. The Monitor has stated that it is not privy to such information and advised that Target Corp. claims the information is confidential.

Based on RioCan's press release, Target Corp. is to receive funds under the plan pursuant to its agreement with RioCan. Although I am of the view that full financial particulars of the transaction must be disclosed (and will request the such relief from the court if necessary), at the very least Target Corp. is obligated to advise all parties what amount it will receive under the plan pursuant to its agreement with RioCan and what arrangements are in place relating to the voting of RioCan's claim.

We would asked that you review the questions posed below and provide the information requested.

Linda Galessiere
[cid:image003.png@01CDD942.1CD9D800]
Direct: 416.369.6609
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Sent: Tuesday, December 01, 2015 6:00 PM
To: Galessiere, Linda

Cc: 'Bomhof, Scott'; 'David Ullmann'; 'Gasper Galati'; Camelino, Gus; Stevenson, Wally; 'Catherine Francis'; 'jwolf@blaney.com'; 'hferris@lawsonlundell.com'; 'Ken Pimentel'; 'Raicek, Stephen M.'; 'Alan.Merskey@nortonrosefulbright.com'; 'Christian.Roy@nortonrosefulbright.com'; 'Evan.Cobb@nortonrosefulbright.com'; Matt Gottlieb (mgottlieb@counsel-toronto.com<mailto:mgottlieb@counsel-toronto.com>); Andrew Winton; Laura Wagner; Wagner, Melaney; Mighton, Jesse; Douglas McIntosh (dmcintosh@alvarezandmarsal.com<mailto:dmcintosh@alvarezandmarsal.com>); 'Hutchens, Al'; gkarpel@alvarezandmarsal.com<mailto:gkarpel@alvarezandmarsal.com>
Subject: RE: CCAA Plan - Target Landlords

Linda et al,

Please see our responses below. Thank you.

Jay A. Carfagnini
Goodmans LLP

416.597.4107
jcarfagnini@goodmans.ca<mailto:jcarfagnini@goodmans.ca>

Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, ON M5H 2S7
goodmans.ca<http://goodmans.ca>

From: Galessiere, Linda [mailto:lgalessiere@mcleankerr.com]
Sent: Monday, November 30, 2015 3:43 PM
To: Carfagnini, Jay; Wagner, Melaney; Mighton, Jesse; Douglas McIntosh (dmcintosh@alvarezandmarsal.com<mailto:dmcintosh@alvarezandmarsal.com>)
Cc: 'Bomhof, Scott'; 'David Ullmann'; 'Gasper Galati'; Camelino, Gus; Stevenson, Wally; 'Catherine Francis'; 'jwolf@blaney.com'; 'hferris@lawsonlundell.com'; 'Ken Pimentel'; 'Raicek, Stephen M.'; 'Alan.Merskey@nortonrosefulbright.com'; 'Christian.Roy@nortonrosefulbright.com'; 'Evan.Cobb@nortonrosefulbright.com'; Matt Gottlieb (mgottlieb@counsel-toronto.com<mailto:mgottlieb@counsel-toronto.com>); Andrew Winton; Laura Wagner
Subject: RE: CCAA Plan - Target Landlords

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As we have advised you, the Monitor is not a party to the RioCan settlement agreement, was not involved in any discussions relating to the settlement agreement and, other than the public disclosure, is not aware of the terms of the settlement. We have requested a copy of the settlement agreement but have not been provided with one. Counsel for Target Corporation has advised the Monitor that: (a) the terms of the RioCan settlement are confidential because the settlement involves information relating to RioCan's claims and properties; and (b) cannot be disclosed without the consent of both Target Corporation and RioCan.

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iii) Confirmation of the number of claimants captured by the "convenience class" and what analysis was done by the Monitor, if any, to determine whether $25,000 was an appropriate threshold for such class. At first glance the amount seems high, but perhaps the Monitor reviewed this and could assist in advising whether such amount is appropriate/usual/common in the circumstances.

As discussed, the Monitor will be filing its Report on the Plan by January 7, 2015. It is our intention at that time to comment on the proposed Convenience Class. We do note the following preliminary observations. Plan approval requires satisfaction of a double majority test - a majority in number of affected creditors representing at least two-thirds in value of voting claims of those affected creditors voting in person or by proxy. For reference, please see the below table showing the estimated percentage of claim value and claim count of the Convenience Class (for both claims as filed and based on a preliminary assessment of filed claims, each using an estimated claim value of $900 million).

[cid:image004.png@01D12B9F.4BC98EF0]

The table reflects that, in both scenarios, Convenience Class Creditors and potential Convenience Class opt-in creditors represent in aggregate less than half of the total number of creditors and less than 1% of the total value of claims. As you know, Convenience Classes are routinely used in CCAA plans to, among other things, assist in an efficient administration of the estate and see small (and generally unsophisticated creditors) paid in full. In our experience, convenience class creditors have in some cases represented well over half of the number of claimants (see for example Canwest and Cline Mining); however, given the double majority test under the CCAA, satisfaction of two-thirds in value is still required.

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Sent: Monday, November 30, 2015 3:43 PM
To: Carfagnini, Jay; Wagner, Melaney; Mighton, Jesse; Douglas McIntosh (dmcintosh@alvarezandmarsal.com<mailto:dmcintosh@alvarezandmarsal.com>)
Cc: 'Bomhof, Scott'; 'David Ullmann'; 'Gasper Galati'; Camelino, Gus; Stevenson, Wally; 'Catherine Francis'; 'jwolf@blaney.com'; 'hferris@lawsonlundell.com'; 'Ken Pimentel'; 'Raicek, Stephen M.'; 'Alan.Merskey@nortonrosefulbright.com'; 'Christian.Roy@nortonrosefulbright.com'; 'Evan.Cobb@nortonrosefulbright.com'; Matt Gottlieb (mgottlieb@counsel-toronto.com<mailto:mgottlieb@counsel-toronto.com>); Andrew Winton; Laura Wagner
Subject: RE: CCAA Plan - Target Landlords

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Given Target's motion is next week, I would appreciate hearing from the Monitor as soon as possible.

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Subject: Re: CCAA Plan - Target Landlords

Jay, I know the day is still young, but given the very tight time lines we are working under coupled with the fact that the information requested is readily available to you, would you be so kind as to respond to my email with the information requested. Thank you.

Linda Galessiere
416.369.6609
Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Galessiere, Linda
Sent: Wednesday, December 2, 2015 7:18 AM
To: Swartz, Jay; tsandler@osler.com
Cc: 'Bomhof, Scott'; 'David Ullmann'; 'Gasper Galati'; Camelino, Gus; Stevenson, Wally; 'Catherine Francis'; 'jwolf@blaney.com'; 'hferris@lawsonlundell.com'; 'Ken Pimentel'; 'Raicek, Stephen M.'; 'Alan.Merskey@nortonrosefulbright.com'; 'Christian.Roy@nortonrosefulbright.com'; 'Evan.Cobb@nortonrosefulbright.com'; Matthew Gottlieb; Andrew Winton; Laura Wagner; Schwill, Robin; Wagner, Melaney; Mighton, Jesse; Douglas McIntosh (dmcintosh@alvarezandmarsal.com); 'Hutchens, Al'; gkarpel@alvarezandmarsal.com; Carfagnini, Jay; wolfgang@dv-law.com; DaRe, Vern W.; dryan@faegre.com; John Wheaton (john.wheaton@faegrebd.com)
Subject: Re: CCAA Plan - Target Landlords

Thank you Jay for your email. My question,however was not the treatment of RicoCan's claim (of course it will get the same treatment - BIA plus one year), but the amount that this equates to that your client will receive.

With regard to voting, I am confused, from the press release it is clear that Riocan has been paid on its claim so either RicoCan no longer has a claim and no vote (I expect the monitor will be looking into this) or some arrangement has been made with regard to voting. Please advise if an arrangement has been made and what the arrangement is (ie, has RioCan agreed to vote infavour of the Plan etc)?

Linda Galessiere
416.369.6609
Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Swartz, Jay
Sent: Wednesday, December 2, 2015 6:28 AM
To: Galessiere, Linda; tsandler@osler.com
Cc: 'Bomhof, Scott'; 'David Ullmann'; 'Gasper Galati'; Camelino, Gus; Stevenson, Wally; 'Catherine Francis'; 'jwolf@blaney.com'; 'hferris@lawsonlundell.com'; 'Ken Pimentel'; 'Raicek, Stephen M.'; 'Alan.Merskey@nortonrosefulbright.com'; 'Christian.Roy@nortonrosefulbright.com'; 'Evan.Cobb@nortonrosefulbright.com'; Matthew Gottlieb; Andrew Winton; Laura Wagner; Schwill, Robin; Wagner, Melaney; Mighton, Jesse; Douglas McIntosh (dmcintosh@alvarezandmarsal.com); 'Hutchens, Al'; gkarpel@alvarezandmarsal.com; Carfagnini, Jay; wolfgang@dv-law.com; DaRe, Vern W.; dryan@faegre.com; John Wheaton (john.wheaton@faegrebd.com)
Subject: RE: CCAA Plan - Target Landlords

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At this time, no notice of assignment has been given to the Monitor with respect to the RioCan claims and none will be given prior to the meeting. As such the entitlement to vote these claims remains with RioCan. I understand that the voting of the RioCan claims will be separately tracked at the creditors meeting

DAVIES

Jay Swartz | Bio

155 Wellington Street West
Toronto, ON M5V 3J7

T 416.863.5520
jswartz@dwpv.com

DAVIES WARD PHILLIPS & VINEBERG LLP

From: Galessiere, Linda [mailto:lgalessiere@mcleankerr.com]
Sent: December 1, 2015 9:16 PM
To: tsandler@osler.com; Swartz, Jay
Cc: 'Bomhof, Scott'; 'David Ullmann'; 'Gasper Galati'; Camelino, Gus; Stevenson, Wally; 'Catherine Francis'; 'jwolf@blaney.com'; 'hferris@lawsonlundell.com'; 'Ken Pimentel'; 'Raicek, Stephen M.'; 'Alan.Merskey@nortonrosefulbright.com'; 'Christian.Roy@nortonrosefulbright.com'; 'Evan.Cobb@nortonrosefulbright.com'; Matthew Gottlieb; Andrew Winton; Laura Wagner; Wagner, Melaney; Mighton, Jesse; Douglas McIntosh (dmcintosh@alvarezandmarsal.com); 'Hutchens, Al'; gkarpel@alvarezandmarsal.com; Carfagnini, Jay; wolfgang@dv-law.com; DaRe, Vern W.
Subject: RE: CCAA Plan - Target Landlords

Tracy/Jay: as you will note form the below emails, we have requested that the Monitor provide us with information regarding RioCan's settlement. The Monitor has stated that it is not privy to such information and advised that Target Corp. claims the information is confidential.

Based on RioCan's press release, Target Corp. is to receive funds under the plan pursuant to its agreement with RioCan. Although I am of the view that full financial particulars of the transaction must be disclosed (and will request the such relief from the court if necessary), at the very least Target Corp. is obligated to advise all parties what amount it will receive under the plan pursuant to its agreement with RioCan and what arrangements are in place relating to the voting of RioCan's claim.

We would asked that you review the questions posed below and provide the information requested.

Linda Galessiere

McLean & Kerr LLP

Direct: 416.369.6609
lgalessiere@mcleankerr.com

From: Carfagnini, Jay [mailto:jcarfagnini@goodmans.ca]
Sent: Tuesday, December 01, 2015 6:00 PM
To: Galessiere, Linda
Cc: 'Bomhof, Scott'; 'David Ullmann'; 'Gasper Galati'; Camelino, Gus; Stevenson, Wally; 'Catherine Francis'; 'jwolf@blaney.com'; 'hferris@lawsonlundell.com'; 'Ken Pimentel'; 'Raicek, Stephen M.'; 'Alan.Merskey@nortonrosefulbright.com'; 'Christian.Roy@nortonrosefulbright.com'; 'Evan.Cobb@nortonrosefulbright.com'; Matt Gottlieb (mgottlieb@counsel-toronto.com); Andrew Winton; Laura Wagner; Wagner, Melaney; Mighton, Jesse; Douglas McIntosh (dmcintosh@alvarezandmarsal.com); 'Hutchens, Al'; gkarpel@alvarezandmarsal.com
Subject: RE: CCAA Plan - Target Landlords

Linda et al,

Please see our responses below. Thank you.

Jay A. Carfagnini
Goodmans LLP

416.597.4107
jcarfagnini@goodmans.ca

Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, ON M5H 2S7
goodmans.ca

From: Galessiere, Linda [mailto:lgalessiere@mcleankerr.com]
Sent: Monday, November 30, 2015 3:43 PM
To: Carfagnini, Jay; Wagner, Melaney; Mighton, Jesse; Douglas McIntosh (dmcintosh@alvarezandmarsal.com)
Cc: 'Bomhof, Scott'; 'David Ullmann'; 'Gasper Galati'; Camelino, Gus; Stevenson, Wally; 'Catherine Francis'; 'jwolf@blaney.com'; 'hferris@lawsonlundell.com'; 'Ken Pimentel'; 'Raicek, Stephen M.'; 'Alan.Merskey@nortonrosefulbright.com'; 'Christian.Roy@nortonrosefulbright.com'; 'Evan.Cobb@nortonrosefulbright.com'; Matt Gottlieb (mgottlieb@counsel-toronto.com); Andrew Winton; Laura Wagner
Subject: RE: CCAA Plan - Target Landlords

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i) An analysis of the settlement that was reached with RioCan – in particular what RioCan's payment would have been under the proposed Plan as compared to the amount it received from Target Corp.

As we have advised you, the Monitor is not a party to the RioCan settlement agreement, was not involved in any discussions relating to the settlement agreement and, other than the public disclosure, is not aware of the terms of the settlement. We have requested a copy of the settlement agreement but have not been provided with one. Counsel for Target Corporation has advised the Monitor that: (a) the terms of the RioCan settlement are confidential because the settlement involves information relating to RioCan's claims and properties; and (b) cannot be disclosed without the consent of both Target Corporation and RioCan.

As discussed, confidentiality of claims, and particularly landlord claims, has been a matter of critical importance throughout the CCAA process. Claims filed in CCAA proceedings are filed on a confidential basis. Creditors are not entitled to information on the individual claims of other creditors. In fact, creditors (including landlords) have reached out to the Monitor in the context of Consultative Committee meetings and otherwise to ensure individual claims are not discussed or disclosed, with landlords being particularly sensitive to this given confidential and commercially sensitive information relating to properties, rents and financial position. The Monitor has been very careful to respect and maintain this confidentiality. Therefore, we do not think it is appropriate to disclose RioCan's payment amount under the Plan. The Monitor is working with the company and Target Corporation to see if there is any additional information with respect to the RioCan settlement that can be provided.

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As indicated above, the Monitor has not been provided with a copy of the settlement agreement. The Monitor made the inquiry of Target Corporation's counsel, who directed the Monitor to the press release. From the press release, we understand that RioCan has directed that any distributions to be made to it under the Plan be paid to Target Corporation. The Monitor notes that it has not received any notice of assignment of claim for voting purposes. Under the proposed Plan and Meeting Order, an assignee cannot vote (and the assignor would vote) unless evidence of an assignment has been received and acknowledged by the Monitor in writing not later than seven days before the Creditor's Meeting. The Monitor will disclose this information to the Court at the December 8 hearing and is also prepared, if the Meeting Order is granted, to tabulate these claims separately so that the Court is advised of their effect, if any, on the results at the Meeting.

iii) Confirmation of the number of claimants captured by the "convenience class" and what analysis was done by the Monitor, if any, to determine whether $25,000 was an appropriate threshold for such class. At first glance the amount seems high, but perhaps the Monitor reviewed this and could assist in advising whether such amount is appropriate/usual/common in the circumstances.

As discussed, the Monitor will be filing its Report on the Plan by January 7, 2015. It is our intention at that time to comment on the proposed Convenience Class. We do note the following preliminary observations. Plan approval requires satisfaction of a double majority test - a majority in number of affected creditors representing at least two-thirds in value of voting claims of those affected creditors voting in person or by proxy. For reference, please see the below table showing the estimated percentage of claim value and claim count of the Convenience Class (for both claims as filed and based on a preliminary assessment of filed claims, each using an estimated claim value of $900 million).

Convenience Class	Claims as Filed		Claims as Fil
	Claim Value	Claim Count	Claim Value
Convenience Class - <$25,000	5,543,685	615	5,759,547
Convenience Class Opt In - <$35,000	2,793,694	94	2,692,288
Total	**8,337,379**	**709**	**8,451,835**
Estimated Claim Value and # of claims filed	**900,000,000**	**1,710**	**900,000,000**
% of Total Claims	***0.93%***	***41.5%***	***0.94%***

The table reflects that, in both scenarios, Convenience Class Creditors and potential Convenience Class opt-in creditors represent in aggregate less than half of the total number of creditors and less than 1% of the total value of claims. As you know, Convenience Classes are routinely used in CCAA plans to, among other things, assist in an efficient administration of the estate and see small (and generally unsophisticated creditors) paid in full. In our experience, convenience class creditors have in some cases represented well over half of the number of claimants (see for example Canwest and Cline Mining); however, given the double majority test under the CCAA, satisfaction of two-thirds in value is still required.

From: Galessiere, Linda [mailto:lgalessiere@mcleankerr.com]
Sent: Monday, November 30, 2015 3:43 PM
To: Carfagnini, Jay; Wagner, Melaney; Mighton, Jesse; Douglas McIntosh (dmcintosh@alvarezandmarsal.com)
Cc: 'Bomhof, Scott'; 'David Ullmann'; 'Gasper Galati'; Camelino, Gus; Stevenson, Wally; 'Catherine Francis'; 'jwolf@blaney.com'; 'hferris@lawsonlundell.com'; 'Ken Pimentel'; 'Raicek, Stephen M.'; 'Alan.Merskey@nortonrosefulbright.com'; 'Christian.Roy@nortonrosefulbright.com'; 'Evan.Cobb@nortonrosefulbright.com'; Matt Gottlieb (mgottlieb@counsel-toronto.com); Andrew Winton; Laura Wagner
Subject: RE: CCAA Plan - Target Landlords

Jay, in order to consider Target's motion and plan, it would be helpful if you could provide information regarding the points listed below. As you can imagine, my clients have significant concerns with the proposed plan and additional information would be very helpful to them. In this regard, could the Monitor provide the following information:

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Given Target's motion is next week, I would appreciate hearing from the Monitor as soon as possible.

Linda Galessiere

McLean & Kerr LLP

Direct: 416.369.6609
lgalessiere@mcleankerr.com

Galessiere, Linda

From: Galessiere, Linda
Sent: Wednesday, December 02, 2015 10:48 AM
To: 'Carfagnini, Jay'
Cc: 'Bomhof, Scott'; 'David Ullmann'; 'Gasper Galati'; Camelino, Gus; Stevenson, Wally; 'Catherine Francis'; 'jwolf@blaney.com'; 'hferris@lawsonlundell.com'; 'Ken Pimentel'; 'Raicek, Stephen M.'; 'Alan.Merskey@nortonrosefulbright.com'; 'Christian.Roy@nortonrosefulbright.com'; 'Evan.Cobb@nortonrosefulbright.com'; Matt Gottlieb (mgottlieb@counsel-toronto.com); Andrew Winton; Laura Wagner; Wagner, Melaney; Mighton, Jesse; Douglas McIntosh (dmcintosh@alvarezandmarsal.com); 'Hutchens, Al'; gkarpel@alvarezandmarsal.com; wolfgang@dv-law.com; vdare@foglers.com
Subject: RE: CCAA Plan - Target Landlords

Jay, I know you will have seen my emails this morning to Jay (the other Jay) and Tracey. In those emails I reference the fact that RioCan appears to have fully mitigated its losses. Unless there was an assignment of the debt or an assumption of the debt with rights of subrogation by Target Corp. as a term of payment (I am unaware of any other legal basis for a debtor to continue to be liable for a claim that has been otherwise paid), the debt appears to be extinguished for the purposes of a claim in the CCAA process.

As RioCan has fully mitigated its losses, if there has been no assignment or assumption of the debt as a term of payment by Target Corp., then RioCan's claim, if not already withdrawn, should be fully disallowed.

It is requested that the Monitor investigate this matter and advise us whether RioCan will be permitted to vote its claim and if yes, the basis for such vote (ie. the debt was assigned or assumed).

Linda Galessiere

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Sent: Tuesday, December 01, 2015 6:00 PM
To: Galessiere, Linda
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Subject: RE: CCAA Plan - Target Landlords

Linda et al,

Please see our responses below. Thank you.

Jay A. Carfagnini
Goodmans LLP

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jcarfagnini@goodmans.ca

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Toronto, ON M5H 2S7
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Linda Galessiere

McLean
& Kerr LLP

Direct: 416.369.6609
lgalessiere@mcleankerr.com

Galessiere, Linda

From: Swartz, Jay <JSwartz@dwpv.com>
Sent: Wednesday, December 02, 2015 11:46 AM
To: Galessiere, Linda; tsandler@osler.com
Cc: 'Bomhof, Scott'; 'David Ullmann'; 'Gasper Galati'; Camelino, Gus; Stevenson, Wally; 'Catherine Francis'; 'jwolf@blaney.com'; 'hferris@lawsonlundell.com'; 'Ken Pimentel'; 'Raicek, Stephen M.'; 'Alan.Merskey@nortonrosefulbright.com'; 'Christian.Roy@nortonrosefulbright.com'; 'Evan.Cobb@nortonrosefulbright.com'; Matthew Gottlieb; Andrew Winton; Laura Wagner; Schwill, Robin; Wagner, Melaney; Mighton, Jesse; Douglas McIntosh (dmcintosh@alvarezandmarsal.com); 'Hutchens, Al'; gkarpel@alvarezandmarsal.com; Carfagnini, Jay; wolfgang@dv-law.com; DaRe, Vern W.; dryan@faegre.com; John Wheaton (john.wheaton@faegrebd.com)
Subject: RE: CCAA Plan - Target Landlords

1. The amount of any creditors' claim is being kept confidential from other parties. Implicit in the calculation is proprietary information re rental terms. The Monitor has already made it clear that parties are sensitive about this.

2. Under our contract with RioCan we have duties of confidentiality

3. The terms of our settlement with RioCan are based on specific facts unique to it and are outside the plan and don't affect others. There is no cost to the estate. None of this impacts whether the meeting should proceed.

Jay A. Swartz
DAVIES WARD PHILLIPS & VINEBERG LLP
Tel: 416 863 5520 E: jswartz@dwpv.com

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Jay, I know the day is still young, but given the very tight time lines we are working under coupled with the fact that the information requested is readily available to you, would you be so kind as to respond to my email with the information requested. Thank you.

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T 416.863.5520
jswartz@dwpv.com

DAVIES WARD PHILLIPS & VINEBERG LLP

From: Galessiere, Linda [mailto:lgalessiere@mcleankerr.com]
Sent: December 1, 2015 9:16 PM
To: tsandler@osler.com; Swartz, Jay
Cc: 'Bomhof, Scott'; 'David Ullmann'; 'Gasper Galati'; Camelino, Gus; Stevenson, Wally; 'Catherine Francis'; 'jwolf@blaney.com'; 'hferris@lawsonlundell.com'; 'Ken Pimentel'; 'Raicek, Stephen M.'; 'Alan.Merskey@nortonrosefulbright.com'; 'Christian.Roy@nortonrosefulbright.com'; 'Evan.Cobb@nortonrosefulbright.com'; Matthew Gottlieb; Andrew Winton; Laura Wagner; Wagner, Melaney; Mighton, Jesse; Douglas McIntosh (dmcintosh@alvarezandmarsal.com); 'Hutchens, Al'; gkarpel@alvarezandmarsal.com; Carfagnini, Jay; wolfgang@dv-

law.com; DaRe, Vern W.
Subject: RE: CCAA Plan - Target Landlords

Tracy/Jay: as you will note form the below emails, we have requested that the Monitor provide us with information regarding RioCan's settlement. The Monitor has stated that it is not privy to such information and advised that Target Corp. claims the information is confidential.

Based on RioCan's press release, Target Corp. is to receive funds under the plan pursuant to its agreement with RioCan. Although I am of the view that full financial particulars of the transaction must be disclosed (and will request the such relief from the court if necessary), at the very least Target Corp. is obligated to advise all parties what amount it will receive under the plan pursuant to its agreement with RioCan and what arrangements are in place relating to the voting of RioCan's claim.

We would asked that you review the questions posed below and provide the information requested.

Linda Galessiere
McLean
& Kerr LLP
Direct: 416.369.6609
lgalessiere@mcleankerr.com

From: Carfagnini, Jay [mailto:jcarfagnini@goodmans.ca]
Sent: Tuesday, December 01, 2015 6:00 PM
To: Galessiere, Linda
Cc: 'Bomhof, Scott'; 'David Ullmann'; 'Gasper Galati'; Camelino, Gus; Stevenson, Wally; 'Catherine Francis'; 'jwolf@blaney.com'; 'hferris@lawsonlundell.com'; 'Ken Pimentel'; 'Raicek, Stephen M.'; 'Alan.Merskey@nortonrosefulbright.com'; 'Christian.Roy@nortonrosefulbright.com'; 'Evan.Cobb@nortonrosefulbright.com'; Matt Gottlieb (mgottlieb@counsel-toronto.com); Andrew Winton; Laura Wagner; Wagner, Melaney; Mighton, Jesse; Douglas McIntosh (dmcintosh@alvarezandmarsal.com); 'Hutchens, Al'; gkarpel@alvarezandmarsal.com
Subject: RE: CCAA Plan - Target Landlords

Linda et al,

Please see our responses below. Thank you.

Jay A. Carfagnini
Goodmans LLP

416.597.4107
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Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, ON M5H 2S7
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From: Galessiere, Linda [mailto:lgalessiere@mcleankerr.com]
Sent: Monday, November 30, 2015 3:43 PM
To: Carfagnini, Jay; Wagner, Melaney; Mighton, Jesse; Douglas McIntosh (dmcintosh@alvarezandmarsal.com)
Cc: 'Bomhof, Scott'; 'David Ullmann'; 'Gasper Galati'; Camelino, Gus; Stevenson, Wally; 'Catherine Francis';

'jwolf@blaney.com'; 'hferris@lawsonlundell.com'; 'Ken Pimentel'; 'Raicek, Stephen M.'; 'Alan.Merskey@nortonrosefulbright.com'; 'Christian.Roy@nortonrosefulbright.com'; 'Evan.Cobb@nortonrosefulbright.com'; Matt Gottlieb (mgottlieb@counsel-toronto.com); Andrew Winton; Laura Wagner
Subject: RE: CCAA Plan - Target Landlords

Jay, in order to consider Target's motion and plan, it would be helpful if you could provide information regarding the points listed below. As you can imagine, my clients have significant concerns with the proposed plan and additional information would be very helpful to them. In this regard, could the Monitor provide the following information:

i) An analysis of the settlement that was reached with RioCan – in particular what RioCan's payment would have been under the proposed Plan as compared to the amount it received from Target Corp.

As we have advised you, the Monitor is not a party to the RioCan settlement agreement, was not involved in any discussions relating to the settlement agreement and, other than the public disclosure, is not aware of the terms of the settlement. We have requested a copy of the settlement agreement but have not been provided with one. Counsel for Target Corporation has advised the Monitor that: (a) the terms of the RioCan settlement are confidential because the settlement involves information relating to RioCan's claims and properties; and (b) cannot be disclosed without the consent of both Target Corporation and RioCan.

As discussed, confidentiality of claims, and particularly landlord claims, has been a matter of critical importance throughout the CCAA process. Claims filed in CCAA proceedings are filed on a confidential basis. Creditors are not entitled to information on the individual claims of other creditors. In fact, creditors (including landlords) have reached out to the Monitor in the context of Consultative Committee meetings and otherwise to ensure individual claims are not discussed or disclosed, with landlords being particularly sensitive to this given confidential and commercially sensitive information relating to properties, rents and financial position. The Monitor has been very careful to respect and maintain this confidentiality. Therefore, we do not think it is appropriate to disclose RioCan's payment amount under the Plan. The Monitor is working with the company and Target Corporation to see if there is any additional information with respect to the RioCan settlement that can be provided.

ii) Confirmation of whether Target Corp. intends to vote, either directly or indirectly via RioCan, RioCan's claim in the Plan and the Monitor's position regarding such.

As indicated above, the Monitor has not been provided with a copy of the settlement agreement. The Monitor made the inquiry of Target Corporation's counsel, who directed the Monitor to the press release. From the press release, we understand that RioCan has directed that any distributions to be made to it under the Plan be paid to Target Corporation. The Monitor notes that it has not received any notice of assignment of claim for voting purposes. Under the proposed Plan and Meeting Order, an assignee cannot vote (and the assignor would vote) unless evidence of an assignment has been received and acknowledged by the Monitor in writing not later than seven days before the Creditor's Meeting. The Monitor will disclose this information to the Court at the December 8 hearing and is also prepared, if the Meeting Order is granted, to tabulate these claims separately so that the Court is advised of their effect, if any, on the results at the Meeting.

iii) Confirmation of the number of claimants captured by the "convenience class" and what analysis was done by the Monitor, if any, to determine whether $25,000 was an appropriate threshold for such class. At first glance the amount seems high, but perhaps the Monitor reviewed this and could assist in advising whether such amount is appropriate/usual/common in the circumstances.

As discussed, the Monitor will be filing its Report on the Plan by January 7, 2015. It is our intention at that time to comment on the proposed Convenience Class. We do note the following preliminary observations. Plan approval requires satisfaction of a double majority test - a majority in number of affected creditors representing at least two-thirds in value of voting claims of those affected creditors voting in person or by proxy. For reference, please see the below table showing the estimated percentage of claim value and claim count of the Convenience Class (for both claims as filed and based on a preliminary assessment of filed claims, each using an estimated claim value of $900 million).

Convenience Class	**Claims as Filed**		**Claims as Fil**
	Claim Value	**Claim Count**	**Claim Value**
Convenience Class - <$25,000	5,543,685	615	5,759,547
Convenience Class Opt In - <$35,000	2,793,694	94	2,692,288
Total	**8,337,379**	**709**	**8,451,835**
Estimated Claim Value and # of claims filed	**900,000,000**	**1,710**	**900,000,000**
% of Total Claims	***0.93%***	***41.5%***	***0.94%***

The table reflects that, in both scenarios, Convenience Class Creditors and potential Convenience Class opt-in creditors represent in aggregate less than half of the total number of creditors and less than 1% of the total value of claims. As you know, Convenience Classes are routinely used in CCAA plans to, among other things, assist in an efficient administration of the estate and see small (and generally unsophisticated creditors) paid in full. In our experience, convenience class creditors have in some cases represented well over half of the number of claimants (see for example Canwest and Cline Mining); however, given the double majority test under the CCAA, satisfaction of two-thirds in value is still required.

From: Galessiere, Linda [mailto:lgalessiere@mcleankerr.com]
Sent: Monday, November 30, 2015 3:43 PM
To: Carfagnini, Jay; Wagner, Melaney; Mighton, Jesse; Douglas McIntosh (dmcintosh@alvarezandmarsal.com)
Cc: 'Bomhof, Scott'; 'David Ullmann'; 'Gasper Galati'; Camelino, Gus; Stevenson, Wally; 'Catherine Francis'; 'jwolf@blaney.com'; 'hferris@lawsonlundell.com'; 'Ken Pimentel'; 'Raicek, Stephen M.'; 'Alan.Merskey@nortonrosefulbright.com'; 'Christian.Roy@nortonrosefulbright.com'; 'Evan.Cobb@nortonrosefulbright.com'; Matt Gottlieb (mgottlieb@counsel-toronto.com); Andrew Winton; Laura Wagner
Subject: RE: CCAA Plan - Target Landlords

Jay, in order to consider Target's motion and plan, it would be helpful if you could provide information regarding the points listed below. As you can imagine, my clients have significant concerns with the proposed plan and additional information would be very helpful to them. In this regard, could the Monitor provide the following information:

i) An analysis of the settlement that was reached with RioCan – in particular what RioCan's payment would have been under the proposed Plan as compared to the amount it received from Target Corp.;

ii) Confirmation of whether Target Corp. intends to vote, either directly or indirectly via RioCan, RioCan's claim in the Plan and the Monitor's position regarding such; and

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Given Target's motion is next week, I would appreciate hearing from the Monitor as soon as possible.

Linda Galessiere
McLean & Kerr LLP
Direct: 416.369.6609
lgalessiere@mcleankerr.com

Galessiere, Linda

From: Galessiere, Linda
Sent: Wednesday, December 02, 2015 11:53 AM
To: 'Swartz, Jay'; tsandler@osler.com
Cc: 'Bomhof, Scott'; 'David Ullmann'; 'Gasper Galati'; Camelino, Gus; Stevenson, Wally; 'Catherine Francis'; 'jwolf@blaney.com'; 'hferris@lawsonlundell.com'; 'Ken Pimentel'; 'Raicek, Stephen M.'; 'Alan.Merskey@nortonrosefulbright.com'; 'Christian.Roy@nortonrosefulbright.com'; 'Evan.Cobb@nortonrosefulbright.com'; Matthew Gottlieb; Andrew Winton; Laura Wagner; Schwill, Robin; Wagner, Melaney; Mighton, Jesse; Douglas McIntosh (dmcintosh@alvarezandmarsal.com); 'Hutchens, Al'; gkarpel@alvarezandmarsal.com; Carfagnini, Jay; wolfgang@dv-law.com; DaRe, Vern W.; dryan@faegre.com; John Wheaton (john.wheaton@faegrebd.com)
Subject: RE: CCAA Plan - Target Landlords

Thank you Jay. My question was what *your* client would be receiving as a result of its agreement with RioCan – I can't see any basis for confidentiality of the amount being paid to Target Corp. In fact, I would think Target Corp. is obligated to disclose this information.

Linda Galessiere
McLean
& Kerr LLP
Direct: 416.369.6609
lgalessiere@mcleankerr.com

From: Swartz, Jay [mailto:JSwartz@dwpv.com]
Sent: Wednesday, December 02, 2015 11:46 AM
To: Galessiere, Linda; tsandler@osler.com
Cc: 'Bomhof, Scott'; 'David Ullmann'; 'Gasper Galati'; Camelino, Gus; Stevenson, Wally; 'Catherine Francis'; 'jwolf@blaney.com'; 'hferris@lawsonlundell.com'; 'Ken Pimentel'; 'Raicek, Stephen M.'; 'Alan.Merskey@nortonrosefulbright.com'; 'Christian.Roy@nortonrosefulbright.com'; 'Evan.Cobb@nortonrosefulbright.com'; Matthew Gottlieb; Andrew Winton; Laura Wagner; Schwill, Robin; Wagner, Melaney; Mighton, Jesse; Douglas McIntosh (dmcintosh@alvarezandmarsal.com); 'Hutchens, Al'; gkarpel@alvarezandmarsal.com; Carfagnini, Jay; wolfgang@dv-law.com; DaRe, Vern W.; dryan@faegre.com; John Wheaton (john.wheaton@faegrebd.com)
Subject: RE: CCAA Plan - Target Landlords

1. The amount of any creditors' claim is being kept confidential from other parties. Implicit in the calculation is proprietary information re rental terms. The Monitor has already made it clear that parties are sensitive about this.

2. Under our contract with RioCan we have duties of confidentiality

3. The terms of our settlement with RioCan are based on specific facts unique to it and are outside the plan and don't affect others. There is no cost to the estate. None of this impacts whether the meeting should proceed.

Jay A. Swartz
DAVIES WARD PHILLIPS & VINEBERG LLP
Tel: 416 863 5520 E: jswartz@dwpv.com

From: Galessiere, Linda [mailto:lgalessiere@mcleankerr.com]
Sent: December 2, 2015 9:28 AM

To: Swartz, Jay; tsandler@osler.com
Cc: 'Bomhof, Scott'; 'David Ullmann'; 'Gasper Galati'; Camelino, Gus; Stevenson, Wally; 'Catherine Francis'; 'jwolf@blaney.com'; 'hferris@lawsonlundell.com'; 'Ken Pimentel'; 'Raicek, Stephen M.'; 'Alan.Merskey@nortonrosefulbright.com'; 'Christian.Roy@nortonrosefulbright.com'; 'Evan.Cobb@nortonrosefulbright.com'; Matthew Gottlieb; Andrew Winton; Laura Wagner; Schwill, Robin; Wagner, Melaney; Mighton, Jesse; Douglas McIntosh (dmcintosh@alvarezandmarsal.com); 'Hutchens, Al'; gkarpel@alvarezandmarsal.com; Carfagnini, Jay; wolfgang@dv-law.com; DaRe, Vern W.; dryan@faegre.com; John Wheaton (john.wheaton@faegrebd.com)
Subject: Re: CCAA Plan - Target Landlords

Jay, I know the day is still young, but given the very tight time lines we are working under coupled with the fact that the information requested is readily available to you, would you be so kind as to respond to my email with the information requested. Thank you.

Linda Galessiere
416.369.6609
Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Galessiere, Linda
Sent: Wednesday, December 2, 2015 7:18 AM
To: Swartz, Jay; tsandler@osler.com
Cc: 'Bomhof, Scott'; 'David Ullmann'; 'Gasper Galati'; Camelino, Gus; Stevenson, Wally; 'Catherine Francis'; 'jwolf@blaney.com'; 'hferris@lawsonlundell.com'; 'Ken Pimentel'; 'Raicek, Stephen M.'; 'Alan.Merskey@nortonrosefulbright.com'; 'Christian.Roy@nortonrosefulbright.com'; 'Evan.Cobb@nortonrosefulbright.com'; Matthew Gottlieb; Andrew Winton; Laura Wagner; Schwill, Robin; Wagner, Melaney; Mighton, Jesse; Douglas McIntosh (dmcintosh@alvarezandmarsal.com); 'Hutchens, Al'; gkarpel@alvarezandmarsal.com; Carfagnini, Jay; wolfgang@dv-law.com; DaRe, Vern W.; dryan@faegre.com; John Wheaton (john.wheaton@faegrebd.com)
Subject: Re: CCAA Plan - Target Landlords

Thank you Jay for your email. My question,however was not the treatment of RicoCan's claim (of course it will get the same treatment - BIA plus one year), but the amount that this equates to that your client will receive.

With regard to voting, I am confused, from the press release it is clear that Riocan has been paid on its claim so either RicoCan no longer has a claim and no vote (I expect the monitor will be looking into this) or some arrangement has been made with regard to voting. Please advise if an arrangement has been made and what the arrangement is (ie, has RioCan agreed to vote infavour of the Plan etc)?

Linda Galessiere
416.369.6609
Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Swartz, Jay
Sent: Wednesday, December 2, 2015 6:28 AM
To: Galessiere, Linda; tsandler@osler.com
Cc: 'Bomhof, Scott'; 'David Ullmann'; 'Gasper Galati'; Camelino, Gus; Stevenson, Wally; 'Catherine Francis'; 'jwolf@blaney.com'; 'hferris@lawsonlundell.com'; 'Ken Pimentel'; 'Raicek, Stephen M.'; 'Alan.Merskey@nortonrosefulbright.com'; 'Christian.Roy@nortonrosefulbright.com'; 'Evan.Cobb@nortonrosefulbright.com'; Matthew Gottlieb; Andrew Winton; Laura Wagner; Schwill, Robin; Wagner, Melaney; Mighton, Jesse; Douglas McIntosh (dmcintosh@alvarezandmarsal.com); 'Hutchens, Al'; gkarpel@alvarezandmarsal.com; Carfagnini, Jay; wolfgang@dv-law.com; DaRe, Vern W.; dryan@faegre.com; John Wheaton (john.wheaton@faegrebd.com)
Subject: RE: CCAA Plan - Target Landlords

Target Corp will receive the same distributions under the plan with respect to the RioCan claims that RioCan would have received. For greater certainty, the RioCan claims are not included among those which benefit from the Top-Up payment.

At this time, no notice of assignment has been given to the Monitor with respect to the RioCan claims and none will be given prior to the meeting. As such the entitlement to vote these claims remains with RioCan. I understand that the voting of the RioCan claims will be separately tracked at the creditors meeting

Jay Swartz | Bio

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Toronto, ON M5V 3J7

T 416.863.5520
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DAVIES WARD PHILLIPS & VINEBERG LLP

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Sent: December 1, 2015 9:16 PM
To: tsandler@osler.com; Swartz, Jay
Cc: 'Bomhof, Scott'; 'David Ullmann'; 'Gasper Galati'; Camelino, Gus; Stevenson, Wally; 'Catherine Francis'; 'jwolf@blaney.com'; 'hferris@lawsonlundell.com'; 'Ken Pimentel'; 'Raicek, Stephen M.'; 'Alan.Merskey@nortonrosefulbright.com'; 'Christian.Roy@nortonrosefulbright.com'; 'Evan.Cobb@nortonrosefulbright.com'; Matthew Gottlieb; Andrew Winton; Laura Wagner; Wagner, Melaney; Mighton, Jesse; Douglas McIntosh (dmcintosh@alvarezandmarsal.com); 'Hutchens, Al'; gkarpel@alvarezandmarsal.com; Carfagnini, Jay; wolfgang@dv-law.com; DaRe, Vern W.
Subject: RE: CCAA Plan - Target Landlords

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We would asked that you review the questions posed below and provide the information requested.

Linda Galessiere

McLean & Kerr LLP

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lgalessiere@mcleankerr.com

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Sent: Tuesday, December 01, 2015 6:00 PM
To: Galessiere, Linda

Cc: 'Bomhof, Scott'; 'David Ullmann'; 'Gasper Galati'; Camelino, Gus; Stevenson, Wally; 'Catherine Francis'; 'jwolf@blaney.com'; 'hferris@lawsonlundell.com'; 'Ken Pimentel'; 'Raicek, Stephen M.'; 'Alan.Merskey@nortonrosefulbright.com'; 'Christian.Roy@nortonrosefulbright.com'; 'Evan.Cobb@nortonrosefulbright.com'; Matt Gottlieb (mgottlieb@counsel-toronto.com); Andrew Winton; Laura Wagner; Wagner, Melaney; Mighton, Jesse; Douglas McIntosh (dmcintosh@alvarezandmarsal.com); 'Hutchens, Al'; gkarpel@alvarezandmarsal.com
Subject: RE: CCAA Plan - Target Landlords

Linda et al,

Please see our responses below. Thank you.

Jay A. Carfagnini
Goodmans LLP

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Sent: Monday, November 30, 2015 3:43 PM
To: Carfagnini, Jay; Wagner, Melaney; Mighton, Jesse; Douglas McIntosh (dmcintosh@alvarezandmarsal.com)
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As discussed, the Monitor will be filing its Report on the Plan by January 7, 2015. It is our intention at that time to comment on the proposed Convenience Class. We do note the following preliminary observations. Plan approval requires satisfaction of a double majority test - a majority in number of affected creditors representing at least two-thirds in value of voting claims of those affected creditors voting in person or by proxy. For reference, please see the below table showing the estimated percentage of claim value and claim count of the Convenience Class (for both claims as filed and based on a preliminary assessment of filed claims, each using an estimated claim value of $900 million).

Convenience Class	Claims as Filed		Claims as Fil
	Claim Value	Claim Count	Claim Value
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The table reflects that, in both scenarios, Convenience Class Creditors and potential Convenience Class opt-in creditors represent in aggregate less than half of the total number of creditors and less than 1% of the total value of claims. As you know, Convenience Classes are routinely used in CCAA plans to, among other things, assist in an efficient administration of the estate and see small (and generally unsophisticated creditors) paid in full. In our experience, convenience class creditors have in some cases represented well over half of the number of claimants (see for example Canwest and Cline Mining); however, given the double majority test under the CCAA, satisfaction of two-thirds in value is still required.

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Subject: RE: CCAA Plan - Target Landlords

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Galessiere, Linda

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Subject: RE: CCAA Plan - Target Landlords

You have already been told that what was in RioCan's press release.
To be clear, Target Corp. has no obligations of disclosure in respect of its private contractual arrangements and none of your incessant questions are in any relevant to a hearing on the meetings order.

From: Galessiere, Linda [mailto:lgalessiere@mcleankerr.com]
Sent: December 2, 2015 11:53 AM
To: Swartz, Jay; tsandler@osler.com
Cc: 'Bomhof, Scott'; 'David Ullmann'; 'Gasper Galati'; Camelino, Gus; Stevenson, Wally; 'Catherine Francis'; 'jwolf@blaney.com'; 'hferris@lawsonlundell.com'; 'Ken Pimentel'; 'Raicek, Stephen M.'; 'Alan.Merskey@nortonrosefulbright.com'; 'Christian.Roy@nortonrosefulbright.com'; 'Evan.Cobb@nortonrosefulbright.com'; Matthew Gottlieb; Andrew Winton; Laura Wagner; Schwill, Robin; Wagner, Melaney; Mighton, Jesse; Douglas McIntosh (dmcintosh@alvarezandmarsal.com); 'Hutchens, Al'; gkarpel@alvarezandmarsal.com; Carfagnini, Jay; wolfgang@dv-law.com; DaRe, Vern W.; dryan@faegre.com; John Wheaton (john.wheaton@faegrebd.com)
Subject: RE: CCAA Plan - Target Landlords

Thank you Jay. My question was what *your* client would be receiving as a result of its agreement with RioCan – I can't see any basis for confidentiality of the amount being paid to Target Corp. In fact, I would think Target Corp. is obligated to disclose this information.

Linda Galessiere

McLean & Kerr LLP

Direct: 416.369.6609
lgalessiere@mcleankerr.com

From: Swartz, Jay [mailto:JSwartz@dwpv.com]
Sent: Wednesday, December 02, 2015 11:46 AM
To: Galessiere, Linda; tsandler@osler.com
Cc: 'Bomhof, Scott'; 'David Ullmann'; 'Gasper Galati'; Camelino, Gus; Stevenson, Wally; 'Catherine Francis'; 'jwolf@blaney.com'; 'hferris@lawsonlundell.com'; 'Ken Pimentel'; 'Raicek, Stephen M.'; 'Alan.Merskey@nortonrosefulbright.com'; 'Christian.Roy@nortonrosefulbright.com'; 'Evan.Cobb@nortonrosefulbright.com'; Matthew Gottlieb; Andrew Winton; Laura Wagner; Schwill, Robin; Wagner, Melaney; Mighton, Jesse; Douglas McIntosh (dmcintosh@alvarezandmarsal.com); 'Hutchens, Al'; gkarpel@alvarezandmarsal.com; Carfagnini, Jay; wolfgang@dv-law.com; DaRe, Vern W.; dryan@faegre.com; John Wheaton (john.wheaton@faegrebd.com)
Subject: RE: CCAA Plan - Target Landlords

1. The amount of any creditors' claim is being kept confidential from other parties. Implicit in the calculation is proprietary information re rental terms. The Monitor has already made it clear that parties are sensitive about this.

2. Under our contract with RioCan we have duties of confidentiality

3. The terms of our settlement with RioCan are based on specific facts unique to it and are outside the plan and don't affect others. There is no cost to the estate. None of this impacts whether the meeting should proceed.

Jay A. Swartz
DAVIES WARD PHILLIPS & VINEBERG LLP
Tel: 416 863 5520 E: jswartz@dwpv.com

From: Galessiere, Linda [mailto:lgalessiere@mcleankerr.com]
Sent: December 2, 2015 9:28 AM
To: Swartz, Jay; tsandler@osler.com
Cc: 'Bomhof, Scott'; 'David Ullmann'; 'Gasper Galati'; Camelino, Gus; Stevenson, Wally; 'Catherine Francis'; 'jwolf@blaney.com'; 'hferris@lawsonlundell.com'; 'Ken Pimentel'; 'Raicek, Stephen M.'; 'Alan.Merskey@nortonrosefulbright.com'; 'Christian.Roy@nortonrosefulbright.com'; 'Evan.Cobb@nortonrosefulbright.com'; Matthew Gottlieb; Andrew Winton; Laura Wagner; Schwill, Robin; Wagner, Melaney; Mighton, Jesse; Douglas McIntosh (dmcintosh@alvarezandmarsal.com); 'Hutchens, Al'; gkarpel@alvarezandmarsal.com; Carfagnini, Jay; wolfgang@dv-law.com; DaRe, Vern W.; dryan@faegre.com; John Wheaton (john.wheaton@faegrebd.com)
Subject: Re: CCAA Plan - Target Landlords

Jay, I know the day is still young, but given the very tight time lines we are working under coupled with the fact that the information requested is readily available to you, would you be so kind as to respond to my email with the information requested. Thank you.

Linda Galessiere
416.369.6609
Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Galessiere, Linda
Sent: Wednesday, December 2, 2015 7:18 AM
To: Swartz, Jay; tsandler@osler.com
Cc: 'Bomhof, Scott'; 'David Ullmann'; 'Gasper Galati'; Camelino, Gus; Stevenson, Wally; 'Catherine Francis'; 'jwolf@blaney.com'; 'hferris@lawsonlundell.com'; 'Ken Pimentel'; 'Raicek, Stephen M.'; 'Alan.Merskey@nortonrosefulbright.com'; 'Christian.Roy@nortonrosefulbright.com'; 'Evan.Cobb@nortonrosefulbright.com'; Matthew Gottlieb; Andrew Winton; Laura Wagner; Schwill, Robin; Wagner, Melaney; Mighton, Jesse; Douglas McIntosh (dmcintosh@alvarezandmarsal.com); 'Hutchens, Al'; gkarpel@alvarezandmarsal.com; Carfagnini, Jay; wolfgang@dv-law.com; DaRe, Vern W.; dryan@faegre.com; John Wheaton (john.wheaton@faegrebd.com)
Subject: Re: CCAA Plan - Target Landlords

Thank you Jay for your email. My question,however was not the treatment of RicoCan's claim (of course it will get the same treatment - BIA plus one year), but the amount that this equates to that your client will receive.

With regard to voting, I am confused, from the press release it is clear that Riocan has been paid on its claim so either RicoCan no longer has a claim and no vote (I expect the monitor will be looking into this) or some arrangement has been made with regard to voting. Please advise if an arrangement has been made and what the arrangement is (ie, has RioCan agreed to vote infavour of the Plan etc)?

Linda Galessiere
416.369.6609
Sent from my BlackBerry 10 smartphone on the Rogers network.

From: Swartz, Jay

Sent: Wednesday, December 2, 2015 6:28 AM
To: Galessiere, Linda; tsandler@osler.com
Cc: 'Bomhof, Scott'; 'David Ullmann'; 'Gasper Galati'; Camelino, Gus; Stevenson, Wally; 'Catherine Francis'; 'jwolf@blaney.com'; 'hferris@lawsonlundell.com'; 'Ken Pimentel'; 'Raicek, Stephen M.'; 'Alan.Merskey@nortonrosefulbright.com'; 'Christian.Roy@nortonrosefulbright.com'; 'Evan.Cobb@nortonrosefulbright.com'; Matthew Gottlieb; Andrew Winton; Laura Wagner; Schwill, Robin; Wagner, Melaney; Mighton, Jesse; Douglas McIntosh (dmcintosh@alvarezandmarsal.com); 'Hutchens, Al'; gkarpel@alvarezandmarsal.com; Carfagnini, Jay; wolfgang@dv-law.com; DaRe, Vern W.; dryan@faegre.com; John Wheaton (john.wheaton@faegrebd.com)
Subject: RE: CCAA Plan - Target Landlords

Target Corp will receive the same distributions under the plan with respect to the RioCan claims that RioCan would have received. For greater certainty, the RioCan claims are not included among those which benefit from the Top-Up payment.
At this time, no notice of assignment has been given to the Monitor with respect to the RioCan claims and none will be given prior to the meeting. As such the entitlement to vote these claims remains with RioCan. I understand that the voting of the RioCan claims will be separately tracked at the creditors meeting

Jay Swartz | Bio

155 Wellington Street West T 416.863.5520
Toronto, ON M5V 3J7 jswartz@dwpv.com

DAVIES WARD PHILLIPS & VINEBERG LLP

From: Galessiere, Linda [mailto:lgalessiere@mcleankerr.com]
Sent: December 1, 2015 9:16 PM
To: tsandler@osler.com; Swartz, Jay
Cc: 'Bomhof, Scott'; 'David Ullmann'; 'Gasper Galati'; Camelino, Gus; Stevenson, Wally; 'Catherine Francis'; 'jwolf@blaney.com'; 'hferris@lawsonlundell.com'; 'Ken Pimentel'; 'Raicek, Stephen M.'; 'Alan.Merskey@nortonrosefulbright.com'; 'Christian.Roy@nortonrosefulbright.com'; 'Evan.Cobb@nortonrosefulbright.com'; Matthew Gottlieb; Andrew Winton; Laura Wagner; Wagner, Melaney; Mighton, Jesse; Douglas McIntosh (dmcintosh@alvarezandmarsal.com); 'Hutchens, Al'; gkarpel@alvarezandmarsal.com; Carfagnini, Jay; wolfgang@dv-law.com; DaRe, Vern W.
Subject: RE: CCAA Plan - Target Landlords

Tracy/Jay: as you will note form the below emails, we have requested that the Monitor provide us with information regarding RioCan's settlement. The Monitor has stated that it is not privy to such information and advised that Target Corp. claims the information is confidential.

Based on RioCan's press release, Target Corp. is to receive funds under the plan pursuant to its agreement with RioCan. Although I am of the view that full financial particulars of the transaction must be disclosed (and will request the such relief from the court if necessary), at the very least Target Corp. is obligated to advise all parties what amount it will receive under the plan pursuant to its agreement with RioCan and what arrangements are in place relating to the voting of RioCan's claim.

We would asked that you review the questions posed below and provide the information requested.

Linda Galessiere
McLean & Kerr LLP
Direct: 416.369.6609
lgalessiere@mcleankerr.com

From: Carfagnini, Jay [mailto:jcarfagnini@goodmans.ca]
Sent: Tuesday, December 01, 2015 6:00 PM
To: Galessiere, Linda
Cc: 'Bomhof, Scott'; 'David Ullmann'; 'Gasper Galati'; Camelino, Gus; Stevenson, Wally; 'Catherine Francis'; 'jwolf@blaney.com'; 'hferris@lawsonlundell.com'; 'Ken Pimentel'; 'Raicek, Stephen M.'; 'Alan.Merskey@nortonrosefulbright.com'; 'Christian.Roy@nortonrosefulbright.com'; 'Evan.Cobb@nortonrosefulbright.com'; Matt Gottlieb (mgottlieb@counsel-toronto.com); Andrew Winton; Laura Wagner; Wagner, Melaney; Mighton, Jesse; Douglas McIntosh (dmcintosh@alvarezandmarsal.com); 'Hutchens, Al'; gkarpel@alvarezandmarsal.com
Subject: RE: CCAA Plan - Target Landlords

Linda et al,

Please see our responses below. Thank you.

Jay A. Carfagnini
Goodmans LLP

416.597.4107
jcarfagnini@goodmans.ca

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333 Bay Street, Suite 3400
Toronto, ON M5H 2S7
goodmans.ca

From: Galessiere, Linda [mailto:lgalessiere@mcleankerr.com]
Sent: Monday, November 30, 2015 3:43 PM
To: Carfagnini, Jay; Wagner, Melaney; Mighton, Jesse; Douglas McIntosh (dmcintosh@alvarezandmarsal.com)
Cc: 'Bomhof, Scott'; 'David Ullmann'; 'Gasper Galati'; Camelino, Gus; Stevenson, Wally; 'Catherine Francis'; 'jwolf@blaney.com'; 'hferris@lawsonlundell.com'; 'Ken Pimentel'; 'Raicek, Stephen M.'; 'Alan.Merskey@nortonrosefulbright.com'; 'Christian.Roy@nortonrosefulbright.com'; 'Evan.Cobb@nortonrosefulbright.com'; Matt Gottlieb (mgottlieb@counsel-toronto.com); Andrew Winton; Laura Wagner
Subject: RE: CCAA Plan - Target Landlords

Jay, in order to consider Target's motion and plan, it would be helpful if you could provide information regarding the points listed below. As you can imagine, my clients have significant concerns with the proposed plan and additional information would be very helpful to them. In this regard, could the Monitor provide the following information:

i) An analysis of the settlement that was reached with RioCan – in particular what RioCan's payment would have been under the proposed Plan as compared to the amount it received from Target Corp.

As we have advised you, the Monitor is not a party to the RioCan settlement agreement, was not involved in any discussions relating to the settlement agreement and, other than the public disclosure, is not aware of the terms of the settlement. We have requested a copy of the settlement agreement but have not been provided with one. Counsel for Target Corporation has advised the Monitor that: (a) the terms of the RioCan settlement are confidential because the settlement involves information relating to RioCan's claims and properties; and (b) cannot be disclosed without the consent of both Target Corporation and RioCan.

As discussed, confidentiality of claims, and particularly landlord claims, has been a matter of critical importance throughout the CCAA process. Claims filed in CCAA proceedings are filed on a confidential basis. Creditors are not entitled to information on the individual claims of other creditors. In fact, creditors (including landlords) have reached out to the Monitor in the context of Consultative Committee meetings and otherwise to ensure individual claims are not discussed or disclosed, with landlords being particularly sensitive to this given confidential and commercially sensitive information relating to properties, rents and financial position. The Monitor has been very careful to respect and maintain this confidentiality. Therefore, we do not think it is appropriate to disclose RioCan's payment amount under the Plan. The Monitor is working with the company and Target Corporation to see if there is any additional information with respect to the RioCan settlement that can be provided.

ii) Confirmation of whether Target Corp. intends to vote, either directly or indirectly via RioCan, RioCan's claim in the Plan and the Monitor's position regarding such.

As indicated above, the Monitor has not been provided with a copy of the settlement agreement. The Monitor made the inquiry of Target Corporation's counsel, who directed the Monitor to the press release. From the press release, we understand that RioCan has directed that any distributions to be made to it under the Plan be paid to Target Corporation. The Monitor notes that it has not received any notice of assignment of claim for voting purposes. Under the proposed Plan and Meeting Order, an assignee cannot vote (and the assignor would vote) unless evidence of an assignment has been received and acknowledged by the Monitor in writing not later than seven days before the Creditor's Meeting. The Monitor will disclose this information to the Court at the December 8 hearing and is also prepared, if the Meeting Order is granted, to tabulate these claims separately so that the Court is advised of their effect, if any, on the results at the Meeting.

iii) Confirmation of the number of claimants captured by the "convenience class" and what analysis was done by the Monitor, if any, to determine whether $25,000 was an appropriate threshold for such class. At first glance the amount seems high, but perhaps the Monitor reviewed this and could assist in advising whether such amount is appropriate/usual/common in the circumstances.

As discussed, the Monitor will be filing its Report on the Plan by January 7, 2015. It is our intention at that time to comment on the proposed Convenience Class. We do note the following preliminary observations. Plan approval requires satisfaction of a double majority test - a majority in number of affected creditors representing at least two-thirds in value of voting claims of those affected creditors voting in person or by proxy. For reference, please see the below table showing the estimated percentage of claim value and claim count of the Convenience Class (for both claims as filed and based on a preliminary assessment of filed claims, each using an estimated claim value of $900 million).

Convenience Class	Claims as Filed		Claims as Fil
	Claim Value	Claim Count	Claim Value
Convenience Class - <$25,000	5,543,685	615	5,759,547
Convenience Class Opt In - <$35,000	2,793,694	94	2,692,288
Total	**8,337,379**	**709**	**8,451,835**
Estimated Claim Value and # of claims filed	**900,000,000**	**1,710**	**900,000,000**
% of Total Claims	***0.93%***	***41.5%***	***0.94%***

The table reflects that, in both scenarios, Convenience Class Creditors and potential Convenience Class opt-in creditors represent in aggregate less than half of the total number of creditors and less than 1% of the total value of claims. As you know, Convenience Classes are routinely used in CCAA plans to, among other things, assist in an efficient administration of the estate and see small (and generally unsophisticated creditors) paid in full. In our experience, convenience class creditors have in some cases represented well over half of the number of claimants (see for example Canwest and Cline Mining); however, given the double majority test under the CCAA, satisfaction of two-thirds in value is still required.

From: Galessiere, Linda [mailto:lgalessiere@mcleankerr.com]
Sent: Monday, November 30, 2015 3:43 PM
To: Carfagnini, Jay; Wagner, Melaney; Mighton, Jesse; Douglas McIntosh (dmcintosh@alvarezandmarsal.com)
Cc: 'Bomhof, Scott'; 'David Ullmann'; 'Gasper Galati'; Camelino, Gus; Stevenson, Wally; 'Catherine Francis'; 'jwolf@blaney.com'; 'hferris@lawsonlundell.com'; 'Ken Pimentel'; 'Raicek, Stephen M.'; 'Alan.Merskey@nortonrosefulbright.com'; 'Christian.Roy@nortonrosefulbright.com'; 'Evan.Cobb@nortonrosefulbright.com'; Matt Gottlieb (mgottlieb@counsel-toronto.com); Andrew Winton; Laura Wagner
Subject: RE: CCAA Plan - Target Landlords

Jay, in order to consider Target's motion and plan, it would be helpful if you could provide information regarding the points listed below. As you can imagine, my clients have significant concerns with the proposed plan and additional information would be very helpful to them. In this regard, could the Monitor provide the following information:

i) An analysis of the settlement that was reached with RioCan – in particular what RioCan's payment would have been under the proposed Plan as compared to the amount it received from Target Corp.;

ii) Confirmation of whether Target Corp. intends to vote, either directly or indirectly via RioCan, RioCan's claim in the Plan and the Monitor's position regarding such; and

iii) Confirmation of the number of claimants captured by the "convenience class" and what analysis was done by the Monitor, if any, to determine whether $25,000 was an appropriate threshold for such class. At first glance the amount seems high, but perhaps the Monitor reviewed this and could assist in advising whether such amount is appropriate/usual/common in the circumstances.

Given Target's motion is next week, I would appreciate hearing from the Monitor as soon as possible.

Linda Galessiere

McLean & Kerr LLP

Direct: 416.369.6609
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In the Matter of the Companies' Creditors Arrangement Act, R.S.C. 1985, c.C.36 as am. and in the Matter of a Plan of Compromise or Arrangement of Target Canada Co., Target Canada Health Co., Target Canada Mobile GP Co., Target Canada Pharmacy (BC) Corp., Target Canada Pharmacy (Ontario) Corp., Target Canada Pharmacy Corp., Target Canada Pharmacy (SK) Corp., and Target Canada Property LLC
Applicants

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

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at TORONTO

AFFIDAVIT OF GUSTAVO F. CAMELINO
(SWORN DECEMBER 8, 2015)

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Lawyers for Morguard Investments Limited, Crombie REIT, Triovest Realty Advisors Inc. and SmartREIT (formerly Calloway Real Estate Investment Trust)

In the Matter of the Companies' Creditors Arrangement Act, R.S.C. 1985, c.C.36 as am.
and in the Matter of a Plan of Compromise or Arrangement of Target Canada Co., Target Canada Health Co., Target Canada Mobile GP Co., Target Canada Pharmacy (BC) Corp., Target Canada Pharmacy (Ontario) Corp., Target Canada Pharmacy Corp., Target Canada Pharmacy (SK) Corp., and Target Canada Property LLC
Applicants

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

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at TORONTO

RESPONDING MOTION RECORD OF RESPONDING LANDLORDS (RETURNABLE DECEMBER 21 AND 22, 2015)

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