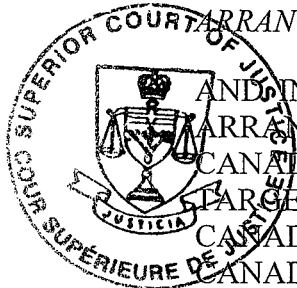


**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE)	THURSDAY, THE 4 TH
REGIONAL SENIOR JUSTICE)	DAY OF JUNE, 2015
MORAWETZ)	
)	

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



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

VESTING ORDER – LEASE TRANSFER AGREEMENT

(Lease Transfer Agreement with Rona Inc. – Signal Hill Centre)

THIS MOTION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. c-36, as amended (the "**CCAA**") for an order, *inter alia*, approving: the transfer of the Signal Hill Assets (as defined herein) contemplated by a Lease Transfer Agreement (the "**Lease Transfer Agreement**") among Target Canada Co. ("**TCC**"), as Assignor, and Rona Inc. as Assignee (the "**Assignee**") dated May 7, 2015 and certain related relief, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion of the Applicants, the Affidavit of Mark Wong sworn on May 25, 2015 including the exhibits thereto (the "**Wong Affidavit**"), and the Thirteenth Report of Alvarez & Marsal Canada Inc., in its capacity as Monitor (the "**Monitor**"), filed, and on hearing the submissions of respective counsel for the Applicants and the Partnerships listed on Schedule "A" hereto, the Monitor, Target Corporation, the Assignee, and such other counsel as were present, no one else appearing although duly served as appears from the Affidavit of Service of Robert Carson sworn May 28, 2015, filed:

SERVICE AND DEFINITIONS

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion Record herein is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

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

EFFECT OF THIS ORDER

3. THIS COURT ORDERS AND DECLARES that this Order shall not be effective unless and until the Monitor delivers a certificate to TCC and the Assignee substantially in the form attached as Schedule “B” (the “**Monitor’s Backup Bid Certificate**”) stating that: (i) Lowe’s Companies Canada, ULC (“**Lowe’s**”) has failed to close the transaction in respect of the Signal Hill Assets approved by the Approval and Vesting Order in these proceedings dated May 20, 2015 (the “**May 20 Vesting Order**”) approving the Lease Transfer Agreement among TCC and Lowe’s dated May 6, 2015 in respect of, *inter alia*, the Signal Hill Assets; (ii) TCC has advised the Assignee that it is the Successful Bidder in respect of the Signal Hill Assets; and (iii) TCC has executed the Lease Transfer Agreement. For greater certainty, this Order shall not become effective if the Monitor files the Monitor’s Certificate described in paragraph 5 of the May 20 Vesting Order.

VESTING OF THE SIGNAL HILL ASSETS

4. THIS COURT ORDERS AND DECLARES that TCC is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction in respect of the Signal Hill Assets in accordance with the terms of the Lease Transfer Agreement and this Order, including the sale, assignment and transfer by TCC of its right, title and interest in and to the Signal Hill Assets to the Assignee and the Monitor shall be authorized to take such additional steps in furtherance of its responsibilities under the Lease Transfer Agreement. The legal descriptions and applicable land registry offices with respect to the Signal Hill Assets are as set out on Schedule “D” hereto.

5. THIS COURT ORDERS that TCC shall pay all Cure Costs in respect of the Lease for the Premises located at the Signal Hill Centre, 5696 Richmond Rd. SW, Calgary, Alberta with the legal description set out on Schedule "D" hereto (such Premises, the "**Signal Hill Premises**" and such Lease, the "**Signal Hill Lease**") on Closing.

6. THIS COURT ORDERS AND DECLARES that upon the delivery of a Monitor's certificate to the Assignee substantially in the form attached as Schedule "C" hereto (the "**Monitor's Closing Certificate**"), all of TCC's right, title and interest in and to the Signal Hill Lease and any Realty Tax Appeals relating to the Signal Hill Premises, but excluding all of TCC's right, title and interest in and to each of the Excluded Assets and any and all other assets of TCC relating to the Signal Hill Premises not included in the foregoing (collectively, the "**Signal Hill Assets**") and the right, title and interest, if any, of any predecessor in interest of TCC in and to the Signal Hill Assets, to the extent same was assigned or otherwise transferred to TCC, shall vest absolutely in and shall be sold, assigned and transferred to the Assignee free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, leases, notices of lease, subleases, licenses, levies, restrictions, rights of retention, judgments, notices of sale, contractual rights, options, liabilities (direct, indirect, absolute or contingent), obligations, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise in respect of the Signal Hill Assets (collectively, the "**Claims**"), including, without limiting the generality of the foregoing:

- (a) the Administration Charge, the KERP Charge, the Directors' Charge, the Financial Advisor Subordinated Charge, the DIP Lender's Charge, the Agent's Charge and Security Interest (collectively, the "**CCAA Charges**");
- (b) all charges, security interests or claims evidenced by registrations pursuant to the *Alberta Personal Property Security Act* or any other personal property registry system; and
- (c) those Claims listed under the heading "Encumbrances to be Expunged/Deleted" on Schedule "D" hereto;

(all of which are collectively referred to as the “**Encumbrances**”) other than the Permitted Encumbrances listed on Schedule “E” hereto and, for greater certainty, this Court orders that all of the Claims and Encumbrances affecting or relating to the Signal Hill Assets other than the Permitted Encumbrances are hereby expunged and discharged as against the Signal Hill Assets and the real or immovable property described in Schedule “D”, other than any registrations made at the applicable land registry of the Signal Hill Lease forming part of the Signal Hill Assets and any memorials of lease, summaries of lease, notices of lease, assignments of lease and any amendments or other registrations pertaining to the Signal Hill Lease forming part of the Signal Hill Assets, provided however that: (i) except as may otherwise be agreed to by the applicable Landlord and the Assignee, nothing herein shall affect the rights and remedies of such Landlord against the Assignee that may exist or arise under or in respect of the Signal Hill Lease, and (ii) except as may otherwise be agreed to by the applicable Landlord and any predecessor in interest of TCC, nothing herein shall affect the rights and remedies of such Landlord against any such predecessor in interest of TCC that may exist or arise under or in respect of the Signal Hill Lease, and in each case all such rights are expressly reserved and continued.

7. THIS COURT ORDERS that: (a) nothing in this Order shall amend or vary, or be deemed to amend or vary, the terms of the Signal Hill Lease; and (b) none of the Leases, including without limitation the Signal Hill Lease, shall be transferred conveyed, assigned or vested in the Assignee by operation of this Order.

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

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

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

10. THIS COURT ORDERS AND DIRECTS the Monitor to file with the Court a copy of the Monitor's Backup Bid Certificate and the Monitor's Closing Certificate, in each case forthwith after delivery thereof.

11. THIS COURT ORDERS that nothing herein or in the Lease Transfer Agreement affects:

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

12. THIS COURT ORDERS that notwithstanding anything contained in the Lease Transfer Agreement, or the Closing of the Transaction, the Landlord in respect of the Signal Hill Lease shall be bound by and benefit from the Initial Order until the earlier of (a) six months from the date of this Order, and (b) the duration of the period during which any other owners, operators, managers or landlords of commercial shopping centres or other commercial properties in which there is a store, office or warehouse owned or operated by TCC or Target Corporation, is bound by or obtains any benefit from same. Without limiting the generality of the foregoing, during such period, such Landlord shall benefit from the stay of proceedings provision provided for at paragraph 18 of the Initial Order.

GENERAL PROVISIONS

13. THIS COURT ORDERS that, notwithstanding:

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

- (c) any assignment in bankruptcy made in respect of TCC;

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

14. THIS COURT ORDERS AND DECLARES that this Order may be registered notwithstanding the requirements of section 191(1) of the *Land Titles Act*, R.S.A. 2000, c L-4.

15. THIS COURT ORDERS that nothing in the Lease Transfer Agreement or this Order shall in any way prejudice or affect any indemnity or guarantee obligation, if any, of Target Corporation to the applicable Landlord in respect of the Signal Hill Lease (the “**Guarantee Obligations**”), or any defences to or rights of Target Corporation, if any, to or in respect of such Guarantee Obligations. For greater certainty, nothing in the Lease Transfer Agreement or this Order shall in any way prejudice or affect the right of the applicable Landlord to file a claim against TCC or in the estate of TCC for any losses suffered by such Landlord in respect of the Signal Hill Lease.

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

ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:



JUN - 4 2015

SCHEDULE "A"
PARTNERSHIPS

Target Canada Pharmacy Franchising LP

Target Canada Mobile LP

Target Canada Property LP

SCHEDULE "B"

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

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

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

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

MONITOR'S BACKUP BID CERTIFICATE

RECITALS

- A. All undefined terms in this Monitor's Backup Bid Certificate have the meanings ascribed to them in the Order of the Court dated June [4], 2015 (the "**Signal Hill Vesting Order**").
- B. Pursuant to an Approval and Vesting Order dated June [4], 2015, the Court approved the form of Lease Transfer Agreement entered into among Target Canada Co. ("**TCC**") and Rona Inc. (the "**Assignee**") dated May 7, 2015 (the "**Lease Transfer Agreement**"), a copy of which is attached as Exhibit B to the Affidavit of Mark Wong dated May 25, 2015.
- C. Pursuant to the Signal Hill Vesting Order, the Court provided for the vesting in and the sale, assignment and transfer to the Assignee of all of TCC's right, title and interest in and to the Signal Hill Assets as contemplated by the Lease Transfer Agreement, subject to certain conditions.
- D. The Signal Hill Vesting Order states that it will not become effective unless and until the Monitor files this certificate.

THE MONITOR CERTIFIES the following:

1. Lowe's Companies Canada, ULC has failed to close the transaction in respect of the Signal Hill Assets approved by the May 20 Vesting Order.
2. TCC has advised the Assignee that it is the Successful Bidder in respect of the Signal Hill Assets.
3. TCC has executed the Lease Transfer Agreement.

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

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

Per: _____

Name:

Title:

SCHEDULE "C"

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 (collectively the "**Applicants**")

MONITOR'S CLOSING CERTIFICATE

RECITALS

- A. All undefined terms in this Monitor's Certificate have the meanings ascribed to them in the Order of the Court dated June [4], 2015 (the "**Signal Hill Vesting Order**").
- B. Pursuant to an Approval and Vesting Order dated June [4], 2015, the Court approved the Lease Transfer Agreement entered into among Target Canada Co. ("**TCC**") and Rona Inc. (the "**Assignee**") dated May 7, 2015 (the "**Lease Transfer Agreement**"), a copy of which is attached as Exhibit B to the Affidavit of Mark Wong dated May 25, 2015.
- C. Pursuant to the Signal Hill Vesting Order, the Court provided for the vesting in and sale, assignment and transfer to the Assignee of TCC's right, title and interest in and to the Signal Hill Assets, which vesting, sale, assignment and transfer is to be effective with respect to the Signal Hill Assets upon the delivery by the Monitor to the Assignee of a certificate confirming (i) the conditions to Closing relating to the Signal Hill Assets as set out in sections 7.1, 7.2 and 7.3 of the Lease Transfer Agreement have been satisfied or waived by the Assignee and TCC, as applicable; and (ii) the Transaction in respect of the Signal Hill Assets has been completed to the satisfaction of the Monitor.

THE MONITOR CERTIFIES the following:

1. The conditions to Closing relating to the Signal Hill Assets as set out in section 7.1, 7.2 and 7.3 of the Lease Transfer Agreement have been satisfied or waived by the Assignee and TCC, as applicable; and
2. The Transaction in respect of the Signal Hill Assets has been completed to the satisfaction of the Monitor.

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

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

Per: _____

Name:

Title:

SCHEDULE "D"

No.	Location/ Address	Province	Land Registry Office	Legal Description	Encumbrances to be Expunged/ Deleted
1.	Signal Hill Centre 5696 Richmond Rd SW, Calgary	AB	Alberta Land Registry Office	Plan 9611831 Block 1 Lot 4 Containing 4.65 hectares (11.49 acres) more or less Excepting thereout; Plan: Subdivision, Number: 9811014, 0.527 hectares (1.30 acres) more or less Excepting thereout all mines and minerals	NIL

SCHEDULE "E" - PERMITTED ENCUMBRANCES

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

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF TARGET CANADA CO., *et al.***

Applicants

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

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

PROCEEDING COMMENCED AT
TORONTO

VESTING ORDER

**(Lease Transfer Agreement with Rona
Inc. – Signal Hill Centre)**

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