

**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 TOYS "R" US (CANADA) LTD. TOYS "R" US (CANADA) LTEE**

Applicant

**MOTION RECORD
Motion for DIP Amendment Order
Returnable March 28, 2018**

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

Brian F. Empey LSO#: 30640G
bempey@goodmans.ca

Melaney Wagner LSO#: 44063B
mwagner@goodmans.ca

Christopher Armstrong LSO#: 55148B
carmstrong@goodmans.ca

Bradley Wiffen LSO# 64279L
bwiffen@goodmans.ca

Tel: 416.979.2211
Fax: 416.979.1234

Lawyers for the Applicant

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**NOTICE OF MOTION
(Motion for DIP Amendment Order
Returnable March 28, 2018)**

Toys "R" Us (Canada) Ltd. Toys "R" Us (Canada) Ltee (the "**Applicant**" or "**Toys Canada**") will make a motion before a Judge of the Ontario Superior Court of Justice on March 28, 2018 at 10:00 a.m., or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto, Ontario.

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR:

1. an Order (the "**DIP Amendment Order**") approving an amendment to the DIP Agreement pursuant to a Waiver, Consent and Amendment Agreement dated March 20, 2018 (the "**DIP Amendment**") and granting related relief; and
2. such further and other relief as this Court deems appropriate.

THE GROUNDS FOR THE MOTION ARE:

1. Toys Canada is the Canadian operating entity in a global corporate group ("**Toys "R" Us**" or the "**Company**") that conducts retail operations in jurisdictions around the world. Toys Canada is the leading dedicated toy and baby products retailer in Canada. It sells a

broad selection of children's and baby products from leading national, international and private label brands online and in over 80 retail stores across all ten Canadian provinces (the "**Canadian Business**").

2. On September 19, 2017, the Applicant was granted creditor protection and related relief under the *Companies' Creditors Arrangement Act* (the "**CCAA**") pursuant to the Initial Order (as amended and restated, the "**Initial Order**") and Grant Thornton Limited was appointed monitor of the Applicant in the CCAA proceedings (the "**Monitor**").
3. The previous day, Toys "R" Us, Inc., certain of its U.S. subsidiaries and Toys Canada (collectively, the "**Chapter 11 Debtors**") filed voluntary Chapter 11 petitions in the United States Bankruptcy Court for the Eastern District of Virginia (the "**Bankruptcy Court**").
4. At the outset of the Chapter 11 proceedings, certain of the Chapter 11 Debtors, including Toys Canada, entered into the DIP Agreement to obtain interim financing under the DIP Facility. The DIP Facility provides DIP financing for the Company's North American business operations and includes specific revolving and term loan facilities for Toys Canada (together, the "**Canadian DIP Facility**").
5. The Initial Order authorized the Applicant to enter into and borrow under the DIP Facility and granted the DIP Charge in favour of the DIP Lenders as security for the Applicant's obligations under the DIP Agreement.

Restructuring Activities

6. During the Chapter 11 proceedings, the Company has pursued strategic alternatives to address its overleveraged debt structure and achieve a restructuring of its global business. While the Canadian Business has continued its relatively strong performance by generating significant positive cash flow and EBITDA, the Company's restructuring efforts have been hampered by the significant underperformance of its U.S. Business.
7. The Company's efforts to complete a global going concern restructuring or to find a potential investor or buyer for the U.S. Business have not resulted in a viable transaction

and the Company has made the decision to commence an orderly wind-down and liquidation of its U.S. Business (the “**U.S. Wind-Down**”) while simultaneously pursuing a going concern reorganization of the Canadian Business and certain other international operations. The Bankruptcy Court issued an order approving the U.S. Wind-Down on March 22, 2018. Toys Canada does not intend to undertake, and is not seeking Court approval of, a liquidation.

8. As the prospects for a going concern restructuring of the entire Toys “R” Us group diminished, the Company expanded its efforts to explore strategic options and alternatives for certain of its international operations. The Company has commenced a process to identify and develop a transaction for the sale of the Canadian Business on a going concern, standalone basis. As part of this process, the Company and its investment banker have contacted potential purchasers, facilitated due diligence, and received multiple non-binding offers for the acquisition of the Canadian Business on a going concern basis.
9. The Chapter 11 Debtors are also seeking an order of the Bankruptcy Court approving bidding procedures and an auction process, if appropriate (the “**Canadian Equity Sale Process**”) for the sale of 100% of the equity interest in Toys Canada (the “**Canadian Equity**”). The proposed Canadian Equity Sale Process provides a flexible process and permits the Company, in consultation with certain consultation parties (including the Monitor), to enter into a transaction agreement for the sale of the Canadian Equity to serve as a “stalking horse transaction” in connection with a potential auction. A hearing for Bankruptcy Court approval of the Canadian Equity Sale Process is scheduled for March 27, 2018.

The DIP Amendment

10. The filing of the U.S. Wind-Down motion and the contemplated U.S. Wind-Down constitute events of default under the DIP Agreement. Following negotiations and a temporary forbearance period, the parties to the DIP Agreement reached agreement on the DIP Amendment to waive the events of defaults that would have been triggered and effect various amendments to the DIP Agreement in light of the contemplated U.S. Wind-

Down and Canadian Equity Sale Process. The DIP Agreement provides that, among other things:

- (a) the DIP Lenders consent to the sale of the Canadian Equity or all or substantially all of the assets of Toys Canada (the “**TRU Canada Sale**”) on a going concern basis provided that such transaction, *inter alia*, results in the repayment in full of the Canadian DIP Facility obligations and the collateralization of any Canadian letters of credit;
 - (b) the Company shall comply with certain milestones in connection with the TRU Canada Sale, including entering into a transaction agreement by April 30, 2018, obtaining necessary court approvals by May 15, 2018, and implementing the transaction by May 31, 2018;
 - (c) the Canadian DIP Term Loan shall be repaid in full by the end of June 2018. It is contemplated that a U.S.-based affiliate of Toys Canada (as a guarantor of the Canadian DIP Facility) will make the required payments on behalf of Toys Canada from the proceeds of the U.S. Wind-Down and be subrogated to the rights of the DIP Lenders with respect to such obligations of Toys Canada;
 - (d) the maximum availability under the Canadian DIP Revolving Facility will be reduced and the consent of the DIP Lenders will be required for any further advances. The DIP budget indicates that no such advances are required by Toys Canada; and
 - (e) Toys Delaware (the parent company of Toys Canada) shall borrow under the U.S. DIP Facility to cash collateralize all letters of credit issued on behalf of Toys Canada.
11. The DIP Amendment is conditional upon, among other things, the entry on or prior to March 28, 2018 of an order of this Court and a final order of the Bankruptcy Court approving the DIP Amendment. The DIP Amendment was approved by the Bankruptcy Court on an interim basis on March 21, 2018.

Canadian Business Performance and Liquidity

12. The Canadian Business continues to operate in the normal course, notwithstanding certain business challenges relating to the announced U.S. Wind-Down. During the CCAA proceedings, the Canadian Business has generated positive cash flow from operations of approximately \$83 million prior to restructuring costs.
13. As of March 10, 2018, Toys Canada has a cash balance of approximately \$54.3 million. As set out in its 13-week cash flow forecast, Toys Canada's existing cash resources are forecast to provide sufficient liquidity to operate through the week ending June 9, 2018 and beyond.

The DIP Amendment Order

14. Approval of the DIP Amendment is necessary to maintain the stability of the Canadian Business, prevent a potential acceleration of the Canadian DIP Facility as a result of the U.S. Wind-Down, and provide confidence to customers, suppliers and other key stakeholders that Toys Canada has the financing arrangements and liquidity to support its business operations.
15. The DIP Amendment will provide the Company with the breathing room to carry out the Canadian Equity Sale Process with a view to implementing a going concern sale of the Canadian Business.
16. The granting of the DIP Amendment Order is in the best interests of the Applicant and its stakeholders at this important juncture of Toys Canada's restructuring proceedings.
17. The provisions of the CCAA, including sections 11 and 11.2, and this Court's equitable and statutory jurisdiction thereunder.
18. Rules 1.04, 1.05, 2.03, 3.02, and 16 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended.
19. Such further and other grounds as counsel may advise and this Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the Motion:

1. The affidavit of Melanie Teed-Murch sworn March 23, 2018;
2. The Monitor's Fourth Report; and
3. Such further and other materials as counsel may advise and this Court may permit.

Dated: March 23, 2018

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

Brian F. Empey	LSO#: 30640G
Melaney Wagner	LSO#: 44063B
Christopher Armstrong	LSO#: 55148B
Bradley Wiffen	LSO#: 64279L

Tel: (416) 979-2211
Fax: (416) 979-1234

Lawyers for the Applicant

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Court File No. CV-17-00582960-00CL

**ONTARIO
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COMMERCIAL LIST**

Proceeding commenced at Toronto

**NOTICE OF MOTION
(Returnable March 28, 2018)**

GOODMANS LLP

Barristers & Solicitors

333 Bay Street, Suite 3400

Toronto, Canada M5H 2S7

Brian F. Empey LSO#: 35165K

bempey@goodmans.ca

Melaney Wagner LSO#: 44063B

mwagner@goodmans.ca

Christopher Armstrong LSO#: 55148B

carmstrong@goodmans.ca

Bradley Wiffen LSO#: 64279L

bwiffen@goodmans.ca

Tel: (416) 979-2211

Fax: (416) 979-1234

Lawyers for the Applicant

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Form of DIP Amendment Order to be provided

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**AFFIDAVIT OF MELANIE TEED-MURCH
(sworn March 23, 2018)**

I, Melanie Teed-Murch, of the City of Guelph, in the Province of Ontario, MAKE OATH
AND SAY:

I. INTRODUCTION

1. I am the President of Toys "R" Us (Canada) Ltd. Toys "R" Us (Canada) Ltee ("**Toys Canada**" or the "**Applicant**") and have served in that capacity since August 2016. I have been with Toys Canada since 1996, when I began my professional career at Toys Canada as a store manager. As such, I have personal knowledge of the Applicant and the matters to which I depose in this affidavit. Where I do not possess personal knowledge, I have stated the source of my information and, in all such cases, believe it to be true.

2. Toys Canada is the leading dedicated toy and baby products retailer in Canada. It sells a broad selection of children's and baby products from leading national, international and private label brands online and in over 80 retail stores across all ten Canadian provinces (the "**Canadian Business**"). Toys Canada is the Canadian operating entity in a global corporate group ("**Toys 'R' Us**" or the "**Company**") that conducts retail operations in jurisdictions around the world. Toys "R" Us, Inc. ("**Toys Inc.**"), the ultimate parent company of Toys Canada and the rest of the Toys "R" Us group, is headquartered in the United States.

3. On September 19, 2017, the Applicant was granted creditor protection and related relief under the *Companies' Creditors Arrangement Act* (the "**CCAA**") pursuant to an Initial Order of this Court (as amended and restated, the "**Initial Order**") and Grant Thornton Limited was appointed Monitor of the Applicant in the CCAA proceedings (the "**Monitor**").¹ The previous day, Toys Inc., certain of its U.S. subsidiaries and Toys Canada (collectively, the "**Chapter 11 Debtors**") filed voluntary Chapter 11 petitions in the United States Bankruptcy Court for the Eastern District of Virginia (the "**Bankruptcy Court**").

4. The Canadian Business operates as a relatively autonomous business unit and has achieved strong financial and operational performance in recent years; however, it is not immune from matters affecting the broader Toys "R" Us group. As described in my affidavit sworn September 19, 2017 in support of the Applicant's CCAA application (the "**Initial Affidavit**"), Toys Canada's financing arrangements have historically been integrated with those of the Company's U.S. business. When the Company's liquidity challenges necessitated the Chapter 11 filing in September 2017, it resulted in a default under a shared credit facility that

¹ Capitalized terms used and not defined herein have the meanings given to them in the Initial Affidavit.

was the primary source of funding for Toys Canada. Faced with a sudden loss of access to credit in advance of the holiday retail period, Toys Canada sought creditor protection to stabilize the Canadian Business and continue normal course operations without disruption.

5. At the outset of the Chapter 11 proceedings, certain of the Chapter 11 Debtors, including Toys Canada, borrowed under a DIP financing facility (the “**DIP Facility**”) to access the funding needed to build inventory in advance of the holiday retail period and to support business operations while the Company pursued its restructuring objectives. The DIP Facility repaid, and is structured in the same integrated manner as, the pre-filing credit facility, in that it provides funding for the entire North American business and includes specific revolving and term loan sub-facilities for Toys Canada (together, the “**Canadian DIP Facility**”). The terms of the DIP Facility are contained in a Superpriority Secured Debtor-in-Possession Credit Agreement dated as of September 22, 2017 (as amended, the “**DIP Agreement**”).

6. This affidavit is sworn in support of the Applicant’s motion for an Order (the “**DIP Amendment Order**”) approving a Waiver, Consent and Amendment Agreement dated March 20, 2018 (the “**DIP Amendment**”), a copy of which is attached hereto as Exhibit “A”. The DIP Amendment, among other things, (a) waives potential defaults under the DIP Agreement relating to the Company’s intention to commence an orderly wind-down and liquidation (the “**U.S. Wind-Down**”) of the Company’s business in the United States (the “**U.S. Business**”), (b) consents to a sale of all of the capital stock of Toys Canada or all or substantially all of the assets of Toys Canada, and (c) permits the continuation, for at least 60 days, of the shared services that the Company provides to certain of its international operations, including the Canadian Business.

7. While the need to amend the DIP Facility is the result of the announced U.S. Wind-Down (and other potential defaults tied to the U.S. Business) rather than any matter pertaining directly to the Canadian Business, the integrated nature of the financing arrangements means that, absent the DIP Amendment, the DIP Facility (including the Canadian DIP Facility) would be in default. Accordingly, the entry into and approval of the DIP Amendment is necessary to prevent a default under and potential acceleration of the DIP Facility (including the Canadian DIP Facility), maintain the stability of the Canadian Business, and provide the Company with the breathing room to carry out the U.S. Wind-Down and a process to achieve a going concern equity sale of the Canadian Business.

8. During the restructuring proceedings, the Company has pursued a variety of strategic options and alternatives to address its overleveraged capital structure and achieve a restructuring of its global business. While the Canadian Business has continued its relatively strong performance by generating significant positive cash flow and EBITDA², the Company's global restructuring efforts have been hampered by a confluence of factors that have resulted in significant underperformance of the U.S. Business, particularly during the 2017 holiday retail period. In the face of these challenges, the Company's efforts to complete a global going concern restructuring or to find a potential investor or buyer for the U.S. Business have not resulted in a viable transaction. Facing significant cash-burn until the next holiday season, potential defaults under its DIP facilities, and the unwillingness of its lenders to finance further restructuring efforts, the Company announced on March 15, 2018 that it would seek to maximize the value of its estate by commencing the U.S. Wind-Down while simultaneously pursuing,

² Since the commencement of the CCAA proceedings, the Canadian Business has generated positive cash flow from operations of approximately \$83 million before \$27 million of DIP Facility fees and interest and \$4 million of professional fees.

among other things, a going concern sale of the Canadian Business and certain other international operations. The Chapter 11 Debtors' omnibus motion (the "**U.S. Omnibus Motion**") for an order of the Bankruptcy Court approving the U.S. Wind-Down (the "**U.S. Wind-Down Order**") and granting related relief was heard on March 20, 2018. The Chapter 11 Debtors obtained final approval of the U.S. Wind-Down Order on March 22, 2018.

9. The U.S. Omnibus Motion also requested entry of an order (the "**Canadian Equity Bidding Procedures Order**") approving proposed bidding procedures and an auction process, if appropriate (the "**Canadian Equity Sale Process**"), for the sale of 100% of the equity interest in Toys Canada (the "**Canadian Equity**"). The Canadian Equity is an asset of Toys "R" Us-Delaware, Inc. ("**Toys Delaware**"), which is a Chapter 11 Debtor. The proposed Order formalizes the Company's process that has been underway under the direction of the Company's investment banker, Lazard Frères & Co. LLC ("**Lazard**"), to identify and develop a transaction for the sale of the Canadian Business on a going concern basis. As part of this process, the Company and Lazard have contacted potentially interested parties, facilitated extensive due diligence processes, actively negotiated with certain parties, and received multiple non-binding offers for the acquisition of the Canadian Business on a going concern basis. The Chapter 11 Debtors expect to seek final approval of the Canadian Equity Bidding Procedures Order at a hearing scheduled for March 27, 2018.

10. The Company is seeking to effect a sale of Toys Canada through a sale of the Canadian Equity for a number of reasons, including the Company's assessment of the value of the Canadian Business. The Canadian Equity Bidding Procedures Order, if granted, will provide a flexible process for the Company to develop potential transactions, with a target date of April 23,

2018 for final Bankruptcy Court approval of a transaction. The proposed Order provides that the Company, in consultation with certain consultation parties (including the Monitor), is authorized to enter into a transaction agreement with a bidder for the sale of the Canadian Equity on or prior to April 13, 2018 to serve as a “stalking horse transaction” in connection with the Canadian Equity Sale Process. The Company and Lazard are in discussions with certain parties and are advancing the Canadian Equity Sale Process.

11. The Company requires financial stability as it advances the Canadian Equity Sale Process, explores restructuring alternatives for certain of its other international operations, and undertakes the U.S. Wind-Down. The filing of the Chapter 11 Debtors’ motion for the U.S. Wind-Down Order on March 15, 2018 and the contemplated U.S. Wind-Down constitute events of default under the DIP Agreement. The Company and the DIP Lenders entered into a temporary forbearance agreement on March 14, 2018 to avoid triggering these defaults and to provide the parties with time to negotiate and finalize the DIP Amendment. The parties subsequently reached agreement on the DIP Amendment, which waives the events of default that would have been triggered and effects various amendments to the DIP Agreement in light of the contemplated U.S. Wind-Down and Canadian Equity Sale Process. The DIP Amendment is described in additional detail below. The DIP Amendment was approved by the Bankruptcy Court on an interim basis pursuant to an order entered March 21, 2018 (the “**Interim DIP Amendment Order**”), and a hearing for final approval is scheduled for March 27, 2018.

12. The Canadian Business continues to operate in the normal course, notwithstanding certain business challenges arising as a result of the announced U.S. Wind-Down. During the CCAA proceedings, the Canadian Business has generated positive cash flow of approximately

\$52 million (or approximately \$83 million from operations before restructuring disbursements). Approval of the DIP Amendment will enhance the stability of the Canadian Business and provide confidence to customers, suppliers and other key stakeholders that the Company and Toys Canada have the necessary support of their lenders while the Company seeks to implement a going concern sale of the Canadian Business. Accordingly, the granting of the DIP Amendment Order is in the best interests of the Applicant and its stakeholders.

II. THE COMPANY’S GLOBAL AND U.S. RESTRUCTURING INITIATIVES³

13. The Company commenced the Chapter 11 and CCAA proceedings to address its liquidity challenges and to access the DIP financing necessary to build inventory in advance of the holiday retail period, in which the Company has historically generated approximately 40% of its annual revenue. The budget prepared by the Company in connection with its DIP facilities (the “**DIP Budget**”) was developed based on what the Company believed at the time were conservative estimates, taking into account the adverse effects of the insolvency filings, the distressed U.S. retail operating environment and the competitive marketplace for toy and baby products. The DIP Facility and associated covenants provided the Company with the funding and flexibility to operate through the holiday period and explore and advance restructuring initiatives.

14. Despite the Company’s best efforts, a combination of factors caused the performance of the U.S. Business during the 2017 holiday period to fall well below the worst-case projections in the DIP Budget and significantly below historic performance levels, resulting in consolidated

³ The commentary in this section is based on my personal knowledge, discussions with advisors, and review of the U.S. Omnibus Motion.

EBITDA of approximately US\$250 million⁴ below the DIP Budget forecast. The Canadian Business had a markedly better holiday season and generated significant positive cash flow and EBITDA. During the CCAA proceedings, the net cash flow generated by the Canadian Business has exceeded the amounts anticipated in the cash flow forecasts attached to my previous affidavits.

15. The under-performance of the U.S. Business triggered a series of stakeholder reactions and potential covenant defaults that frustrated prospects for reorganizing the U.S. Business as a going concern. Actions by the Company's suppliers to impose restrictions and limit their financial exposure to the Company exacerbated the Company's liquidity challenges. The Company worked to address liquidity pressures by, among other things, developing a modified U.S. business plan and engaging with its lenders to discuss potential covenant relief under its DIP facilities. Despite efforts to stabilize its U.S. Business operations, the Company was unable to satisfy an obligation under its Term Loan DIP Facility (as defined below) to deliver a budget that projected liquidity levels no lower than an original, conservative cash flow budget. With monthly projected cash-burn of up to US\$100 million, it became apparent that significant investment in the range of several hundred millions of dollars was necessary in order to maintain U.S. operations until such time as a plan of reorganization could plausibly be confirmed by the Bankruptcy Court.

16. Despite an extensive process, conducted in consultation with key economic stakeholders, to attract financing or a sale of all or part of the U.S. Business, the Company's efforts have not resulted in a viable transaction to date. In light of the Company's rate of cash-burn and

⁴ Unless otherwise noted, all amounts herein are reported in Canadian dollars.

incremental funding needs, the holders of the debt under the Term Loan DIP Facility (the “**Term Loan DIP Lenders**”) – the primary economic stakeholders with respect to the U.S. collateral, including the Canadian Equity – determined that the best way to maximize their recoveries was for the Company to liquidate the existing inventory in all of its 735 remaining U.S. stores and its distribution centres. Without access to further funding to continue its U.S. restructuring efforts, the Company made the decision to maximize value for its stakeholders by seeking authority to commence the U.S. Wind-Down and concurrently pursue a going concern transaction for the Canadian Business and certain other international operations.

17. Further information with respect to the U.S. Wind-Down and the challenges experienced by the U.S. Business more generally can be found in the U.S. Omnibus Motion filed in support of the U.S. Wind-Down Order and the Canadian Equity Bidding Procedures Order, a copy of which (without schedules or exhibits) is attached hereto as Exhibit “B”.

18. In addition, Toys “R” Us Limited (“**Toys UK**”), an indirect subsidiary of Toys Inc. that carries on business in the United Kingdom, entered administration on February 28, 2018 following an unsuccessful attempt to restructure its business as a going concern pursuant to a company voluntary arrangement. The administration is intended to complete an orderly wind-down and liquidation of Toys UK’s store portfolio.

III. THE DIP FACILITY AND THE DIP AMENDMENT

A. The DIP Facility

19. In advance of the Chapter 11 proceedings, Lazard, on behalf of the Company, conducted a competitive marketing process for the selection of DIP financing. Following this process, Toys

“R” Us, with the advice and assistance of its professional advisors, obtained DIP financing under three separate facilities, in the aggregate amount of more than US\$3.1 billion, to fund different segments of its business: (i) the DIP Facility, to fund Canadian and U.S. operations, (ii) the Term Loan DIP Facility, to provide incremental liquidity for the U.S. Business, and (iii) the “Taj DIP Facility”, to provide liquidity for international business operations.

20. The DIP facilities were essential to addressing the immediate liquidity challenges of the Company at the outset of the proceedings and to fund continued business operations during the critical holiday retail period. The DIP Facility to which Toys Canada is a party provided financing for both the U.S. Business and the Canadian Business, including specific sub-facilities for Toys Canada in the form of a US\$200 million term loan (the “**Canadian DIP Term Loan**”) and a revolving credit facility (the “**Canadian DIP Revolving Facility**”).

21. The Initial Order authorized the Applicant to enter into and borrow under the DIP Facility and granted a priority charge in favour of the DIP Lenders (the “**DIP Charge**”) as security for the Applicant’s obligations under the DIP Agreement. Toys Canada has no obligation with respect to the obligations of the U.S. loan parties under the DIP Facility and the DIP Charge secures only the obligations of the Applicant with respect to the Canadian DIP Facility. Conversely, repayment of the Canadian DIP Facility obligations is guaranteed by the U.S. loan parties and secured by the security interests and collateral granted by such parties to the DIP Agent (as defined below).

22. The DIP Agreement was subsequently amended pursuant to an Amendment No. 1 dated October 12, 2017 to effect certain clerical and immaterial amendments to the revolving portion

of the DIP Facility, including the appointment of a co-collateral agent and the addition of certain new lenders.

23. The US\$200 million Canadian DIP Term Loan was fully drawn at the outset of the CCAA proceedings in connection with the repayment of the pre-filing senior secured ABL Credit Facility and remains outstanding. Toys Canada also borrowed under the Canadian DIP Revolving Facility to fund inventory purchases and business operations during the holiday retail period, but the borrowed amounts were fully repaid in December 2017 and there are currently no amounts drawn on the Canadian DIP Revolving Facility (other than letters of credit of approximately \$5.6 million).

B. The Term Loan DIP Facility

24. The \$450 million Term Loan DIP Facility was advanced to Toys Delaware, as borrower, by an ad hoc group of prepetition lenders to the U.S. Business to provide liquidity to the U.S. Business during the Chapter 11 proceedings. The initial Term Loan DIP Lenders were also lenders to the Company under a prepetition term loan facility (the “**Prepetition Term Loan**”), under which the Company had total outstanding obligations of US\$1.2 billion at the commencement of the Chapter 11 proceedings. Toys Canada is not a party to, and does not have any obligation with respect to, the Term Loan DIP Facility. However, the DIP Agreement contains certain cross-default provisions in respect of the Term Loan DIP Facility.

25. With respect to the U.S. borrowers, the DIP financing is secured on the basis of a split collateral structure, consistent with the prepetition financing arrangements of the U.S. Business.⁵ Broadly speaking, the final order of the Bankruptcy Court entered October 24, 2017 approving the DIP facilities (the “**Final DIP Order**”) provides that the DIP Facility is secured on a first-lien basis against the working capital assets of the U.S. Business and the Term Loan DIP Facility is secured on a first-lien basis against the fixed assets of the U.S. Business (the “**Term Loan Priority Collateral**”), with each facility cross-collateralized on a subordinate basis. The Prepetition Term Loan is secured against the Term Loan Priority Collateral, subordinate to the liens securing the Term Loan DIP Facility but in priority to the liens securing the DIP Facility.

26. The Term Loan Priority Collateral securing the Term Loan DIP Facility and the Prepetition Term Loan includes a pledge of 65% of the voting equity and 100% of the non-voting equity of Toys Canada owned by Toys Delaware. Accordingly, the Term Loan DIP Lenders have a significant economic interest in Toys Canada and the Canadian Business.

C. The DIP Amendment

27. In anticipation of the filing of the U.S. Omnibus Motion, the Company engaged in negotiations with the DIP Lenders regarding arrangements to address the potential resulting defaults under the DIP Agreement. On March 14, 2018, the loan parties to the DIP Agreement and JPMorgan Chase Bank, N.A., as administrative agent and JPMorgan Chase Bank, N.A. (Toronto Branch) as Canadian administrative agent under the DIP Agreement (collectively, the “**DIP Agent**”) entered into a Limited and Temporary Forbearance to provide the parties with

⁵ Toys Canada’s secured financing is not based on a split collateral structure. The Canadian DIP Facility (and the pre-filing ABL Credit Facility before it) is secured against all of the assets of Toys Canada (subject to certain carve-outs).

additional time to negotiate the terms of a broader amendment to the DIP Agreement. After extensive negotiations on an accelerated timeline in the lead up to the hearing of the U.S. Omnibus Motion, the parties finalized the terms of the DIP Amendment as of March 20, 2018.

28. Concurrently with negotiations in respect of the DIP Facility, the Company engaged in discussions with the Term Loan DIP Lenders to address potential defaults under the Term Loan DIP Facility relating to the commencement of the U.S. Wind-Down. These discussions proceeded in parallel to the discussions with respect to the DIP Facility, resulting in an initial temporary forbearance followed by the execution of a Waiver, Consent and Amendment to the Term Loan DIP Facility credit agreement as of March 20, 2018.

29. The DIP Amendment provides, among other things:⁶

- (a) the DIP Lenders waive the Specified Events of Defaults arising in connection with the U.S. Wind-Down;
- (b) the Domestic Loan Parties⁷ shall commence the U.S. Wind-Down by March 27, 2018 and complete liquidation sales by no later than July 15, 2018;
- (c) the DIP Lenders consent to the sale of the Canadian Equity or all or substantially all of the assets of the Canadian Borrower⁸ on a going concern basis (the “**TRU Canada Sale**”) provided that such sale is a “**Qualifying TRU Canada Sale**”

⁶ In this section, capitalized terms used and not otherwise defined herein have the meanings given to them in the DIP Amendment.

⁷ For purposes of the DIP Amendment and the DIP Agreement, “**Domestic Loan Parties**” means any Loan Party other than a Canadian Loan Party. The “**Domestic Borrowers**” are the U.S.-based borrowers under the DIP Agreement, including Toys Delaware as “**Lead Borrower**”.

⁸ The Canadian Borrower means Toys Canada.

which requires that, among other things, such sale is made pursuant to an Approved TRU Canada Purchase Agreement. “TRU Canada Sale” is defined to include both equity and asset sales to provide the Company with maximum flexibility to develop and implement a value-maximising transaction, subject to necessary court approvals.

An Approved TRU Canada Purchase Agreement means a stock purchase agreement or asset purchase agreement, as applicable, for the TRU Canada Sale, which shall provide for, among other things, the closing of a TRU Canada Sale by no later than May 31, 2018 and, prior to or upon the consummation of such sale, (i) the indefeasible payment in full in cash of all obligations of the Canadian Borrower under the DIP Facility and all obligations of the Canadian Borrower to the Domestic Borrowers in respect of subrogation claims arising as a result of the cash collateralization by the Domestic Borrowers of Canadian letters of credit (as described below) (collectively, the “**Canadian Liabilities**”), and (ii) the collateralization of any outstanding Canadian letters of credit;

- (d) the Company shall comply with certain milestones in connection with the TRU Canada Sale (the “**Sale Milestones**”), including:
 - (i) not later than March 30, 2018, the Bankruptcy Court and this Court, if required, shall have entered an order approving or affirming a sale process with respect to the TRU Canada Sale;

- (ii) not later than April 30, 2018, the Lead Borrower or the Canadian Borrower shall have entered into an Approved TRU Canada Purchase Agreement;
- (iii) not later than May 15, 2018 , the Bankruptcy Court and this Court shall have entered an order approving the Approved TRU Canada Purchase Agreement or otherwise facilitating or permitting the TRU Canada Sale; and
- (iv) not later than May 31, 2018, the TRU Canada Sale shall have closed, provided that this milestone date can be extended to July 15, 2018 upon the satisfaction of certain conditions and the payment of an extension fee;
- (e) if the Borrowers fail to meet any of the Sale Milestones, such failure shall not constitute a default if the Canadian Borrower, within five business days of the failure to meet the applicable Sale Milestone, delivers a written notice to the DIP Agent to commence a liquidation and thereafter provides a wind-down budget to the DIP Lenders and seeks Court approval of a wind-down order. The effect of this provision is to allow the Canadian Borrower to avoid an event of default (subject to the conditions in the DIP Amendment) in the event that a going concern sale is not achieved within the Sale Milestones. The DIP Amendment does not require a liquidation of the Canadian Business and Toys Canada has not agreed, and does not intend, to undertake a liquidation;

- (f) subject to the overriding obligation to repay the Canadian Liabilities on or prior to the closing of an Approved TRU Canada Sale, the Borrowers shall repay the DIP Facility obligations (including the obligations under the Canadian DIP Term Loan) in accordance with a schedule attached to the DIP Amendment. With respect to the repayment of the Canadian DIP Term Loan, the DIP Amendment provides for payments of US\$50 million in May 2018 and US\$150 million in June 2018. The U.S. Wind-Down Budget contemplates that a Domestic Borrower, in its capacity as guarantor, will make the required payments in respect of the Canadian DIP Term Loan on behalf of Toys Canada, and the Interim DIP Amendment Order and proposed final order of the Bankruptcy Court approving the DIP Amendment provide that any Domestic Borrower funding such repayments will be subrogated to the rights of the DIP Lenders with respect to such obligations of Toys Canada;
- (g) the DIP Facility loans are converted from bankers' acceptances and LIBOR loans (if applicable) into prime rate loans bearing interest at increased rates equal to (i) in the case of revolving loans, the prime rate plus 3.50% (previously prime plus 1.50%), and (ii) in the case of term loans, the prime rate plus 7.75% (previously prime plus 5.75%);
- (h) on the effectiveness of the DIP Amendment, Toys Delaware shall borrow the U.S.-dollar equivalent of \$5,112,945.28 under the U.S. DIP Facility to cash collateralize outstanding letters of credit issued on behalf of the Canadian Borrower;

- (i) the maximum availability under the Canadian DIP Revolving Facility will be permanently reduced to US\$40,623,829.60 and the consent of the DIP Lenders will be required for any further advances under the Canadian DIP Revolving Facility. Although the Canadian Borrower has no assurance that the requisite consent would be provided, the DIP budget indicates that no such advances are required by Toys Canada;
- (j) the Canadian Borrower will comply with various reporting requirements, including providing the DIP Agent with a weekly report summarizing the status of the sale process and a comparison of actual-to-forecasted financial results;
- (k) the DIP Amendment contains certain events of default, including a failure to comply with the Sale Milestones and cash flow variance tests for both the Domestic Loan Parties and the Canadian Borrower. The DIP Amendment requires that the Canadian Borrower maintain a minimum cash balance of US\$5 million at all times and that any negative variance between its actual cash balance and projected cash balance at the end of any week is not greater than US\$7 million; and
- (l) each of the Loan Parties releases the DIP Lenders, the DIP Agent and other DIP secured parties from any claims relating to the DIP Facility and related matters.

30. The DIP Amendment is conditional upon, among other things, the entry of orders of this Court and the Bankruptcy Court (on a final basis) on or prior to March 28, 2018 approving the execution of the DIP Amendment and the performance of the Loan Parties' obligations

thereunder. To ensure that defaults under the DIP Agreement would not arise pending court approvals, the forbearance period in the Limited and Temporary Forbearance was extended to March 28, 2018 upon the execution of the DIP Agreement and the payment of certain accrued expenses.

31. The Bankruptcy Court approved the DIP Amendment and the amendment to the Term Loan DIP Facility on an interim basis pursuant to the Interim DIP Amendment Order entered on March 21, 2018, a copy of which is attached hereto as Exhibit "C". The Interim DIP Amendment Order, among other things:

- (a) approves 13-week cash flow budgets for the U.S. Business and the Canadian Business;
- (b) makes certain amendments to the Final DIP Order, including an amendment to paragraph 37 of the Final DIP Order to give effect to the subrogation rights of any Domestic Borrower that repays obligations under the Canadian DIP Term Loan on behalf of Toys Canada. The Applicant's proposed DIP Amendment Order also includes a provision giving effect to such subrogation rights;
- (c) provides that, except with respect to the subrogation amendment described above, nothing in the Interim DIP Amendment Order shall amend, modify or limit in any way paragraph 37 of the Final DIP Order (which provides that, notwithstanding anything to the contrary in the Final DIP Order, any liens, rights, claims or security interests in respect of Toys Canada or its assets shall be created and governed solely by the Initial Order or other order of this Court); and

- (d) authorizes the Chapter 11 Debtors (including Toys Canada) to seek such relief from this Court as may be necessary for the execution and performance of the DIP Amendment.

32. A hearing for the issuance of a final order approving the DIP amendments by the Bankruptcy Court is scheduled for March 27, 2018. I have instructed Goodmans LLP to serve and file with this Court a copy of the final order of the Bankruptcy Court when available.

IV. THE CANADIAN EQUITY SALE PROCESS

33. As the prospects for a going concern restructuring of the entire Toys “R” Us group diminished, the Company expanded its efforts to explore strategic options and alternatives for its international operations, including the Canadian Business. Since the Canadian Business operates on a relatively autonomous basis and is managed from Canada, the Company has focused on developing a going concern sale of the Canadian Business on a standalone basis.

34. The Company and Lazard have been conducting a marketing process with respect to the Canadian Business, which commenced in February 2018. Throughout the marketing process, Lazard has worked closely with senior management of Toys Canada and its financial advisor, Alvarez & Marsal Canada ULC (“**A&M Canada**”), to develop a management presentation and other marketing materials, facilitate meetings between management and interested parties, populate an electronic data room to facilitate due diligence requests, and respond to additional due diligence and information requests. Lazard contacted more than twenty potential purchasers (including both financial and strategic parties) with respect to the Toys Canada opportunity and certain of those parties executed non-disclosure agreements and received access to the electronic

data room to facilitate due diligence. As a result of this process, the Company has received multiple non-binding offers for the acquisition of the Canadian Equity.

35. On March 27, 2018 the Company will seek final Bankruptcy Court approval of the Canadian Equity Bidding Procedures Order, which establishes a formal process through which the Company can continue its efforts to implement a going concern sale of the Canadian Business. The Canadian Equity Sale Process is designed to maintain flexibility and maximize value through a competitive and open procedure for the sale of the Canadian Equity. Toys Canada and its advisors have consulted with Lazard, the Company's U.S. restructuring counsel and the Monitor and its counsel in connection with the development of the Canadian Equity Sale Process. A copy of the form of Canadian Equity Bidding Procedures Order for which the Company intends to seek Bankruptcy Court approval is attached hereto as Exhibit "D".

36. The Company has also developed a potential transaction structure that would combine up to 200 of the best-performing U.S. stores with a going concern transaction for the Canadian Business. Under this "reverse merger" construct, a purchaser of the Canadian Equity would also acquire these best-performing U.S. stores (which would be withdrawn from the U.S. Wind-Down process). The Canadian Equity Sale Process provides flexibility to enable (but not require) the Company to receive and consider "reverse merger" bids in connection with an acquisition of the Canadian Equity.

37. The Company, in consultation with its stakeholders, has decided to pursue a transaction in respect of the Canadian Equity (rather than an asset sale) at this time for a number of reasons, including the Company's assessment of the value of the Canadian Business and to enable an acquisition on a tax-efficient basis. As the Canadian Equity is an asset of Toys Delaware, the

Chapter 11 proceedings are expected to be the primary forum for the conduct of the Canadian Equity Sale Process and the approval of any sale of the Canadian Equity.

38. The Canadian Equity Sale Process is set forth in the proposed Canadian Equity Bidding Procedures Order (and the schedules thereto). The proposed Order provides that the bidding procedures may be modified by the Company, in its business judgment after consultation with the Consultation Parties (as described below), in any manner that may best promote the goals of the bidding procedures. The Canadian Equity Sale Process includes the following key terms:⁹

- (a) Stalking Horse Bidder: the Company, in consultation with the Consultation Parties, is authorized but not required to enter into a transaction agreement with a Qualified Bidder prior to the Bid Deadline (as defined below) to act as a stalking horse bidder. In connection with any stalking horse agreement, the Company is authorized to provide the stalking horse bidder with bid protections in the form of a breakup fee, expense reimbursement and/or work fee in an aggregate amount not to exceed 3% of the proposed purchase price. Toys Canada is not obligated to pay the bid protections.
- (b) Qualified Bid: Only bidders that submit a Qualified Bid are entitled to participate in the Auction. A Qualified Bid must offer to purchase at least the Canadian Equity and provide for the payment or treatment of the obligations of Toys Canada in a manner reasonably satisfactory to the Monitor, and may also identify which, if any, subset of the Company's U.S. stores it proposes to purchase.

⁹ In this section, capitalized terms used and not otherwise defined herein have the meanings given to them in the Canadian Equity Bidding Procedures Approval Order.

- (c) Auction: the Company is authorized, but not required, to conduct an Auction for the Canadian Equity. If the Company determines that an Auction is not necessary, it is authorized to pursue a sale by any other means and seek Bankruptcy Court approval to the extent required by applicable law.
- (d) Successful Bid: If an Auction is conducted, it shall continue until there remains only one bid to purchase the Canadian Equity (and a subset of U.S. stores, if applicable) that the Company determines in its sole discretion is the highest and/or otherwise best Qualified Bid. The Company may also, in consultation with the Consultation Parties, not select any Successful Bid or reject any bid, including where it is determined that such bid is contrary to, or otherwise not in the best interests of the Company's estate, affected stakeholders or other parties in interest.
- (e) Consultation Parties: The Company is required to consult with the Consultation Parties in connection with various matters relating to the Canadian Equity Sale Process. The Consultation Parties include, among others, the counsel and financial advisors to the Term Loan DIP Lenders, the official committee of unsecured creditors of the Chapter 11 Debtors, and the Monitor.
- (f) Dates and Timelines: The Canadian Equity Sale Process includes the following proposed dates and timelines:

Date	Deadline
Period between entry of Order and April 13, 2018	<u>Stalking Horse Bidder</u> : The Company is authorized, but not directed, in consultation with the Consultation Parties, to designate a Stalking Horse Bidder.
April 13, 2018	<u>Bid Deadline</u> : Deadline for the receipt of bids.
April 16, 2018	<u>Notice of Qualified Bids</u> : The Company will notify the bidders whether their bids are Qualified Bids.
April 18, 2018	<u>The Auction</u> : The Auction, if any, will proceed on this date.
April 23, 2018	<u>Sale Hearing</u> : The Company will seek approval from the Bankruptcy Court to designate the Successful Bidder(s) on this date or such other date as the Bankruptcy Court may determine.

39. Given that any sale of the Canadian Equity will have a direct impact on the Canadian Business and Toys Canada's stakeholders, the Applicant expects that the Monitor and this Court will exercise an important oversight role with respect to the process and any resulting transaction. The Applicant will bring a motion before this Court in connection with the implementation of any transaction for the Canadian Equity. The Applicant expects that any purchaser of the Canadian Equity will require relief from this Court to facilitate the completion of the transaction and Toys Canada's emergence from creditor protection, and the DIP Amendment contemplates the granting by this Court of an order authorizing and directing the repayment of the obligations under the Canadian DIP Facility on the closing of a transaction. Toys Canada and its advisors will continue to work with the Monitor to ensure that the interests of stakeholders of the Canadian Business are appropriately addressed in connection with any sale of the Canadian Equity. In the circumstances of this case, the Applicant believes that the

Canadian Equity Sale Process provides an appropriate process for the development and implementation of a going concern transaction for the Canadian Business.

V. UPDATE ON THE APPLICANT'S BUSINESS AND ACTIVITIES

40. Since the Applicant's previous motion in January 2018, Toys Canada and its advisors have been working diligently to manage day-to-day business operations, advance the Canadian Equity Sale Process and other restructuring initiatives, and undertake the claims procedure approved pursuant to the Claims Procedure Order issued January 25, 2018.

41. The Canadian Business has continued to perform strongly despite significant headwinds caused by developments with the Company's U.S., U.K. and certain other international businesses. Over the course of the CCAA proceedings, Toys Canada has negotiated post-filing trade terms with many of its vendors, including the vast majority of its highest-volume vendors, under which such vendors have continued to supply the Applicant on agreed credit terms. The continuing support of its suppliers has enabled Toys Canada to maintain appropriate inventory and working capital levels without any current draws on the Canadian DIP Revolving Facility.

42. The Applicant and A&M Canada have worked closely with the Monitor to undertake the claims procedure to solicit and identify claims in respect of Toys Canada. The majority of this activity was front-loaded in order to be in a position to issue claim statements in accordance with the "negative claims procedure" approved by the Court. The claims bar date for the filing of pre-filing claims is April 6, 2018 and the Applicant and the Monitor will provide a further update to the Court following that time.

43. Toys Canada is also focused on taking the actions necessary to mitigate the impact of the U.S. Wind-Down on the Canadian Business and to prepare for the acquisition of the Canadian Business on a standalone basis, including:

- (a) proactively communicating with vendors, customers, employees and other stakeholders to inform them that the Canadian Business continues to operate in the normal course despite the U.S. Wind-Down;
- (b) reviewing the scope of shared services provided by the Company and exploring options for the transition of such services in-house or to third party providers. The Company has agreed to a wind-down budget with its lenders that will permit the continuation of shared services to its international operations (including the Canadian Business) for a period of at least 60 days; and
- (c) transitioning to the Canadian Business certain vendor and supplier relationships that have traditionally been managed by the U.S. Business.

VI. THE DIP AMENDMENT ORDER

A. Importance of the DIP Amendment

44. The Applicant is seeking this Court's approval of the DIP Amendment Order to provide stability while the Company conducts the U.S. Wind-Down, shared services are transitioned, and the Canadian Equity Sale Process is allowed to proceed for a going concern solution for the Canadian Business. While the potential defaults under the DIP Facility are the result of the poor performance of the U.S. Business and the announced U.S. Wind-Down and not any matter pertaining directly to the Canadian Business, the integrated nature of the financing arrangements

means that any default under the DIP Facility also results in a default in respect of the Canadian DIP Facility. Approval of the DIP Amendment Order is therefore necessary to ensure the continued stable operation of the Canadian Business during the development and implementation of a value-maximizing transaction for the Canadian Business.

45. The Applicant believes that the DIP Amendment is in the best interests of Toys Canada and its stakeholders for a number of reasons, including:

- (a) the DIP Amendment waives the events of defaults relating to the U.S. Wind-Down and provides certainty to the Company and its stakeholders that such defaults have been addressed;
- (b) in the absence of the DIP Amendment, the DIP Lenders would be in a position, subject to leave of this Court, to exercise enforcement rights in respect of the Canadian DIP Facility, including seeking to accelerate the obligations under the US\$200 million Canadian DIP Term Loan Facility;
- (c) the DIP Amendment provides for the cash collateralization of Canadian letters of credit in the amount of approximately US\$3.97 million with funds drawn by the U.S. borrower under its DIP revolving facility. In the absence of this relief, Toys Canada would be required under the terms of the DIP Agreement to cash collateralize the letters of credit using its existing cash resources;
- (d) the DIP Amendment permits the Company to pursue and implement a Qualifying TRU Canada Sale and provides the Company with sufficient runway to undertake the Canadian Equity Sale Process. The milestones in the DIP Amendment require

the Company to execute a transaction agreement in respect of the TRU Canada Sale by April 30, 2018 and to obtain necessary court approvals by May 15, 2018. As the Canadian Equity Sale Process currently contemplates the conduct of the Auction (if appropriate) on April 18, 2018 and a Bankruptcy Court sale approval hearing by April 23, 2018, the DIP Amendment permits the Company to complete the process within the established timelines and provide flexibility in the event that such timelines are extended; and

- (e) the DIP Amendment will provide confidence to customers, suppliers, landlords and other key stakeholders of the Canadian Business that Toys Canada has the ability to continue normal course business operations. Maintaining customer and supplier confidence in Toys Canada is particularly important at this stage of the restructuring proceedings given the pending U.S. Wind-Down and ongoing efforts to complete a sale of the Canadian Equity.

B. Liquidity and Cash Flow Forecast

46. As of March 10, 2018, Toys Canada has a cash balance of approximately \$54.3 million. As set out in the 13-week cash flow forecast attached to the DIP Amendment, a copy of which is attached hereto as Exhibit “E”, Toys Canada’s existing cash resources are forecast to provide sufficient liquidity to operate through the week ending June 9, 2018 and beyond.

47. For the nine-week period from January 7, 2018 to March 10, 2018, Toys Canada generated a positive net cash flow variance of approximately \$18.6 million relative to the cash flow forecast contained in my affidavit dated January 18, 2018 (the “**January Forecast**”). The

positive variance is primarily the result of (i) marginally higher than forecast sales, (ii) better than forecast payment terms with domestic and foreign merchandise vendors, and (iii) marginally lower than forecast merchandise purchases.

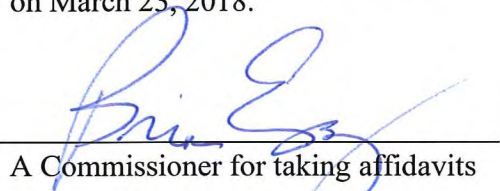
48. For the week ending May 5, 2018 (the last week of the January Forecast), the updated cash flow forecast projects an ending cash balance of approximately \$12.2 million, which is approximately \$19.6 million lower than the balance projected in the January Forecast and reflects certain contingencies. The stability provided by the DIP Amendment and the Applicant's ongoing efforts and progress towards implementing a going concern sale of the Canadian Business are expected to provide confidence to suppliers in the long-term viability of the Canadian Business and the Applicant's ability to continue to satisfy its post-filing obligations in the normal course.

49. The Company and Toys Canada have confidence that the DIP Amendment will provide the necessary stability and time to allow the Canadian Equity Sales Process to achieve a going concern, value maximizing solution for the Canadian business. However, being under the same DIP Agreement as the Chapter 11 Debtors during the U.S. Wind-Down, even with the proposed arrangements in place, creates certain challenges. For this reason, in addition to the efforts described above in pursuit of the Canadian Equity Sales Process and the transition of shared services, Toys Canada, with the support of the Company and the Monitor, and with the assistance of their respective advisors, including Lazard, is actively exploring alternative financing arrangements that would, if and when appropriate, enable Toys Canada to carry on without the restrictions in the amended DIP Agreement.

50. In summary, the Company believes that the DIP Amendment is necessary and appropriate in the circumstances. The DIP Amendment addresses the potential events of default caused by the U.S. Wind-Down and provides the Company with appropriate flexibility and breathing room to develop and implement a sale of the Canadian Business. The DIP Amendment will provide stability at this important juncture of the CCAA proceedings and avoid disruption to the Canadian Business that could adversely impact its value in the Canadian Equity Sale Process. Accordingly, the granting of the DIP Amendment Order is in the best interests of Toys Canada and its stakeholders.

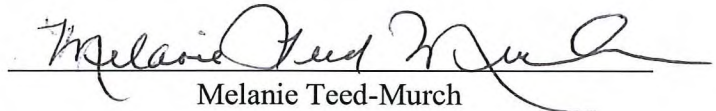
51. I swear this affidavit in support of the DIP Amendment Order and for no improper purpose.

SWORN before me at the City of
Vaughan, in the Province of Ontario,
on March 23, 2018.


A Commissioner for taking affidavits

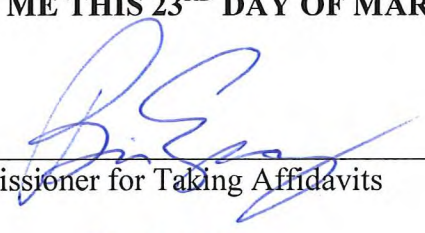
Brian F. Empey

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Melanie Teed-Murch

A

THIS IS EXHIBIT "A"
TO THE AFFIDAVIT OF MELANIE TEED-MURCH
SWORN BEFORE ME THIS 23RD DAY OF MARCH, 2018



Commissioner for Taking Affidavits

Brian F. Empey

EXECUTION VERSION

WAIVER, CONSENT AND AMENDMENT AGREEMENT

THIS WAIVER, CONSENT AND AMENDMENT AGREEMENT, dated as of March 20, 2018 (this “**Agreement**”) is entered into by and among Toys “R” Us-Delaware, Inc., as a debtor and debtor-in-possession under chapter 11 of the Bankruptcy Code (the “**Lead Borrower**”), Toys “R” Us (Canada) Ltd. Toys “R” Us (Canada) Ltee, as a debtor and debtor-in-possession under chapter 11 of the Bankruptcy Code and applicant under the CCAA (the “**Canadian Borrower**”), the Facility Guarantors under the DIP ABL/FILO Credit Agreement (as defined below), JPMorgan Chase Bank, N.A. as administrative agent (the “**Administrative Agent**”), JPMorgan Chase Bank, N.A., Toronto Branch, as Canadian administrative agent (the “**Canadian Agent**”), JPMorgan Chase Bank, N.A. and Wells Fargo Bank, National Association as co-collateral agents (the “**Co-Collateral Agents**”) and the lenders under the DIP ABL/FILO Credit Agreement party hereto, which lenders constitute the “Required Lenders” as defined in the DIP ABL/FILO Credit Agreement (such Lenders, the “**Consenting Lenders**”).

RECITALS:

WHEREAS, reference is made to that certain Superpriority Secured Debtor-in-Possession Credit Agreement dated as of September 22, 2017, by and among the Lead Borrower, the other Domestic Borrowers from time to time party thereto, the Canadian Borrower, the Facility Guarantors from time to time party thereto, the Administrative Agent, the Canadian Agent, the Co-Collateral Agents and the lenders from time to time party thereto (as amended by Amendment No. 1 thereto dated as of October 12, 2017 and as otherwise supplemented, restated or otherwise modified from time to time prior to the date hereof, the “**DIP ABL/FILO Credit Agreement**”; capitalized terms used and not otherwise defined herein have the meanings assigned to them in the DIP ABL/FILO Credit Agreement);

WHEREAS, the Domestic Loan Parties (i) are seeking from the Bankruptcy Court authority to close additional Stores and conduct bulk sales of inventory in connection therewith, by filing the Store Liquidation Motion (as defined in that certain Limited and Temporary Forbearance, dated as of March 14, 2018 (the “**Forbearance**”), among the Loan Parties and the lenders party thereto, the filing of which motion would have given rise to an Event of Default pursuant to Section 7.01(bb) of the DIP ABL/FILO Credit Agreement, (ii) have determined to suspend the operation of the Domestic Loan Parties’ business in the ordinary course, liquidate all or substantially all of the Loan Parties’ assets and Store locations, and employ an agent or other third party to conduct store closing, store liquidation and “Going-Out-Of-Business” sales for substantially all of the Domestic Loan Parties’ Stores, which would give rise to an Event of Default pursuant to Section 7.01(j) of the DIP ABL/FILO Credit Agreement and (iii) have informed the Administrative Agent of the Domestic Loan Parties’ intent to conduct bulk sales in connection with the closing of substantially all Stores of the Domestic Loan Parties, which sales would give rise to an Event of Default pursuant to Section 7.01(d) of the DIP ABL/FILO Credit Agreement resulting from the failure to observe the covenant set forth in Section 6.05 of the DIP ABL/FILO Credit Agreement (the Events of Default and potential Events of Defaults described in the foregoing clauses and any potential Default or Event of Default arising out of the

inaccuracy of any representation that may have resulted therefrom, the “**Specified Events of Default**”);

WHEREAS, the Domestic Loan Parties have the intention to wind-down their operations in the United States and to liquidate substantially all of their inventory in the United States (the “**Domestic Wind-Down**”), consistent with the weekly budget delivered to the Administrative Agent and attached hereto as Exhibit A (the “**Domestic Wind-Down Budget**”; provided, the Domestic Wind-Down Budget or (if applicable) the Canadian Wind-Down Budget shall be reduced by the Loan Parties as provided in Section 3(k) below (but not increased) to the extent the Loan Parties amend, modify or terminate contractual arrangements, including lease obligations, to provide for disbursements that are less than those contemplated by the existing Domestic Wind-Down Budget, the Canadian Going Concern Budget or (if applicable) the Canadian Wind-Down Budget) and pursuant to liquidation agreements attached hereto as Exhibit B;

WHEREAS, the Loan Parties have informed the Administrative Agent that they intend to sell or otherwise dispose of all of the Capital Stock of the Canadian Borrower or all or substantially all of the assets of the Canadian Borrower on a going concern basis (the “**TRU Canada Sale**”), which sale or other disposition would give rise to an Event of Default pursuant to Section 7.01(d) of the DIP ABL/FILO Credit Agreement resulting from the failure to observe the covenant set forth in Section 6.05 of the DIP ABL/FILO Credit Agreement;

WHEREAS, the Canadian Borrower intends to continue going concern business operations at all of the Stores of the Canadian Borrower consistent with the terms of the budget attached hereto as Exhibit C (the “**Canadian Going Concern Budget**”) while it pursues the TRU Canada Sale;

WHEREAS, the Loan Parties acknowledge and agree that upon the occurrence and during the continuance of an Event of Default, the Administrative Agent, the Canadian Agent and the Co-Collateral Agents are authorized to and shall at the direction of the Required Lenders proceed to protect and enforce certain rights and remedies under the DIP ABL/FILO Credit Agreement and the other Loan Documents, subject in all respects to (i) the Remedies Notice Period (as defined in the Final Order) and (ii) solely to the extent required in the Canadian Case, leave of the Canadian Court;

WHEREAS, the Loan Parties have requested that the Lenders waive the Specified Events of Default, amend certain provisions of the DIP ABL/FILO Credit Agreement and provide certain consents in connection with the TRU Canada Sale and (if applicable) the Canadian Wind-Down; and

WHEREAS, the Administrative Agent, the Canadian Agent, the Co-Collateral Agents and the Consenting Lenders have agreed to accommodate such requests of the Loan Parties on the terms and subject to the conditions herein set forth;

NOW, THEREFORE, in consideration of the foregoing, the covenants and conditions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Incorporation of Recitals.

Each of the Loan Parties acknowledges that the recitals set forth above are true and correct in all respects.

2. Limited Waiver; Consent.

(a) In reliance upon the representations, warranties and covenants of the Loan Parties contained in this Agreement, and upon the terms and subject to the conditions of this Agreement, the Consenting Lenders hereby, effective as of the Waiver Effective Date, waive each of the Specified Events of Default (the “**Waiver**”). Except as expressly set forth in this Agreement, no terms, covenants or other provisions of the DIP ABL/FILO Credit Agreement or any other Loan Document are intended pursuant to any provision of this Agreement to (or shall) be affected by any provision of this Agreement, all of which remain in full force and effect unaffected by any provision of this Agreement.

(b) The Waiver is limited to the extent specifically set forth herein and nothing contained herein is intended, or shall be deemed or construed, (i) to constitute a waiver of any Defaults or Events of Default or compliance with any term or provision of the Loan Documents (as amended hereby), in each case other than the Specified Events of Default, or (ii) to establish a custom or course of dealing between the Loan Parties, on the one hand, and the Administrative Agent, the Canadian Agent, the Co-Collateral Agents and/or any Lender, on the other hand.

(c) The Consenting Lenders hereby, effective as of the Waiver Effective Date, consent (i) to the TRU Canada Sale and (ii) to the entry of (and to the filing of any motion by the Loan Parties seeking) any order of the Bankruptcy Court or the Canadian Court permitting the TRU Canada Sale, and agree that no Default or Event of Default shall result from the foregoing (including pursuant to Section 7.01(w), (x), (bb) and (cc) of the DIP ABL/FILO Credit Agreement), so long as, in each case, the TRU Canada Sale is a Qualifying TRU Canada Sale. A “**Qualifying TRU Canada Sale**” shall mean a TRU Canada Sale that is made pursuant to an Approved TRU Canada Purchase Agreement (as defined below) (including the performance of any transition services by the Domestic Loan Parties as contemplated thereby) and notwithstanding any other provision of this Agreement (including, for greater certainty, any provision of the Domestic Wind-Down Budget) prior to or upon consummation thereof (and as a condition to the consummation thereof) (i) the Canadian Commitments shall have been terminated, all Canadian Liabilities and Other Liabilities of the Canadian Borrower shall have been indefeasibly and irrevocably paid and satisfied in full in cash (other than contingent indemnity obligations with respect to then unasserted claims), all Canadian Letters of Credit shall have expired or terminated (or been collateralized in a manner satisfactory to the Issuing Banks), all Canadian Letter of Credit Outstandings have been reduced to zero (or been collateralized in a manner satisfactory to the Issuing Banks) (and the Consenting Lenders hereby consent to the making of the foregoing payments and terminations) and the Canadian Borrower

shall have indefeasibly and irrevocably paid in full in cash to the Domestic Borrower all amounts owed under subrogation claims in respect of the cash collateralization by the Domestic Borrower of Canadian Letter of Credit Outstandings and (ii) a final order of the Bankruptcy Court and/or the Canadian Court, as applicable, satisfactory to the Administrative Agent and the Canadian Agent shall have been entered that ratifies such termination, payment and satisfaction or the Required Lenders shall otherwise be satisfied that such indefeasible and irrevocable termination, payment and satisfaction has occurred. The date on which the conditions set forth in clauses (i) and (ii) of the immediately preceding sentence are satisfied or waived is referred to as the **“Canadian Facility Termination Date”**.

(d) The Administrative Agent, the Canadian Agent and the Co-Collateral Agent are hereby authorized, (i) upon the consummation of the Qualifying TRU Canada Sale and the occurrence of the Canadian Facility Termination Date and consistent and pursuant to the provisions set forth in Section 8.18 of the DIP ABL/FILO Credit Agreement, to release the Canadian Borrower from all of its obligations and liabilities under the Loan Documents (other than such obligations and liabilities which by their terms expressly survive the termination of the Loan Documents) and release all Liens granted by the Canadian Borrower and (if such Qualifying TRU Canada Sale is in the form of a disposition of the Capital Stock of the Canadian Borrower) the Capital Stock of the Canadian Borrower as security therefor and (ii) upon the Canadian Facility Termination Date, (x) to deliver evidence of the release of such Liens granted by the Canadian Borrower and (if a Qualifying TRU Canada Sale is in the form of a disposition of the Capital Stock of the Canadian Borrower has been consummated) Liens on the Capital Stock of the Canadian Borrower and (y) consent to the granting of Liens to any third party lender (including on a “priming” basis) over the assets and property of the Canadian Loan Parties and (if a Qualifying TRU Canada Sale in the form of a disposition of the Capital Stock of the Canadian Borrower has been consummated) the Capital Stock of the Canadian Borrower to the extent requested.

3. Additional Covenants. From and after the Waiver Effective Date (as defined below), the Loan Parties shall comply with the following covenants:

(a) The Domestic Loan Parties shall (i) on Thursday of each week (beginning with the week starting on April 1, 2018) provide to the Administrative Agent a weekly report for the previous week in a form acceptable to the Administrative Agent summarizing the status of the Domestic Wind-Down, which report shall include (x) an inventory balance of the Domestic Loan Parties, (y) a variance comparison of actual results, disbursements and proceeds to the results, disbursements and proceeds set forth in the Domestic Wind-Down Budget on a line item basis, and the timing of the delivery of the Domestic Loan Parties’ portion of proceeds and a reconciliation with the liquidators’ portion of such proceeds and (z) an explanation for any variance between the Domestic Wind-Down Budget and actual results that is not immaterial and a summary status report of the implementation of the Domestic Wind-Down Budget, (ii) on Thursday of each second week (beginning with the week starting on April 1, 2018), provide to the Administrative Agent a bi-weekly report, with allocations on an estate-by-estate and loan-by-loan basis, of all paid and estimated accrued professional fees and expenses, (iii) on Thursday of each week (beginning with the week starting on April 1, 2018) provide to the Administrative Agent an updated schedule of store and distribution center closings during the previous week,

(iv) provide access to the Administrative Agent, the Canadian Agent, the Co-Collateral Agents and their respective advisors and representatives to financial records and properties of the Loan Parties relating to the Domestic Wind-Down and provide all information as may be requested by the Administrative Agent, the Canadian Agent, the Co-Collateral Agents and their respective advisors and representatives in connection with the status of the Domestic Wind-Down (other than such information that is subject to attorney-client privilege or could result in a breach of a confidentiality obligation or applicable law or otherwise constitutes attorney work product) promptly after request therefor, (v) on Thursday of each week (beginning with the week starting on April 1, 2018), provide to the Administrative Agent with an updated inventory report for the last day of the previous week in such form as has been agreed prior to the Waiver Effective Date or otherwise satisfactory to the Administrative Agent and (vi) prepay the Loans and collateralize the Letters of Credit in accordance with the Domestic Wind-Down Budget (subject in all respects to the Wind-Down Orders (as defined below)).

(b) Prior to the delivery of the Canadian Wind-Down Notice (as defined below), the Canadian Borrower shall (i) on Thursday of each week (beginning with the week starting on April 1, 2018) provide to the Administrative Agent and the Canadian Agent a weekly report for the previous week in a form acceptable to the Administrative Agent and the Canadian Agent summarizing the status of the Sale Process (as defined below), which report shall include (x) a comparison of actual results, disbursements and proceeds to the results, disbursements and proceeds set forth in the Canadian Going Concern Budget on a line item basis and (y) an explanation for any variance between the Canadian Going Concern Budget and actual results that is not immaterial and (ii) provide access to the Administrative Agent, the Canadian Agent, the Co-Collateral Agents and their respective advisors and representatives to financial records relating to the Sale Process and properties of the Canadian Borrower and provide all information as may be requested by the Administrative Agent, the Canadian Agent, the Co-Collateral Agents and their respective advisors and representatives in connection with the Sale Process promptly after request therefor, including for greater certainty copies of teaser letters, letters of intent, written expressions of interest, bid letters and draft purchase agreements promptly after request therefor (other than such information that is subject to attorney-client privilege or could result in a breach of a confidentiality obligation or applicable law or otherwise constitutes attorney work product).

(c) Following the delivery of the Canadian Wind-Down Notice, the Canadian Borrower shall (i) on Thursday of each week (beginning with the week starting after the Canadian Wind-Down Notice has been delivered) provide to the Administrative Agent and the Canadian Agent a weekly report for the previous week in a form acceptable to the Administrative Agent and the Canadian Agent summarizing the status of the Canadian Wind-Down, which report shall contain (w) an inventory balance of the Canadian Borrower, (x) a comparison of actual results, disbursements and proceeds to the results, disbursements and proceeds set forth in the Canadian Wind-Down Budget on a line item basis, and the timing of the delivery of the Canadian Loan Parties' portion of proceeds and a reconciliation with the liquidators' portion of such proceeds and (y) an explanation for any variance between the Canadian Wind-Down Budget and actual results that is not immaterial, (ii) on Thursday of each week (beginning with the week starting after the Canadian Wind-Down Notice has been delivered) provide to the Administrative Agent and the Canadian Agent an updated schedule of

store and distribution center closings during the previous week, (iii) provide access to the Administrative Agent, the Canadian Agent, the Co-Collateral Agents and their respective advisors and representatives to financial records relating to the Canadian Wind-Down and properties of the Canadian Borrower and provide all information as may be requested by the Administrative Agent, the Canadian Agent, the Co-Collateral Agents and their respective advisors and representatives in connection with the status of the Canadian Wind-Down promptly after request therefor (other than such information that is subject to attorney-client privilege or could result in a breach of a confidentiality obligation or applicable law or otherwise constitutes attorney work product), (iv) prepay the Canadian Loans and cash collateralize the Canadian Letters of Credit in accordance with the Canadian Wind-Down Budget (subject in all respects to the Wind-Down Orders) and (v) on Thursday of each week (beginning with the week starting after the Canadian Wind-Down Notice has been delivered), provide to the Administrative Agent with an updated inventory report for the last day of the previous week in such form as has been agreed prior to the Waiver Effective Date or otherwise satisfactory to the Administrative Agent.

(d) The Loan Parties shall not use proceeds of the ABL Collateral, directly or indirectly, to pay any interest, principal, fees, expenses, or other obligations owed with respect to the DIP Term Loan Facility or any Existing Debt until the Commitments have expired or been terminated, the principal of, and interest on, each Loan and all fees and other Obligations (other than contingent indemnity obligations with respect to then unasserted claims) shall have been indefeasibly and irrevocably paid and satisfied in full in cash, all Letters of Credit shall have expired or terminated (or been Cash Collateralized in a manner satisfactory to the Issuing Bank and all Letter of Credit Outstandings have been reduced to zero (or Cash Collateralized in a manner satisfactory to the Issuing Bank). The Loan Parties shall cause all proceeds of Term Collateral (as defined in the Intercreditor Agreement) to be held in a separate account pending application thereof consistent with the Intercreditor Agreement and the other Loan Documents.

(e) No Domestic Loan Party shall make any Investment in any Canadian Loan Party (or any Subsidiary of a Canadian Loan Party) and no Canadian Loan Party shall make any Investment in any Domestic Loan Party, in each case, except Investments to cash collateralize the Canadian Letter of Credit Outstandings as contemplated in Section 6(c) of this Agreement and Investments in the form of services provided in the ordinary course of business consistent with past practice (and reimbursed in the ordinary course of business consistent with past practice) to the extent consistent with the Domestic Wind-Down Budget.

(f) The Canadian Borrower and/or the Lead Borrower, as applicable, shall achieve the following milestones in connection with the TRU Canada Sale by the prescribed dates (the “**Sale Milestones**”) (in each case unless the Canadian Facility Termination Date shall have occurred):

(i) Not later than March 30, 2018, the Bankruptcy Court and, if required in the Canadian Case, the Canadian Court shall have entered an order, in form and substance satisfactory to the Administrative Agent and the Canadian Agent approving a sale process with respect to the TRU Canada Sale and/or ratifying and affirming a sale process with respect to the TRU Canada Sale (the “**Sale Process**”);

(ii) Not later than April 30, 2018, the Canadian Borrower shall have entered into an asset purchase agreement or the Lead Borrower shall have entered into a stock purchase agreement with respect to the Capital Stock of the Canadian Borrower, as applicable, in form and substance satisfactory to the Required Lenders, the Administrative Agent and the Canadian Agent, for the TRU Canada Sale, which agreement provides for a closing no later than May 31, 2018 and provides for indefeasible and irrevocable payment and satisfaction in full in cash at closing of all Canadian Liabilities and Other Liabilities of the Canadian Borrower outstanding at the time of such closing (other than contingent indemnity obligations with respect to then unasserted claims), the indefeasible and irrevocable payment in full in cash to the Domestic Borrower of all amounts owed under subrogation claims in respect of the cash collateralization of Canadian Letter of Credit Outstandings by the Domestic Borrower and the collateralization of any obligations in respect of Letters of Credit in a manner satisfactory to the Issuing Bank (any such agreement an “**Approved TRU Canada Purchase Agreement**”); provided, that neither the Administrative Agent, the Canadian Agent nor any Lender shall be deemed to waive any objection to the TRU Canada Sale on any terms;

(iii) Not later than May 15, 2018, the Bankruptcy Court and the Canadian Court shall have issued and entered an order approving the Approved TRU Canada Purchase Agreement or otherwise facilitating or permitting the TRU Canada Sale (each a “**Sale Approval Order**”) in form and substance satisfactory to the Administrative Agent and the Canadian Agent; the Sale Approval Order entered by the Canadian Court (and the US Court, if applicable) shall also authorize and direct the Canadian Borrower, or the Monitor on its behalf, to pay to the Administrative Agent or the Canadian Agent, as applicable, an amount sufficient to satisfy the then outstanding Canadian Liabilities and Other Liabilities of the Canadian Borrower (other than contingent indemnity obligations with respect to then unasserted claims) on the closing of the TRU Canada Sale; and

(iv) Not later than May 31, 2018 (the “**Anticipated Sale Closing Date**”), the Qualifying TRU Canada Sale shall have closed and the Canadian Facility Termination Date shall have occurred; provided that the Debtors may extend the Anticipated Sale Closing Date to July 15, 2018 so long as, as of May 31, 2018, (w) all Revolving Credit Loans shall have been indefeasibly and irrevocably paid and satisfied in full in cash, all Letters of Credit have been collateralized in a manner that is satisfactory to the Issuing Bank and all Commitments shall have been terminated, (x) the aggregate outstanding principal amount of Term Loans shall not exceed \$100,000,000, (y) the cash balance of the Loan Parties shall be at least \$36,200,000 and (z) the Loan Parties shall have paid to the Administrative Agent, for the ratable benefit of the Term Lenders, a fee in the amount of \$5,000,000 (which such extension payment shall be due and payable in dollars on May 31, 2018 and once paid, shall not be refundable or revocable);

provided that if the Lead Borrower or Canadian Borrower fails to meet any of the Sale Milestones, such failure shall not constitute a breach of this Section 3(f) if either (A)(x) the

Canadian Borrower, within 5 Business Days of the failure to meet the applicable Sale Milestone, delivers a written notice to the Administrative Agent and the Canadian Agent of its intent to commence a liquidation of its inventory (the “**Canadian Wind-Down Notice**”), (y) within 5 Business Days after the delivery of the Canadian Wind-Down Notice, delivers to the Canadian Agent and the Administrative Agent, in each case in form and substance satisfactory to the Canadian Agent and the Administrative Agent (I) a budget setting forth, in reasonable detail, a plan to liquidate substantially all of the Canadian Borrower’s inventory (the “**Canadian Wind-Down Budget**”) (which Canadian Wind-Down Budget shall also be in form and substance satisfactory to the Required Lenders) and (II) liquidation agreements reasonably satisfactory to the Canadian Agent pursuant to which such liquidation will occur, and (z) within 5 Business Days after the delivery of a Canadian Wind-Down Notice, seeks an order from the Canadian Court and the Bankruptcy Court (if required) (the “**Canadian Wind-Down Orders**”) in form and substance satisfactory to the Canadian Agent and the Administrative Agent authorizing and directing it to conduct the liquidation of its inventory in accordance with the foregoing clause (the actions described in clauses (x), (y) and (z) and such liquidation, collectively, the “**Canadian Wind-Down**”) or (B) the Required Lenders (in their sole discretion) instruct the Canadian Borrower not to commence a liquidation (which instruction may be revoked at any time thereafter, in which case the preceding clause (A) shall apply).

(g) At all times following the delivery of the Canadian Wind-Down Notice, the Canadian Borrower shall (i) pursue the liquidation of the Canadian Borrower’s inventory in a manner that is consistent with the Canadian Wind-Down Budget and the Canadian Wind-Down Orders in all material respects and (ii) comply with the additional reporting requirements described in Section 3(c) of this Agreement.

(h) The Loan Parties shall, promptly following the delivery of any written notice, reports or other written information to the administrative agent or the lenders under the DIP Term Loan Facility or the receipt of any written notice from the administrative agent or the lenders under the DIP Term Loan Facility, deliver a copy of such notice, report or other written information to the Administrative Agent.

(i) The Domestic Loan Parties shall (i) commence liquidation sales at all remaining Stores in the United States by no later than March 27, 2018, (ii) complete liquidation sales at all remaining Stores in the United States by no later than June 30, 2018 (provided, that liquidation sales may continue at a reasonable number of Stores so long as such sales are completed no later than July 15, 2018) and (iii) reject all third-party leases and all leases with Propco I and Propco II by no later than June 30, 2018.

(j) The Loan Parties shall give the Canadian Agent and the Administrative Agent prior notice of and a reasonable opportunity to review any motions to be filed with, and orders to be sought from, the Bankruptcy Court or the Canadian Court, as applicable, with respect to the Domestic Wind-Down, the Sale Process or, if applicable, the Canadian Wind-Down and all such motions and orders shall be in form and substance reasonably satisfactory to the Required Lenders (except in exigent circumstances in which case reasonably practicable notice (as early as possible under the circumstances) to the Administrative Agent will be given).

(k) The Loan Parties shall not amend, modify, revise, update or change in any respect any of the Domestic Wind Down Budget, the Canadian Going Concern Budget or the Canadian Wind Down Budget, unless (i) any such amendment, modification, revision, update or change shall have been provided to the Administrative Agent, the Canadian Agent, their respective advisors and representatives and the Specified Legal Advisor with a reasonable opportunity to review and (ii) the Required Lenders (acting in their sole discretion) shall have consented to any such amendment, modification, revision, update or change. The applicable portions of the Domestic Wind-Down Budget or (if applicable) the Canadian Wind-Down Budget shall be automatically reduced (but not increased) to the extent the Loan Parties amend, modify or terminate any Master Lease or any Material Contract to provide for disbursements that are less than those contemplated by the existing Domestic Wind-Down Budget. “Material Contract” shall mean any contract providing for annual disbursements by the Loan Parties of greater than \$2,500,000.

All reports, access rights, notices and information required to be delivered or provided to the Administrative Agent, the Canadian Agent and/or their respective advisors and representatives pursuant to this Section 3 shall also be delivered or provided by the Loan Parties to the Specified Legal Advisor (as defined below) promptly following delivery or provision to the Administrative Agent, the Canadian Agent and/or their respective advisors and representatives.

4. Additional Events of Default. From and after the Waiver Effective Date (and without in any way limiting the provision of Article VII of the DIP ABL/FILO Credit Agreement), it shall constitute an immediate Event of Default under the DIP ABL/FILO Credit Agreement if any of the following shall occur (as though the following had been fully set forth in the DIP ABL/FILO Credit Agreement):

(a) the Loan Parties shall fail to comply (x) in any material respect with any of the undertakings (other than with respect to Sections 3(f) and 3(i)) set forth in this Agreement or (y) in any respect with any of the undertakings set forth in Sections 3(f) and 3(i) and, in the case of the undertakings set forth in Sections 3(a)(iv), 3(b)(ii), 3(c)(iii), and 3(h), such failure shall continue for a period of 2 days after (i) in the case of any failure to comply with any undertaking set forth in Sections 3(a)(iv), 3(b)(ii) or 3(c)(iii), receipt of written notice from the Administrative Agent and (ii) in the case of the undertaking set forth in section 3(h), knowledge of the applicable Loan Party of such failure;

(b) the Loan Parties shall (x) in the case of the Domestic Loan Parties, cease to proceed with the Domestic Wind-Down, in the manner set forth in and consistent in all material respects with the Domestic Wind-Down Budget, (y) make any payment (other than any payment (which in the case of the Domestic Loan Parties and, after the delivery of the Canadian Wind-Down Notice, the Canadian Borrower, shall only be to facilitate an orderly wind-down) that is, considered alone or together with all other payments not consistent with the Domestic Wind-Down Budget, the Canadian Going Concern Budget or, if applicable, the Canadian Wind-Down Budget, immaterial) that is not consistent with the Domestic Wind-Down Budget, the Canadian Going Concern Budget or, if applicable, the Canadian Wind-Down Budget or (z) make any payments to any individual legal or financial advisor of the Debtors (including advisors to their various independent directors) or the Unsecured Creditors Committee that, as of any date of

determination, exceed on a cumulative basis from March 1, 2018 the amounts provided therefor in the Domestic Wind-Down Budget, the Canadian Going Concern Budget or, if applicable, the Canadian Wind-Down Budget;

(c) with respect to any calendar month (commencing with March 2018), the aggregate principal amount of Domestic Revolving Credit Loans, Domestic Term Loans and Canadian Term Loans prepaid during such calendar month shall be less than the prepayment amount set forth for such calendar month on Schedule I hereto (it being understood that if the aggregate principal amount of Domestic Revolving Credit Loans, Domestic Term Loans or Canadian Term Loans, as applicable prepaid during such calendar month is greater than the prepayment amount set forth for such calendar month on Schedule I hereto, then such additional amounts shall be applied to the succeeding months as determined by the Lead Borrower);

(d) (i) at any time, the net cash flow before debt of the Domestic Loan Parties for any Test Period shall be less than as set forth on Schedule II for such Test Period, (ii) on the last day of any week, the cash balance of the Canadian Borrower shall be less than projected by the Canadian Going Concern Budget or, beginning with the first full week starting on the Sunday after the delivery of the Canadian Wind-Down Budget, the Canadian Wind-Down Budget, by more than \$7,000,000, (iii) at any time, the cash balance of the Canadian Borrower shall be lower than \$5,000,000 or (iv) the Loan Parties shall disburse any amounts to legal or financial advisors of the Debtors (including advisors to their various independent directors) or the Unsecured Creditors Committee in violation of Section 24 of the Bankruptcy Court Order. For purposes of this Section 4(d), “**Test Period**” shall mean, as of any date, (i) beginning with the last day of the week ending on March 31, 2018, the two-week period ending on March 31, 2018, (ii) beginning with the last day of the week ending on April 7, 2018, the three-week period ending on April 7, 2018, and (iii) on and after of the the last day of any week thereafter, the most recent period of four consecutive weeks ended on or prior to such date;

(e) the Loan Parties shall (x) unless a Canadian Wind-Down Notice has been delivered, cease to pursue the Qualifying TRU Canada Sale, in a manner consistent in all material respects with the Sale Milestones and otherwise in compliance in all material respects with the Canadian Going Concern Budget, (y) following delivery of a Canadian Wind-Down Notice, cease to proceed with the Canadian Wind-Down, in the manner set forth in and consistent in all material respects with the Canadian Wind-Down Budget or (z) make any payment (other than any payment (which, after the delivery of the Canadian Wind-Down Notice, shall only be to facilitate an orderly wind-down) that is, considered alone or together with all other payments not consistent with the Canadian Going Concern Budget (or if applicable the Canadian Wind-Down Budget), immaterial) that is not consistent with the Canadian Going Concern Budget or (if applicable) the Canadian Wind-Down Budget;

(f) any Loan Party shall make any adequate protection payments in respect of interest on any Existing Debt;

(g) the Domestic Facility Termination Date (as defined below) shall not have occurred on or prior to May 31, 2018;

(h) the Canadian Facility Termination Date shall not have occurred on or prior to May 31, 2018 (or, if the Canadian Wind-Down Notice has been delivered, July 31, 2018);

(i) on or prior to March 28, 2018, the Bankruptcy Court shall not have entered a final order, in form and substance consistent with the Interim Domestic Waiver Approval Order (as defined below), with modifications thereto to reflect the final nature thereof, and any other modifications thereto satisfactory to the Administrative Agent and the Required Lenders, authorizing the Loan Parties to enter into this Agreement and to perform the obligations hereunder, which final order shall not have been vacated or reversed, shall not be subject to any stay, and shall not have been modified or amended in any manner without the consent of the Administrative Agent and the Required Lenders (the “**Final Domestic Waiver Approval Order**”);

(j) on or prior to March 28, 2018, the Canadian Court shall not have entered an order, in form and substance satisfactory to the Canadian Agent and the Administrative Agent, authorizing the Canadian Borrower to enter into this Agreement and to perform the obligations hereunder, which order shall not have been vacated or reversed, shall not be subject to any stay, and shall not have been modified or amended in any manner without the consent of the Canadian Agent (the “**Canadian Waiver Approval Order**”, and, together with the Final Domestic Waiver Approval Order and the Interim Domestic Waiver Approval Order, the “**Waiver Approval Orders**” and collectively with the, Sale Approval Order, the Orders attached to the Store Liquidation Motion and the Canadian Wind-Down Orders, the “**Wind-Down Orders**”); or

(k) any of the Waiver Approval Orders shall have been stayed, reversed, vacated, rescinded or modified in any material respect without the prior written consent of the Required Lenders.

The “**Domestic Facility Termination Date**” means the date on which the Domestic Commitments have been irrevocably terminated, the Domestic Borrowers shall have indefeasably and irrevocably paid and satisfied in full in cash all Obligations (other than Canadian Liabilities and contingent indemnity obligations with respect to then unasserted claims), the Domestic Borrowers shall have indefeasably and irrevocably paid and satisfied in full in cash the Other Liabilities then due and payable (other than Canadian Liabilities), all Domestic Letters of Credit shall have expired or terminated (or been collateralized in a manner satisfactory to the Issuing Banks) and all Domestic Letter of Credit Outstandings have been reduced to zero (or been collateralized in a manner satisfactory to the Issuing Banks).

5. Termination of Swingline Facility. Effective as of the Waiver Effective Date, the parties hereto agree that (i) the Domestic Swingline Loan Ceiling shall be equal to \$0 and (ii) the Canadian Swingline Loan Ceiling shall be equal to \$0.

6. Treatment of Loans, Commitments and Letters of Credit.

(a) With effect as of the Waiver Effective Date, and notwithstanding the waivers and consents in this Agreement, (i) all Revolving Credit Loans shall be automatically converted into Prime Rate Loans bearing interest, effective from March 15, 2018, at the Prime

Rate plus 3.50% and all Revolving Credit Loans shall continue as Prime Rate Loans bearing interest at the Prime Rate plus 3.50% at all times thereafter, (ii) all Term Loans shall be automatically converted into Prime Rate Loans bearing interest, effective from March 15, 2018, at the Prime Rate plus 7.75% and all Term Loans shall continue as Prime Rate Loans bearing interest at the Prime Rate plus 7.75% at all times thereafter, and (iii) all Letter of Credit Fees shall be increased by an amount equal to 2% per annum. The Lead Borrower shall reimburse each Domestic Lender and the Canadian Borrower shall reimburse each Canadian Lender for any Breakage Costs resulting from such conversion calculated consistent with Section 2.16(b) of the DIP ABL/FILO Credit Agreement.

(b) Notwithstanding anything to the contrary in Sections 2.08 and 2.19 of the DIP ABL/FILO Credit Agreement, interest on Loans, Unused Canadian Fees and Letter of Credit Fees shall be payable on the last Business Day of each calendar month.

(c) Notwithstanding anything to the contrary in Section 2.04 of the DIP ABL/FILO Credit Agreement, (x) effective as of the Waiver Effective Date, the Lead Borrower shall be deemed to have submitted a notice of Borrowing for Prime Rate Loans in an amount equal to \$94,262,082.22, the proceeds of which shall be used to cash collateralize the Domestic Letter of Credit Outstandings and (y) effective as of the date of the entry of the Final Domestic Waiver Approval Order and the Canadian Waiver Approval Order (whichever is later), the Lead Borrower shall be deemed to have submitted a notice of Borrowing for Prime Rate Loans in an amount equal to the U.S. Dollar equivalent of C\$5,112,945.28, the proceeds of which shall be converted immediately into Canadian Dollars and shall be used to cash collateralize the Canadian Letter of Credit Outstandings (which cash collateralization shall result in a subrogated claim pursuant to Section 10.07 of the DIP ABL/FILO Credit Agreement). The Consenting Lenders hereby waive the conditions set forth in Section 4.02 of the DIP ABL/FILO Credit Agreement with respect to such Borrowings, and the applicable Lenders with Commitments shall fund such Borrowing in accordance with the terms of the DIP ABL/FILO Credit Agreement; provided that the proceeds of such Revolving Credit Loans shall be applied to cash collateralize the Domestic Letter of Credit Outstandings and Canadian Letter of Credit Outstandings, as applicable. If prior to the Domestic Facility Termination Date or the Canadian Facility Termination Date, as applicable, any Letter of Credit expires undrawn or the principal amount of any Letter of Credit is reduced, any cash collateral held in respect of the expired or reduced amount shall be applied by the Administrative Agent or the Canadian Agent, as applicable, promptly following the date of such expiration or reduction, as applicable, to the payment of principal and accrued interest outstanding under the Domestic Revolving Credit Loans (which, in the event cash collateral held in respect of the Canadian Letter of Credit Outstandings is used for such payment) shall reduce the amount of the subrogation claims provided in Section 6(c)), and, thereafter, to the payment of principal and accrued interest outstanding under the Domestic Term Loans, and thereafter, to the payment of principal and accrued interest outstanding under the Canadian Revolving Credit Loans, and, thereafter, to the payment of principal and accrued interest outstanding under the Canadian Term Loans, and thereafter to the repayment of all other Obligations that are then due and payable.

(d) Immediately following the funding of the Revolving Credit Loans described in the preceding clause (c), the Domestic Commitments shall be permanently reduced to an amount equal to \$350,778,666.90 plus the amount of the Borrowing made pursuant to

Section 6(c)(y) to cash collateralize the Canadian Letter of Credit Outstandings, which reduction shall be applied ratably to the Domestic Commitment of each Lender and from and after the Waiver Effective Date, no Lender shall have any commitment to make any Credit Extension to the Lead Borrower. The Domestic Revolving Commitments shall automatically and without the requirement of any notice be permanently reduced by the amount of (i) any principal repayment of Domestic Revolving Credit Loans made and (ii) any reduction in the Domestic Letter of Credit Outstandings or the Canadian Letter of Credit Outstandings upon a drawing or payment under a Letter of Credit or the expiration or termination thereof, in each case on or after the Waiver Effective Date.

(e) With effect as of the Waiver Effective Date, the Canadian Commitments shall hereby be permanently reduced to \$40,623,829.60, which reduction shall be applied ratably to the Canadian Commitment of each Lender.

7. Amendments to DIP ABL/FILO Credit Agreement. With effect as of the Waiver Effective Date, the DIP ABL/FILO Credit Agreement is amended as follows:

(a) The definition of “Permitted Encumbrances” shall be amended by deleting the “and” at the end of paragraph (gg) thereof, replacing the “.” at the end of paragraph (hh) thereof with “; and” and by adding the following new paragraph (ii):

“(ii) following (or substantially contemporaneously with) the Canadian Facility Termination Date (as defined in the Waiver, Consent and Amendment Agreement hereto, dated as of March 20, 2018), any Liens on property of any Canadian Loan Party to secure any Post-Termination Canadian Indebtedness.”

(b) The definition of “Permitted Indebtedness” shall be amended by deleting the “and” at the end of paragraph (aa) thereof, replacing the “.” at the end of paragraph (bb) thereof with “; and” and by adding the following new paragraph (cc):

“(cc) following (or substantially contemporaneously with) the Canadian Facility Termination Date, any additional Indebtedness of the Canadian Borrower; provided, that such Indebtedness shall not be guaranteed by any Domestic Loan Party or secured by any property of any Domestic Loan Party (the “**Post-Termination Canadian Indebtedness**”).”

(c) The definition of “Specified Indebtedness” shall be amended by deleting clause (ii) therein in its entirety.

(d) The definition of “Substantial Liquidation” shall be amended by adding “(other than, following the Canadian Facility Termination Date the Collateral of the Canadian Borrower or the Capital Stock of the Canadian Borrower)” immediately after “by the Loan Parties”.

(e) Section 4.02 of the DIP ABL/FILO Credit Agreement shall be amended by adding the following paragraph (l) after the existing paragraph (k) thereof:

“(l) The Required Lenders, acting in their sole discretion, shall have consented to the making of such Revolving Credit Loan or issuance or extension of Letter of Credit, as applicable (provided that the Required Lenders have consented to the making of the Revolving Credit Loans to be made pursuant to Section 6 of the Waiver, Consent and Amendment Agreement hereto, dated as of March 20, 2018, to be used to cash collateralize the Domestic Letter of Credit Outstandings and the Canadian Letter of Credit Outstandings).”

(f) Section 4.02 of the DIP ABL/FILO Credit Agreement shall be amended by deleting the last two sentences of the last paragraph thereof.

(g) Section 5.01(a) of the DIP ABL/FILO Credit Agreement shall be replaced in its entirety with the following:

“(a) [reserved],”.

(h) Section 5.01(b) of the DIP ABL/FILO Credit Agreement shall be replaced in its entirety with the following:

“(b) [reserved],”.

(i) Section 5.01(c) of the DIP ABL/FILO Credit Agreement shall be replaced in its entirety with the following:

“(c) [reserved],”.

(j) Section 5.01(d) of the DIP ABL/FILO Credit Agreement shall be replaced in its entirety with the following:

“(d) [reserved],”.

(k) Section 5.01(f) of the DIP ABL/FILO Credit Agreement shall be replaced in its entirety with the following:

“(f) [reserved],”.

(l) Section 5.01(i) of the DIP ABL/FILO Credit Agreement shall be replaced in its entirety with the following:

“(i) [reserved],”.

(m) Section 5.01(k) of the DIP ABL/FILO Credit Agreement shall be replaced in its entirety with the following:

“(k) [reserved],”

(n) Section 5.01(l) of the DIP ABL/FILO Credit Agreement shall be replaced in its entirety with the following:

“(l) [reserved],”.

(o) Section 5.01(m) of the DIP ABL/FILO Credit Agreement shall be replaced in its entirety with the following:

“(m) [reserved],”.

(p) Section 5.02(d) of the DIP ABL/FILO Credit Agreement shall be replaced in its entirety with the following:

“(d) [reserved],”.

(q) Section 5.16 of the DIP ABL/FILO Credit Agreement shall be replaced in its entirety with the following:

“Section 5.16 [Reserved],”.

(r) Section 5.19(b) and (c) of the DIP ABL/FILO Credit Agreement shall be replaced in their entirety with the following:

“a weekly call (at a time to be mutually agreed) with the Administrative Agent and its advisors and the law firm acting as counsel to the holders of a majority of the Term Loans that has been previously identified to the Lead Borrower and the Administrative Agent (the “**Specified Legal Advisor**”) to discuss the status of the implementation of the Domestic Wind-Down Budget (as defined in the Waiver, Consent and Amendment Agreement hereto, dated as of March 20, 2018) and related going out of business sales, which will include a discussion of the maximization of value of inventory and any other assets with respect to any going out of business sales and the efforts to effectuate the TRU Canada Sale (as defined in the Waiver, Consent and Amendment Agreement hereto, dated as of March 20, 2018) or the status of the implementation of the Canadian Wind-Down Budget (as defined in the Waiver, Consent and Amendment Agreement hereto, dated as of March 20, 2018), as applicable”.

(s) Section 6.09(x) of the DIP ABL/FILO Credit Agreement shall be amended by replacing the words “to have an adverse effect” with the words “to have a material adverse effect”.

(t) Section 6.09(y) of the DIP ABL/FILO Credit Agreement shall be amended by adding “(in each case, other than any such amendments to the DIP Term Loan Facility made on or prior to March 20, 2018)” immediately prior to “.” at the end of such section.

(u) Section 6.10 of the DIP ABL/FILO Credit Agreement shall be replaced in its entirety with the following:

“SECTION 6.10 [Reserved]”.

(v) Section 6.15 of the DIP ABL/FILO Credit Agreement shall be replaced in its entirety with the following:

“SECTION 6.15 [Reserved]”.

(w) Sections 7.01(x) of the DIP ABL/FILO Credit Agreement shall be amended by adding “(in each case, other than any Liens or claims on the assets or properties of the Canadian Borrower or (if a Qualifying TRU Canada Sale in the form of a disposition of the Capital Stock of the Canadian Borrower has been consummated) the Stock of the Canadian Borrower after the Canadian Facility Termination Date (as defined in the Waiver, Consent and Amendment Agreement hereto, dated as of March 20, 2018)” immediately prior to “;” at the end of each such clause.

(x) Section 7.01(r)(vii), Section 7.01(u), Section 7.01(w), Section 7.01(x) and Section 7.01(bb) of the DIP ABL/FILO Credit Agreement shall each be amended by adding, immediately prior to “;” at the end of each such clause, “; provided, however, that after the Canadian Facility Termination Date (as defined in the Waiver, Consent and Amendment Agreement hereto, dated as of March 20, 2018) no Event of Default under this clause shall occur solely with respect to the Canadian Borrower”.

(y) Article VI shall be amended by replacing “(provided that the Canadian Borrower covenants only for itself and its Subsidiaries)” with the following:

“(provided that the Canadian Borrower covenants only for itself and its Subsidiaries and, after the Canadian Facility Termination Date (as defined in the Waiver, Consent and Amendment Agreement hereto, dated as of March 20, 2018), such covenants shall not be deemed to apply to the Canadian Borrower and its Subsidiaries)”

(y) Section 9.18 shall be amended by adding “and, after the Canadian Facility Termination Date (as defined in the Waiver, Consent and Amendment Agreement hereto, dated as of March 20, 2018), (w) the Canadian Borrower shall have no liability whatsoever under the Loan Documents (including, pursuant to Section 2.26), (x) no representations and warranties under Article III hereof or under any other Loan Documents shall apply to the Canadian Borrower, (y) no covenants under Article V or Article VI hereof or under any other Loan Documents shall apply to the Canadian Borrower and (z) the Canadian Borrower shall be excluded from any determination as to whether a Default or Event of Default has occurred” immediately prior to “.” at the end of such section.

8. Representations and Warranties. Each Loan Party party hereto represents and warrants to the Agents and the Lenders, on and as of the Waiver Effective Date, that:

(a) Each Loan Party has all requisite organizational power and authority to perform all its obligations under the DIP ABL/FILO Credit Agreement and to execute and deliver and perform all its obligations under this Agreement.

(b) The transactions contemplated by this Agreement and by the DIP ABL/FILO Credit Agreement are within such Loan Party's corporate powers and have been duly authorized by all necessary corporate, membership, partnership or other necessary action. Subject to the entry of the Waiver Approval Orders and the terms thereof, this Agreement has been duly executed and delivered by each Loan Party that is a party hereto or thereto and constitutes, and when executed and delivered by such Loan Party, this Agreement and the DIP ABL/FILO Credit Agreement will constitute, a legal, valid and binding obligation of such Loan Party, enforceable in accordance with its terms subject to the terms of the Orders and the Waiver Approval Orders.

(c) The transactions to be entered into and contemplated by this Agreement and the DIP ABL/FILO Credit Agreement will not violate the Charter Documents of any Loan Party.

(d) On and as of the Amendment Effective Date, no Default or Event of Default (other than the Specified Events of Default) has occurred and is continuing or will result from the entry by the Loan Parties into this Agreement.

9. Conditions to Effectiveness. This Agreement shall become effective (the date of such effectiveness being referred to herein as the "**Waiver Effective Date**") upon satisfaction or waiver of each of the following conditions:

(a) execution and delivery of this Agreement by the Administrative Agent, the Canadian Agent, the Co-Collateral Agents, Lenders constituting the Required Lenders under the DIP ABL/FILO Credit Agreement and the Loan Parties and, in each case, delivered to the Administrative Agent; and

(b) (i) the Canadian Waiver Approval Order shall have been entered by the Canadian Court, (ii) no later than two days after the execution of this Agreement, the Bankruptcy Court shall have entered an interim order, in form and substance satisfactory to the Administrative Agent, authorizing the Loan Parties to enter into this Agreement and to perform the obligations hereunder, which interim order shall not have been vacated or reversed, shall not be subject to any stay, and shall not have been modified or amended in any manner without the consent of the Administrative Agent and the Required Lenders (the "**Interim Domestic Waiver Approval Order**") and (iii) the DIP Term Waiver (as defined in the Debtors' motion seeking the Domestic Waiver Approval Order) shall have become effective substantially in the form provided to the Lenders in connection with the execution of this Agreement; and

(c) the Loan Parties shall have indefeasibly and irrevocably paid and satisfied in full in cash all previously invoiced Credit Party Expenses payable pursuant to this Agreement or Section 9.03 of the DIP ABL/FILO Credit Agreement.

Immediately upon the satisfaction or waiver of the conditions set forth in the foregoing paragraphs (a) and (c), the date set forth in clause 2(b) of the Forbearance shall be automatically extended to March 28, 2018 at 11:59 pm New York time; provided that the Forbearance shall terminate if a fact or circumstance occurs that would constitute an Event of Default under this Agreement, had the Waiver Effective Date occurred.

10. Miscellaneous.

(a) This Agreement and the Waiver shall be limited precisely as written and, except as expressly provided herein, shall not be deemed (a) to be a consent granted pursuant to, or a waiver or modification of, any term or condition of the DIP ABL/FILO Credit Agreement, any other Loan Documents or any of the instruments or agreements referred to therein or (b) other than as expressly stated herein, to prejudice any right or rights which the Agents or the other Secured Parties may now have or have in the future under or in connection with the DIP ABL/FILO Credit Agreement, the other Loan Documents or any of the instruments or agreements referred to therein including any rights from the existence or continuation of a Cash Dominion Event. The Loan Parties agree that their obligations set forth in Section 9.03 of the DIP ABL/FILO Credit Agreement shall extend to the preparation, execution and delivery of this Agreement and that the Credit Party Expenses payable pursuant to Section 9.03 of the DIP ABL/FILO Credit Agreement shall include the reasonable fees, charges and disbursements of the Specified Legal Advisor incurred (whether before or after the Waiver Effective Date) in connection with this Agreement, the DIP ABL/FILO Credit Agreement and the other Loan Documents. This Agreement is hereby deemed to be a Loan Document for purposes of each Loan Document. All terms and provisions of the Loan Documents remain in full force and effect, except to the extent expressly modified by this Agreement. Each of the Loan Parties acknowledges that the Administrative Agent, the Canadian Agent, the Co-Collateral Agents and the Consenting Lenders have made no representations as to what actions, if any, they will take after the Waiver Effective Date, and the Administrative Agent and each Consenting Lender hereby specifically reserves any and all rights, remedies, and claims it has (after giving effect hereto) with respect to any Events of Default and other Defaults that may occur (other than the Specified Events of Default). The Loan Parties hereby acknowledge and agree that account number 528277937 in the name of the Lead Borrower and account numbers 4000013288 and 4000013289 in the name of the Canadian Borrower are under the sole and exclusive dominion and control of the Administrative Agent and the Canadian Agent (subject in all respects to the Wind-Down Orders).

(b) For the avoidance of doubt, all payments on account of Loans and Letters of Credit made by the Loan Parties shall be applied in accordance with the payment waterfall provisions set forth in Section 7.03(a) and (b) of the DIP ABL/FILO Credit Agreement (subject in all respects to the Wind-Down Orders).

(c) Unless specifically stated otherwise herein, for purposes of this Agreement, a “week” shall begin on a Sunday and end on a Saturday.

(d) Each of the parties hereto agrees that upon the Waiver Effective Date, the “Forbearance Period” as defined in the Forbearance shall immediately terminate.

11. Release.

(a) Each of the Loan Parties (on behalf of itself and its Affiliates), for itself and for its successors in title, legal representatives and assignees and, to the extent the same is claimed by right of, through or under any of the Loan Parties for its past, present and future employees, agents, representatives, advisors, officers, directors, shareholders, subsidiaries, affiliates, trustees and successors (each, a “**Releasing Party**” and collectively, the “**Releasing Parties**”), does hereby remise, release and discharge, and shall be deemed to have forever remised, released and discharged, the Administrative Agent, the Canadian Agent, each of the Co-Collateral Agents, each of the Lenders and each of the other Secured Parties in their respective capacities as such under the Loan Documents, and the Administrative Agent’s, the Canadian Agent’s, each of the Co-Collateral Agents’, each of the Lenders’ and each other Secured Party’s respective successors-in-title, legal representatives and assignees, past, present and future officers, directors, affiliates, shareholders, subsidiaries, trustees, agents, employees, consultants, experts, advisors, attorneys and other professionals and each of their respective successors-in-title, legal representatives and assignees, past, present and future officers, directors, affiliates, shareholders, subsidiaries, trustees, agents, employees, consultants, experts, advisors, attorneys and other professionals (collectively, hereinafter the “**Releasees**”), from any and all manner of action and actions, cause and causes of action, claims, charges, demands, counterclaims, crossclaims, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, rights of setoff and recoupment, controversies, damages, judgments, expenses, executions, liens, claims of liens, claims of costs, penalties, attorneys’ fees, or any other compensation, recovery or relief on account of any liability, obligation, demand or cause of action of whatever nature, whether in law, equity or otherwise relating to (i) the making or administration of the Loans, including, without limitation, any such claims and defenses based on mistake, duress, usury or misrepresentation, or any other claim based on so-called “lender liability” theories, (ii) the Loan Documents or any of the transactions contemplated thereunder, (iii) increased financing costs, interest or other carrying costs, (iv) penalties, (v) lost profits or loss of business opportunity, (vi) legal, accounting and other administrative or professional fees and expenses and incidental, consequential and punitive damages payable to third parties, (vii) damages to business reputation, or (viii) any claims arising under 11 U.S.C. §§ 541-550 or any claims for avoidance or recovery under any other federal, state or foreign law equivalent, whether known or unknown, fixed or contingent, joint and/or several, secured or unsecured, due or not due, primary or secondary, liquidated or unliquidated, contractual or tortious, direct, indirect, or derivative, asserted or unasserted, foreseen or unforeseen, suspected or unsuspected, now existing, heretofore existing or which may heretofore accrue against any of the Releasees, and which are, in each case, based on any act, fact, event or omission or other matter, cause or thing occurring at any time prior to or on the date hereof in any way, directly or indirectly arising out of, connected with or relating to the DIP ABL/FILO Credit Agreement or any other Loan Document and the transactions contemplated thereby, and all other agreements, certificates, instruments and other documents and statements (whether written or oral) related to any of the foregoing (each, a

“Claim” and collectively, the “Claims”). Each Releasing Party further stipulates and agrees with respect to all Claims, that it hereby waives, to the fullest extent permitted by applicable law, any and all provisions, rights, and benefits conferred by any applicable U.S. federal or state law, or any principle of common law, that would otherwise limit a release or discharge of any unknown Claims pursuant to this Section 11.

(b) Each of the Borrowers and the other Loan Parties, on behalf of itself and its successors, assigns, and other legal representatives, hereby absolutely, unconditionally and irrevocably, covenants and agrees with and in favor of each Releasee that it will not sue (at law, in equity, in any regulatory proceeding or otherwise) any Releasee on the basis of any Claim released, remised and discharged by the Borrowers or any other Loan Party pursuant to paragraph (a) above. If the Borrowers, any other Loan Party or any of its successors, assigns or other legal representatives violates the foregoing covenant, the Borrowers and other Loan Parties, each for itself and its successors, assigns and legal representatives, agrees to pay, in addition to such other damages as any Releasee may sustain as a result of such violation, all attorneys’ fees and costs incurred by any Releasee as a result of such violation.

12. Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto in separate counterparts, each of which shall be an original and all of which, when taken together, shall constitute but one and the same instrument. A facsimile or pdf copy of a counterpart signature page shall serve as the functional equivalent of a manually executed copy for all purposes.

13. Governing Law. THIS AGREEMENT AND ALL ACTIONS ARISING UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK AND (TO THE EXTENT APPLICABLE) THE BANKRUPTCY CODE AND THE CCAA.

[SIGNATURE PAGES FOLLOW]

Schedule I

Required Repayment Amounts

<i>Calendar Month</i>	<i>Domestic Revolving Credit Loans</i>	<i>Domestic Term Loans</i>	<i>Canadian Term Loans</i>
March 2018	\$100.0 million	\$0	\$0
April 2018	In full	\$125.0 million	\$0
May 2018	-	\$125.0 million (in full)	\$50.0 million
June 2018	-	-	\$150.0 million (in full)

Schedule II

Budget Week	Week ending	Tested Net Cash Flow Before Debt Description	Net Cash Flow Before Debt Compliance Threshold (\$US million)
Mar Wk 4	3/31/2018	2 weeks ending 3/31/18	\$14.9
Apr Wk 1	4/7/2018	3 weeks ending 4/7/18	\$81.2
Apr Wk 2	4/14/2018	4 weeks ending 4/14/2018	\$122.8
Apr Wk 3	4/21/2018	4 weeks ending 4/21/2018	\$137.9
Apr Wk 4	4/28/2018	4 weeks ending 4/28/2018	\$210.0
Apr Wk 5	5/5/2018	4 weeks ending 5/5/2018	\$191.2
May Wk 1	5/12/2018	4 weeks ending 5/12/2018	\$206.1
May Wk 2	5/19/2018	4 weeks ending 5/19/2018	\$227.1
May Wk 3	5/26/2018	4 weeks ending 5/26/2018	\$184.6
May Wk 4	6/2/2018	4 weeks ending 6/2/2018	\$171.3
Jun Wk 1	6/9/2018	4 weeks ending 6/9/2018	\$169.7
Jun Wk 2	6/16/2018	4 weeks ending 6/16/2018	\$160.5
Jun Wk 3	6/23/2018	4 weeks ending 6/23/2018	\$148.4

Exhibit A

Domestic Wind-Down Budget

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	
	Mar Wk 3	Mar Wk 4	Apr Wk 1	Apr Wk 2	Apr Wk 3	Apr Wk 4	Apr Wk 5	May Wk 1	May Wk 2	May Wk 3	May Wk 4	Jun Wk 1	Jun Wk 2	Jun Wk 3	
	3/24/18	3/31/18	4/7/18	4/14/18	4/21/18	4/28/18	5/5/18	5/12/18	5/19/18	5/26/18	6/2/18	6/9/18	6/16/18	6/23/18	Total
Receipts	\$ 97.8	\$ 95.9	\$ 94.5	\$ 94.7	\$ 106.8	\$ 109.6	\$ 104.8	\$ 95.3	\$ 93.3	\$ 90.9	\$ 89.3	\$ 85.6	\$ 80.0	\$ 58.2	\$ 1,296.7
Disbursements															
Payroll & Benefits	(4.6)	(25.6)	(4.7)	(26.1)	(5.6)	(24.8)	(3.4)	(19.3)	(2.7)	(17.7)	(3.2)	(14.7)	(2.6)	(15.0)	(170.0)
Taxes	(0.9)	(2.0)	(1.0)	(6.4)	(34.8)	(6.5)	(1.0)	(1.8)	(0.6)	(41.3)	(0.7)	(1.4)	(0.5)	(28.5)	(127.2)
Rent	(14.5)	(43.8)	(0.1)	(0.8)	(0.1)	(0.1)	(41.3)	(0.1)	(0.8)	(0.1)	(41.2)	(0.1)	(0.8)	(0.1)	(143.6)
Advertising / Supervision (GOB)	(0.5)	(3.4)	(3.6)	(3.7)	(3.6)	(3.2)	(2.9)	(2.7)	(2.7)	(2.6)	(2.5)	(2.5)	(2.3)	(1.7)	(37.9)
Liquidator Fees	(0.8)	(1.8)	(2.0)	(2.1)	(2.0)	(1.8)	(1.8)	(1.7)	(1.6)	(1.6)	(1.5)	(1.5)	(1.4)	(1.4)	(23.0)
Post-Petition Merchandise	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional Fees	(1.3)	(5.9)	(2.6)	(3.4)	(2.6)	(2.6)	(2.6)	(4.3)	(4.3)	(4.3)	(4.3)	(2.0)	(2.0)	(2.0)	(44.4)
Financing Activity	(0.2)	(2.4)	(0.1)	(0.1)	-	-	(2.2)	-	-	-	-	-	-	-	(5.0)
Other Operating Disbursements	(37.6)	(23.4)	(14.3)	(7.0)	(4.0)	(3.0)	(4.2)	(3.6)	(3.0)	(2.9)	(5.2)	(3.4)	(3.0)	(2.7)	(117.4)
Total Store / DC Disbursements	\$ (60.3)	\$ (108.4)	\$ (28.3)	\$ (49.4)	\$ (52.6)	\$ (41.9)	\$ (59.5)	\$ (33.5)	\$ (15.7)	\$ (70.6)	\$ (58.7)	\$ (25.6)	\$ (12.6)	\$ (51.3)	\$ (668.4)
Net Cash Flow before Debt	\$ 37.4	\$ (12.5)	\$ 66.2	\$ 45.3	\$ 54.2	\$ 67.6	\$ 45.3	\$ 61.8	\$ 77.6	\$ 20.4	\$ 30.6	\$ 60.0	\$ 67.4	\$ 6.9	\$ 628.2
Cash Schedule															
Beginning Cash Balance	105.4	47.0	30.3	30.6	30.0	32.9	100.5	20.9	57.7	110.3	55.6	36.2	71.2	113.6	105.4
Net Cash Flow Before Debt	37.4	(12.5)	66.2	45.3	54.2	67.6	45.3	61.8	77.6	20.4	30.6	60.0	67.4	6.9	628.2
ABL Paydown	(95.8)	(4.2)	(66.0)	(45.8)	(51.3)	-	-	-	-	(75.0)	(50.0)	(25.0)	(25.0)	(100.0)	(263.2)
FILO Paydown	-	-	-	-	-	-	(125.0)	(25.0)	(25.0)	-	-	-	-	-	(450.0)
Ending Cash Balance	\$ 47.0	\$ 30.3	\$ 30.6	\$ 30.0	\$ 32.9	\$ 100.5	\$ 20.9	\$ 57.7	\$ 110.3	\$ 55.6	\$ 36.2	\$ 71.2	\$ 113.6	\$ 20.5	\$ 20.5
ABL Schedule															
Beginning Balance	165.0	167.4	163.2	97.2	51.3	-	-	-	-	-	-	-	-	-	165.0
LC Collateralization	98.2	-	-	-	-	-	-	-	-	-	-	-	-	-	98.2
Paydown	(95.8)	(4.2)	(66.0)	(45.8)	(51.3)	-	-	-	-	-	-	-	-	-	(263.2)
Ending Balance	\$ 167.4	\$ 163.2	\$ 97.2	\$ 51.3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FILO Roll-Forward															
Beginning Balance	450.0	450.0	450.0	450.0	450.0	450.0	450.0	325.0	300.0	275.0	200.0	150.0	125.0	100.0	450.0
Paydown	-	-	-	-	-	-	(125.0)	(25.0)	(25.0)	(75.0)	(50.0)	(25.0)	(25.0)	(100.0)	(450.0)
Ending Balance	\$ 450.0	\$ 450.0	\$ 450.0	\$ 450.0	\$ 450.0	\$ 450.0	\$ 325.0	\$ 300.0	\$ 275.0	\$ 200.0	\$ 150.0	\$ 125.0	\$ 100.0	\$ -	\$ -

Exhibit B

Liquidation Agreement



March 16, 2018

To: Toys “R” Us - Delaware, Inc. (“Merchant”)
One Geoffrey Way
Wayne, NJ. 07470
Attn: Mr. James Young

and

Malfitano Advisors, LLC
747 Third Ave., 2nd Floor
New York, NY 10017
Attn: Joseph Malfitano

From: Gordon Brothers Retail Partners, LLC
800 Boylston Street
27th Floor
Boston, MA 02199

Hilco Merchant Resources, LLC
5 Revere Drive
Suite 206
Northbrook, IL 60062

Tiger Capital Group, LLC
340 N. Westlake Boulevard, Suite 260
Westlake Village, CA 91362

Great American Group, LLC
21255 Burbank Blvd, Suite 400
Woodland Hills, CA 91367

Re: Store Closing Program – Consulting Agreement-Full Chain

Ladies and Gentlemen:

This letter shall serve as the agreement of a contractual joint venture comprised of Gordon Brothers Retail Partners, LLC ("GB"), Hilco Merchant Resources, LLC ("Hilco"), Tiger Capital Group, LLC ("Tiger") and Great American Group, LLC ("GA") (collectively, "Consultant") and Merchant pursuant to which Consultant shall serve as the consultant to Merchant to conduct a "going out of business," "store closing," "everything must go," "sale on everything," or other mutually agreed upon themed sale (the "Sale") at Merchant's remaining seven hundred and thirty five (735) retail stores identified on Exhibit A attached hereto (each a "Store" and collectively the "Stores") and selling the Offered FF&E (as defined below) at the Stores and at the Merchant's distribution centers (the "Distribution Centers") and corporate offices (the "Corporate Offices"), both identified on Exhibit B attached hereto, subject to the terms and conditions set forth herein.

Each of the Consultants acknowledges that Merchant engaged GB/Hilco, on the one hand, and Tiger/GA, on the other hand, to act as consultants to handle a similarly themed sale (the "Existing Sale") at certain other stores of Merchant during the Sale Term (as defined below). For the avoidance of doubt, nothing herein shall amend, modify, or affect the Existing Sale or the agreements related thereto.

1. **RETENTION**

(A) Subject to the approval of the United States Bankruptcy Court for the Eastern District of Virginia (the "Bankruptcy Court"), Merchant hereby retains Consultant as its independent consultant to conduct the Sale at the Stores during the Sale Term, and in connection therewith, Consultant shall, throughout the Sale Term:

- (i) Recommend appropriate discounting to effectively sell all of Merchant's goods located at or to be delivered to the Stores in accordance with a "going out of business," "store closing," "everything must go," "sale on everything," or other mutually agreed upon themed sale (subject to Section 5(I) below), and recommend appropriate point-of-purchase, point-of-sale, and other internal and external advertising in connection therewith.
- (ii) Provide qualified supervision to oversee the conduct of the Sale, which supervisors, once identified to Merchant, shall not be removed from the Sale event unless Merchant otherwise agrees or requests removal.
- (iii) Maintain focused and constant communication with Store-level employees and managers to keep them abreast of strategy and timing and to properly effect Store-level communication by Merchant's employees to customers and others about the Sale.
- (iv) Establish and monitor accounting functions for the Sale, including evaluation of sales of Merchant's goods located at the Stores by category, sales reporting and expense monitoring, all of which shall be shared with the Merchant's advisors monitoring the Sale.

- (v) Recommend loss prevention strategies.
- (vi) Coordinate with Merchant so that the operation of the Stores is being properly maintained including ongoing customer service and housekeeping activities.
- (vii) Recommend appropriate staffing levels for the Stores and appropriate bonus and/or incentive programs (to be funded by Merchant) for Store employees.
- (viii) Assist Merchant to commence the Sale as a “going out of business,” “sale on everything,” “everything must go,” “store closing,” or such other themed sale approved by Merchant and the Bankruptcy Court; and
- (ix) Assist Merchant in the scheduling and allocation of Merchandise delivery to the Stores from the Distribution Centers;

2. **SALE TERM: VACATING STORES**

(A) The term “Sale Term” with respect to each respective Store shall commence on March 16, 2018 (the “Sale Commencement Date”) and shall end with respect to each respective store no later than June 30, 2018 (the “Sale Termination Date”); provided, however, that Merchant and Consultant may mutually decide on an earlier or later “Sale Commencement Date” or “Sale Termination Date” with respect to any one or more Stores (on a Store-by-Store basis). Merchant has or will obtain landlord consent to extend the lease rejection deadline for each of the Stores until at least the Sale Termination Date, provided that, to the extent that Merchant is unable to secure the required landlord consents with respect to the “wave 1.5” Stores as disclosed to Consultant during due diligence, the Merchant will remove such Store(s) from Exhibit A (“Early Closing Stores”) and have the assets in such Store(s) be liquidated in accordance with the consulting agreements governing the Existing Sale, provided further, that, subject to the Approval Order, the liquidation of any removed Store(s) shall be conducted using a “going out of business” theme.

(B) Merchant shall have the right to eliminate Stores, including the Early Closing Stores, from the Sale, provided, however, in the event Merchant exercises such right, the parties shall, in good faith, negotiate a mutually agreeable adjustment to the Gross Recovery thresholds upon which Consultant’s Merchandise Fee is calculated in Section 4(B) below and to the expense budgets set forth in Sections 3(B) and 3(C) below.

(C) Upon the conclusion of the Sale Term at each Store, Consultant shall leave such Store in broom clean condition, subject to Consultant’s right pursuant to Section 6 below to abandon in a neat and orderly manner all unsold Offered FF&E and all Retained FF&E.

3. **EXPENSES**

(A) All expenses incident to the conduct of the Sale and the operation of the Stores during the Sale Term (including without limitation all Operating Expenses and all Consultant Controlled Expenses and all other store- level and corporate expenses associated with the Sale) shall be borne by Merchant; except solely for any of the specifically enumerated “Consultant Controlled Expenses” that exceed the aggregate budgeted amount (as provided in Section 3(C) below) for such Consultant Controlled Expenses.

(B) The Merchant shall provide the Consultant the anticipated expense budget for Store-level and Distribution Centers' operating expenses (collectively, "Operating Expenses") in connection with the Sale.

(C) Attached hereto as Exhibit C is an expense budget for the "Consultant Controlled Expenses." Consultant will advance funds for the Consultant Controlled Expenses, and Merchant shall reimburse Consultant therefor (up to the aggregate budgeted amount) in connection with each weekly reconciliation contemplated by Section 5(B) upon presentation of reasonable documentation for such actually-incurred expenses. All Consultant Controlled Expenses shall be billed at cost, without markup, and evidence of incurrence shall be provided, if requested.

(D) The parties may from time to time mutually agree in writing to increase or decrease the budget of Operating Expenses and/or Consultant Controlled Expenses based upon circumstances of the Sale.

4. **CONSULTANT COMPENSATION**

(A) As used herein, the following terms shall have the following meanings:

- (i) "File" shall mean (i) File 1 Apparel.txt; (ii) File 1.txt; (iii) File 10.txt; (iv) File 11.txt; (v) File 2 Apparel.txt; (vi) File 2.txt; (vii) File 3 Apparel.txt; (viii) File 3.txt; (ix) File 4 Apparel.txt; (x) File 4.txt; (xi) File 5.txt; (xii) File 6.txt; (xiii) File 7.txt; (xiv) File 8.txt; and (xv) File 9.txt files and any other updated files related to the Merchandise on or prior to the Sale Commencement Date provided to Consultant by Merchant. The File does not include any Excluded Pricing Adjustments.
- (ii) "Gross Proceeds" shall mean the sum of the gross proceeds of all sales of Merchandise (including, as a result of the redemption of any gift card, gift certificate or merchandise credit as provided for in the Approval Order) during the Sale Term, net only of sales taxes.
- (iii) [Intentionally Omitted].
- (iv) "Merchandise" shall mean all goods, saleable in the ordinary course, located in the Stores and Distribution Centers on the Sale Commencement Date or delivered thereto after the Sale Commencement Date sold in the Sale at the Stores or otherwise, provided that, sales through the e-commerce platform shall be excluded from the Sale. "Merchandise" does not mean and shall not include: (1) goods that belong to sublessees, licensees or concessionaires of Merchant; (2) owned furnishings, trade fixtures, equipment, machinery, office supplies, conveyor systems, racking, rolling stock, any vehicles or other modes of transportation, and other personal property (collectively, "FF&E"), or improvements to real property, that are located in the Stores, Distribution Centers, and Corporate Offices; (3) damaged or defective merchandise that cannot be sold; (4) goods held by Merchant on memo, on consignment, or as

bailee; (5) warranty, installation or delivery services ("Warranty/Install Services"; (1)-(5), collectively without the FF&E, the "Non-Merchandise Goods"; or (6) gift cards (third party and Merchant branded).

- (v) [Intentionally Omitted]
- (vi) "Gross Recovery" shall mean the Gross Proceeds, divided by the sum of the aggregate Retail Value of the Merchandise sold during the Sale Term.
- (vii) "Retail Value" shall mean with respect to each item of Merchandise, the File price for such item. For the avoidance of doubt, any discounts offered by Consultant during the Sale shall not be taken into account in determining Retail Value.
- (viii) "Excluded Price Adjustments" shall mean the following discounts or price adjustments offered by Merchant: (i) point of sale discounts or similar adjustments offered on any item; (ii) employee discounts; (iii) customer appreciation coupons or discounts; (iv) multi-unit purchase discounts; (v) adjustments for damaged, defective or "as is" items; (vi) coupons (Merchant's or competitors), catalog, website or circular prices, or "buy one get one" type discounts (unless item is only sold in such manner and reflected as such in the Merchandise File) ; (vii) customer savings pass discounts or "bounce back" coupons, or discounts for future purchases based on dollar value of past purchases; (viii) discretionary price discounts offered by salespeople such as "price match"; (ix) obvious ticketing or marking errors; (x) loyalty program discounts; or (xi) instant (in store) or mail in rebates.

(B) Merchandise Fee. In consideration of its services hereunder, Merchant shall pay Consultant, a fee (the "Merchandise Fee") based upon one of the following thresholds of Gross Recovery as set forth below (e.g., back to first dollar):

Gross Recovery	Consultant's Merchandise Fee
Below 57.0%	1.8% of Gross Proceeds
57.0% to 58.49%	2.5% of Gross Proceeds
58.5% to 59.99%	3.0% of Gross Proceeds
60.0% or Above	3.5% of Gross Proceeds

Notwithstanding the foregoing, if, according to the above table, the Merchandise Fee increases as a result of the Gross Recovery equaling or exceeding a threshold, and (x) the Gross Proceeds, net of such applicable increased Merchandise Fee, are less than (y) the Gross Proceeds, net of the immediately preceding Merchandise Fee according to the table, the Merchandise Fee shall not be increased until such time as the Gross Proceeds calculation in (x) is equal to or greater than the Gross Proceeds calculation in (y). For the avoidance of doubt, it is the intention of the parties that Gross Proceeds to the Merchant net of the

Merchandise Fee not decrease to the extent Gross Proceeds increase above a Gross Recovery threshold.

(C) Non-Merchandise Fee. Subject to the Approval Order or consent of the owners of the Non-Merchandise Goods, Consultant shall sell Non-Merchandise Goods during the Sale at the Stores, and in consideration of such services, Consultant shall earn a fee equal to the Consultant's Merchandise Fee percentage earned on sales of Merchandise as set forth in Section 4(B) above multiplied by the aggregate gross receipts, net only of sales taxes, from the sale of Non-Merchandise Goods at the Stores (the "Non-Merchandise Fee"), provided that, there shall be no fee for Warranty/Install Services.

(D) Expense Savings. In addition to the Merchandise Fee and Non-Merchandise Fee, if the aggregate amount of Operating Expenses is less than the total amount set forth in the budget provided by Merchant, as an additional fee hereunder, Consultant shall be entitled to payment of an amount equal to ten percent (10%) of the difference between (x) the total amount of Operating Expenses set forth in such budget, and (y) the actual total Operating Expenses attributable to the Sale Term (the "Expense Savings Fee"). For the avoidance of doubt, there shall be no Expense Savings Fee on any savings with respect to any employee retention or incentive program.

(E) Gross Rings. For purposes of calculating Gross Proceeds, Gross Recovery and the Consultant's Merchandise Fee and Non-Merchandise Fee, the parties shall use the "Gross Rings" method, wherein Consultant and Merchant shall jointly keep (i) a strict count of gross register receipts less applicable sales taxes, and (ii) cash reports of sales within each Store. Register receipts shall show for each item sold the retail price (as reflected on Merchant's books and records) for such item, and the markdown or other discount granted in connection with such sale. All such records and reports shall be made available to Consultant and Merchant during regular business hours upon reasonable notice.

(F) On a weekly basis in connection with each weekly reconciliation contemplated by Section 5(B) below, Merchant shall pay Consultant an amount equal to the sum of (1) one and eight tenths percent (1.8%) of Gross Proceeds on account of the prior week's sales as an advance on account of the fees payable hereunder; and (2) any FF&E Commission earned during the prior week. The parties shall determine the definitive Consultant Merchandise Fee, Non-Merchandise Fee, Expense Savings Fee and (and in the case of the Merchant, any Additional Consultant Goods Fee), if any, in connection with the Final Reconciliation. Immediately thereafter (and as part of the Final Reconciliation), Merchant or Consultant, as the case may be, shall pay any additional amount owed on account of such fees.

5. **CONDUCT OF SALE; OTHER SALE MATTERS**

(A) Merchant shall have control over the personnel in the Stores, Distribution Centers, and Corporate Offices and shall handle the cash, debit and charge card payments for all Merchandise in accordance with Merchant's normal cash management procedures, subject to Consultant's right to audit any such items in the event of a good faith dispute as to the amount thereof. Subject to Section 1(A)(xi) above, Merchant (and not Consultant) shall be responsible for ensuring that the Sale, and the operation of the Stores, Distribution Centers,

and Corporate Offices (before, during, and after the Sale Term) shall be conducted in compliance with all applicable laws and regulations.

(B) The parties will meet on each Wednesday during the Sale Term to review any Sale matters reasonably requested by either party; and all amounts payable or reimbursable to Consultant for the prior week (or the partial week in the case of the first and last weeks) shall be reconciled and paid immediately thereafter. No later than twenty (20) days following the end of the Sale, the parties shall complete a final reconciliation and settlement of all amounts contemplated by this Agreement (the "Final Reconciliation"). From time to time upon request, each party shall prepare and deliver to the other party such other reports as either party may reasonably request. Each party to this Agreement shall, at all times during the Sale Term and during the one (1) year period thereafter, provide the other with access to all information, books and records reasonably relating to the Sale and to this Agreement. All records and reports shall be made available to Consultant and Merchant during regular business hours upon reasonable notice. The parties shall work in good faith and in a reasonable manner to determine the Operating Expenses incurred and associated Expense Savings and Expense Savings Fee, if any.

(C) Merchant shall be solely responsible for computing, collecting, holding, reporting, and paying all sales taxes associated with the sale of Merchandise during the Sale Term, and Consultant shall have no responsibilities or liabilities therefor.

(D) Although Consultant shall undertake its obligations under this Agreement in a manner designed to achieve the desired results of the Sale and to maximize the recovery to the Merchant, Merchant expressly acknowledges that Consultant is not guaranteeing the results of the Sale.

(E) Merchant acknowledges that (i) the parties are not conducting an inventory of the Merchandise; (ii) Consultant has made no independent assessment of the beginning levels of such goods; and (iii) Consultant shall not bear any liability for shrink or other loss to Merchant's goods located at the Stores (including without limitation Merchandise) unless such shrink or loss is primarily attributed to the actions of Consultant. Merchant may, at its election, conduct an inventory at some or all of the Stores and Consultant agrees to cooperate with such inventory taking if and when done.

(F) All sales of Merchandise in the Stores during the Sale shall be made in the name, and on behalf, of Merchant.

(G) All sales of Merchandise in the Stores during the Sale Term shall be "final sales" and "as is," and all advertisements and sales receipts will reflect the same.

(H) Consultant shall, during the Sale Term at the Stores, cooperate with Merchant in respect of Merchant's procedures governing returns of goods otherwise sold by Merchant (e.g., not in the Stores during the Sale Term).

(I) Merchant hereby permits the Sale to be, and shall ensure that the Sale otherwise may be, advertised as a "sale on everything" or other mutually agreed upon handle throughout

the term of the Sale, and from and after entry of the Approval Order by the Bankruptcy Court, as a “going out of business”, “store closing” or “everything must go” sale.

6. FF&E

(A) Following the Sale Commencement Date, Merchant shall inform Consultant of those items of FF&E located at the Stores, Distribution Centers, and Corporate Offices which are not to be sold (because Merchant does not have the right to sell such items, because Merchant wishes to retain such items for itself, or otherwise) (collectively, “Retained FF&E”).

(B) With respect to all FF&E located at the Stores, Distribution Centers, and Corporate Offices as of the Sale Commencement Date which is not Retained FF&E (collectively the “Offered FF&E”), Consultant shall have the right to sell such Offered FF&E during the Sale Term on a commission basis equal to fifteen percent (15.00%) of the gross sales of Offered FF&E, net only of sales tax (“FF&E Commission”).

(C) Merchant shall reimburse Consultant for its reasonable expenses associated with the sale of the Offered FF&E based upon a mutually agreed upon budget.

(D) Consultant shall have the right to abandon any unsold Offered FF&E (and all Retained FF&E) at the Stores, Distribution Centers, and Corporate Offices at the conclusion of the Sale Term without liability to Merchant or any third party, provided that, absent further of the Court, no Offered FF&E can be abandoned at Propco I locations and Consultant shall assist Merchant in making sure such locations are empty of Offered FF&E at the conclusion of the Sale, provided, however, the cost and expenses of such shall be borne by Merchant pursuant to the budget contemplated by Section 6(C) above.

7. ADDITIONAL CONSULTANT GOODS

(A) In connection with the Sale, subject to Merchant’s consent (not to be unreasonably withheld, delayed, or denied), Consultant shall have the right, at Consultant’s sole cost and expense, to supplement the Merchandise in the Sale with additional goods procured by Consultant which are of like kind, and no lesser quality to the Merchandise in the Sale (“Additional Consultant Goods”). The Additional Consultant Goods shall be purchased by Consultant as part of the Sale, and delivered to the Stores at Consultant’s sole expense (including labor, freight and insurance relative to shipping such Additional Consultant Goods to the Stores). Sales of Additional Consultant Goods shall be run through Merchant’s cash register systems; provided, however, that Consultant shall mark the Additional Consultant Goods using either a “dummy” SKU or department number, or in such other manner so as to distinguish the sale of Additional Consultant Goods from the sale of Merchandise. Consultant and Merchant shall also cooperate so as to ensure that the Additional Consultant Goods are marked in such a way that a reasonable consumer could identify the Additional Consultant Goods as non-Merchant goods. Additionally, Consultant shall provide signage in the Stores at no cost to Merchant notifying customers that the Additional Consultant Goods have been included in the Sale. Absent Merchant’s written consent, and Consultant’s agreement to reimburse Merchant for any associated expenses,

Consultant shall not use Merchant's Distribution Centers for any Additional Consultant Goods.

(B) Consultant shall pay to Merchant an amount equal to five percent (5.0%) of the gross proceeds (excluding sales taxes) from the sale of the Additional Consultant Goods (the "Additional Consultant Goods Fee"), and Consultant shall retain all remaining amounts from the sale of the Additional Consultant Goods. Consultant shall pay Merchant its Additional Consultant Goods Fee in connection with each weekly sale reconciliation with respect to sales of Additional Consultant Goods sold by Consultant during each then prior week (or at such other mutually agreed upon time).

(C) Consultant and Merchant intend that the transactions relating to the Additional Consultant Goods are, and shall be construed as, a true consignment from Consultant to Merchant in all respects and not a consignment for security purposes. Subject solely to Consultant's obligations to pay to Merchant the Additional Consultant Goods Fee, at all times and for all purposes the Additional Consultant Goods and their proceeds shall be the exclusive property of Consultant, and no other person or entity shall have any claim against any of the Additional Consultant Goods or their proceeds. The Additional Consultant Goods shall at all times remain subject to the exclusive control of Consultant.

(D) Merchant shall, at Consultant's sole cost and expense, insure the Additional Consultant Goods and, if required, promptly file any proofs of loss with regard to same with Merchant's insurers. Consultant shall be responsible for payment of any deductible (but only in relation to the Additional Consultant Goods) under any such insurance in the event of any casualty affecting the Additional Consultant Goods.

(E) Merchant acknowledges, and the Approval Order shall provide, that the Additional Consultant Goods shall be consigned to Merchant as a true consignment under Article 9 of the Uniform Commercial Code (the "UCC"). Consultant is hereby granted a first priority security interest in and lien upon (i) the Additional Consultant Goods and (ii) the Additional Consultant Goods proceeds less the Additional Consultant Goods Fee, and Consultant is hereby authorized to file UCC financing statements and provide notifications to any prior secured parties.

8. INSURANCE; RISK OF LOSS

During the Sale Term: (a) Merchant shall maintain (at its expense) insurance with respect to the Merchandise in amounts and on such terms and conditions as are consistent with Merchant's ordinary course operations, and (b) each of Merchant and Consultant shall maintain (at each party's respective expense) comprehensive auto liability for owned and non-owned autos and general liability insurance covering injuries to persons and property in or in connection with the Stores, Distribution Centers, and Corporate Offices in such amounts as are reasonable and consistent with its ordinary practices, for bodily injury, personal injury and/or property damage. Consultant shall add Merchant as an additional insured with respect to its insurance policies covering Consultant and its supervisors, and (c) each of Merchant and Consultant shall maintain statutory worker's compensation,

statutory disability and Employer's Liability coverage of at least \$500,000 covering its own employees. Consultants shall produce evidence of such by the Sale Commencement Date.

Notwithstanding any other provision of this Agreement, Merchant and Consultant agree that Consultant shall not be deemed to be in possession or control of the Stores, Distribution Centers, or the Corporate Offices, or the Merchandise or other assets located therein or associated therewith, or of Merchant's employees located at the Stores, Distribution Centers, or Corporate Offices; and Consultant does not assume any of Merchant's obligations or liabilities with respect thereto.

Notwithstanding any other provision of this Agreement, Merchant and Consultant agree that Merchant shall bear all responsibility for product liability relating to the products sold under this Agreement, before, during and after the Sale Term.

9. **INDEMNIFICATION**

(A) Consultant shall indemnify and hold Merchant and its affiliates, and their respective officers, directors, employees, consultants, and independent contractors (collectively, the "Merchant Indemnified Parties") harmless from and against all third-party claims, demands, penalties, losses, liabilities and damages, including, without limitation, reasonable and documented attorneys' fees and expenses, directly or indirectly asserted against, resulting from or related to:

- (i) Consultant's material breach of or failure to comply with any of its agreements, covenants, representations or warranties contained herein or in any written agreement entered into in connection herewith;
- (ii) any harassment or any other unlawful, tortious or otherwise actionable treatment of any employees or agents of Merchant by Consultant, its affiliates or their respective officers, directors, employees, agents, independent contractors or representatives (including without limitation any supervisors);
- (iii) any claims by any party engaged by Consultant as an employee or independent contractor (including without limitation any non-Merchant employee supervisor) arising out of such employment or engagement; or
- (iv) the negligence, willful misconduct or unlawful acts of Consultant, its affiliates or their respective officers, directors, employees, Consultants, independent contractors or representatives, *provided that* Consultant shall not be obligated to indemnify any Merchant Indemnified Party from or against any claims, demands, penalties, losses, liabilities or damages arising primarily from any Merchant Indemnified Party's gross negligence, willful misconduct, or unlawful act.

(B) Merchant shall indemnify and hold Consultant, its affiliates and their respective officers, directors, employees, consultants, and independent contractors (collectively, "Consultant Indemnified Parties") harmless from and against all third-party claims, demands, penalties, losses, liabilities and damages, including, without limitation, reasonable

attorneys' fees and expenses, directly or indirectly asserted against, resulting from or related to:

- (i) Merchant's material breach of or failure to comply with any of its agreements, covenants, representations or warranties contained herein or in any written agreement entered into in connection herewith;
- (ii) any claims by any party engaged by Merchant as an employee or independent contractor arising out of such engagement;
- (iii) any consumer warranty or products liability claims relating to any Merchandise; and/or
- (iv) the negligence, willful misconduct or unlawful acts of Merchant, its affiliates or their respective officers, directors, employees, agents, independent contractors or representatives, *provided that* Merchant shall not be obligated to indemnify any Consultant Indemnified Party from or against any claims, demands, penalties, losses, liabilities or damages arising primarily from any Consultant Indemnified Party's gross negligence, willful misconduct, or unlawful act.

10. **MISCELLANEOUS**

(A) This Agreement, including retention of Consultant and conduct of the Sale set forth herein, is subject to the approval of the Bankruptcy Court. Merchant shall promptly seek to have this Agreement, and the transactions contemplated by this Agreement approved by the Bankruptcy Court pursuant to an order and terms acceptable to both Merchant and Consultant (the "Approval Order"). In the event the Approval Order is not entered by the Bankruptcy Court, Merchant shall reimburse Consultant for any Consultant Controlled Expenses incurred in connection with the Sale through and including the day immediately after denial of such motion by the Bankruptcy Court. The Bankruptcy Court shall have exclusive jurisdiction to resolve any issues arising under this Agreement.

(B) This Agreement constitutes the entire agreement between the parties with respect to the matters contemplated hereby and supersedes and cancels all prior agreements, including, but not limited to, all proposals, letters of intent or representations, written or oral, with respect thereto. This Agreement may not be modified except in a written instrument executed by each of the parties hereto. No consent or waiver by any party, express or implied, to or of any breach or default by the other in the performance of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by such other party of the same or any other obligation of such party. The failure on the part of any party to complain of any act or failure to act by the other party or to declare the other party in default, irrespective of how long such failure continues, shall not constitute a waiver by such party of its rights hereunder. Nothing contained in this Agreement shall be deemed to create any relationship between Merchant and Consultant other than that of Consultant as an


independent contractor of Merchant, and it is stipulated that the parties are not partners or joint venturers in any way. Unless expressly set forth herein to the contrary, to the extent that either party's consent is required/requested hereunder, such consent shall not be unreasonably withheld or delayed. This Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and assigns; *provided however*, that this Agreement may not be assigned by either party without the prior written consent of the other. Written notices contemplated by this Agreement shall be sent by email (i) if to Merchant at the address set forth above; and (ii) if to Consultant at the addresses set forth above with a copy to GB (Mackenzie Shea, mshea@gordonbrothers.com); Hilco (Ian Fredericks, ifredericks@hilcoglobal.com); Tiger (Mark Naughton, mnaughton@tigergroup.com); and GA (Scott Carpenter, scarpenter@greatamerican.com)

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Very truly yours,

A contractual joint venture composed of:

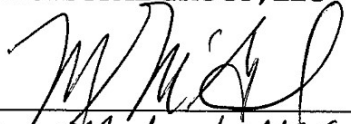
GORDON BROTHERS RETAIL PARTNERS, LLC

By: 
Name: Richard Edwards
Title: Co-President - Retail

Address:

800 Boylston Street
27th Floor
Boston, MA 02199

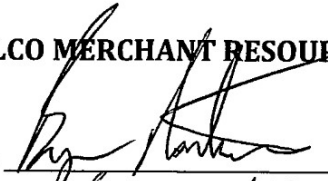
TIGER CAPITAL GROUP, LLC

By: 
Name: Michael McGinnis
Title: COO

Address:

99 Park Avenue
19th Floor
New York, NY 10016

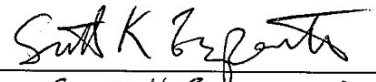
HILCO MERCHANT RESOURCES, LLC

By: 
Name: Benjamin M. Parsons
Title: Managing Partner

Address:

5 Revere Drive
Suite 206
Northbrook, IL 60062

GREAT AMERICAN GROUP, LLC

By: 
Name: SCOTT K CARPENTER
Title: President, GA Retail Solutions

Address:

21255 Burbank Boulevard
Suite 400
Woodland Hills, CA 91367

Agreed and Accepted:
Toys "R" Us - Delaware, Inc.

By: _____
Print Name and Title:

Exhibits:

- A. Stores
- B. Distribution Centers and Corporate Offices
- C. Budget of Consultant Controlled Expenses

Very truly yours,

A contractual joint venture composed of:

GORDON BROTHERS RETAIL PARTNERS, LLC

By: _____
Name: _____
Title: _____

Address:

800 Boylston Street
27th Floor
Boston, MA 02199

TIGER CAPITAL GROUP, LLC

By: _____
Name: _____
Title: _____

Address:

99 Park Avenue
19th Floor
New York, NY 10016

HILCO MERCHANT RESOURCES, LLC

By: _____
Name: _____
Title: _____

Address:

5 Revere Drive
Suite 206
Northbrook, IL 60062

GREAT AMERICAN GROUP, LLC

By: _____
Name: _____
Title: _____

Address:

21255 Burbank Boulevard
Suite 400
Woodland Hills, CA 91367

Agreed and Accepted:
Toys "R" Us - Delaware, Inc.

By: _____
Print Name and Title: _____

Exhibits:

- A. Stores
- B. Distribution Centers and Corporate Offices
- C. Budget of Consultant Controlled Expenses

Exhibit A

Stores

Toys "R" Us
 Exhibit A

Store List

Count	Store #	Chain	Name	Address	Address2	City	State	Zip	Phone	Lease Type	Entity	Gross Sq. Ft.	Selling Sq. Ft.
1	5112	Express	Jersey City Springfield	30 Mail Drive West	872	Jersey City	NJ	07310	(201) 222-0364	Lease	Delaware	3,028	3,028
2	5115	Express	Springfield	6507 Springfield Mall	6507	Springfield	VA	22150	(703) 922-5760	Lease	Delaware	4,167	4,167
3	5132	Express	Pleasant Prairie	11211 120th Avenue	8031	Pleasant Prairie	WI	53158	(262) 857-3046	Lease	Delaware	3,100	3,100
4	5138	Express	Aurora	1650 Premium Outlet Blvd	705	Aurora	IL	60502	(630) 499-1444	Lease	Delaware	4,982	4,982
5	5153	Express	Cypress	29300 Hempstead Road	122	Cypress	TX	77433	(281) 256-8735	Lease	Delaware	3,791	3,791
6	5170	Express	Savannah	200 Tanger Outlet Blvd.	673	Pooler	GA	31322	(912) 450-0888	Lease	Delaware	3,485	3,485
7	5171	Outlet	Lancaster	311 Stanley Ktanger Blvd	Tanger Outlets Lancaster	Lancaster	PA	17602	(717) 291-4619	01/00/00	0	-	3,500
8	5176	Express	Laredo	5300 San Dario Avenue	118	Laredo	TX	78041	(956) 729-1960	Lease	Delaware	4,924	4,924
9	5181	Express	Grand Rapids	350 84th Street SW	230	Byron Center	MI	49315	(956) 729-1960	Lease	Delaware	4,175	4,175
10	5189	Express	Edinburgh	11850 North East Executive Drive	D150	Edinburgh	IN	46124	(812) 526-3319	Lease	Delaware	5,500	5,500
11	5192	Express	Lutz	2398 Grand Cypress Dr	445	Lutz	FL	33558	(813) 949-7569	Lease	Delaware	3,000	3,000
12	5508	Express	Pearland	11200 Broadway Street	1035	Pearland	TX	77584	(713) 436-7559	Lease	Delaware	3,500	3,500
13	5543	Express	Greendale	5300 South 76th Street	13208	Greendale	WI	53129	(414) 423-0124	Lease	Delaware	5,523	5,523
14	5567	Express	Greendale	6800 N. 95th Ave	988	Greendale	AZ	85305	(480) 872-6414	Lease	Delaware	3,467	3,467
15	5603	TRU	Van Nuys	16040 Sherman Way		Van Nuys	CA	91406	(818) 780-5115	Lease	Delaware	25,978	25,978
16	5603	TRU	Burbank	683 North Victory Blvd		Burbank	CA	91502	(818) 841-5037	No	Lease	37,856	29,827
17	5607	TRU	Las Vegas	4550 Meadows Lane		Las Vegas	NV	89107	(702) 877-9070	Owned	Propco I	36,750	33,049
18	5610	TRU	Woodland Hills	6245 Topanga Canyon Blvd		Woodland Hills	CA	91367	(818) 346-9751	No	Lease	33,360	28,958
19	5611	TRU	Riverside	10391 Magnolia Ave.		Riverside	CA	92505	(951) 687-4542	Owned	Propco II	48,993	33,402
20	5613	TRU	Ventura	2975 Johnson Drive		Ventura	CA	93004	(805) 642-3764	Owned	Propco I	35,679	35,679
21	5615	TRU	Lancaster	1335 West Avenue K		Lancaster	CA	93534	(661) 949-7880	Owned	Propco I	50,286	30,734
22	5617	TRU	Thousand Oaks	179 N. Moorpark Road		Thousand Oaks	CA	91360	(805) 496-4981	Lease	Propco I	43,000	30,999
23	5622	TRU	Torrance	22035 Hawthorne Blvd.		Torrance	CA	90503	(310) 540-2727	Lease	Propco I	48,516	35,389
24	5625	TRU	Chula Vista	1008A Industrial Blvd.		Chula Vista	CA	91911	(619) 420-4048	No	Lease	42,540	33,841
25	5626	TRU	La Mesa	8790 Grossmont Blvd.		La Mesa	CA	91941	(619) 461-4901	Lease	Delaware	44,014	31,155
26	5627	TRU	Oceanside	2425 Vista Way		Oceanside	CA	92054	(760) 439-7944	Owned	Propco I	35,000	31,100
27	5629	TRU	Bell Gardens	7102 Eastern Ave.		Bell Gardens	CA	90201	(323) 771-2135	Owned	Propco II	39,826	32,905
28	5630	TRU	Cerritos	11340 E. South St.		Cerritos	CA	90701	(562) 924-3419	Lease	Propco I	33,500	30,422
29	5633	TRU	Escondido	1240 Auto Parkway So.		Escondido	CA	92029	(760) 747-4975	No	GL	45,556	34,820
30	5634	TRU	Huntington Beach	7212 Edinger Ave.		Huntington Beach	CA	92647	(714) 848-6357	Lease	Delaware	40,129	29,092
31	5639	TRU	Hawaii	98-211 Pali Momi Street		Aiea	HI	96701	(808) 487-5811	GL	Delaware	47,500	27,984
32	5640	TRU	Tucson	4525 North Oracle Rd.		Tucson	AZ	85705	(520) 293-8905	Owned	Propco I	40,762	33,538
33	5649	TRU	Murrieta	39855 Alta Murrieta Dr.		Murrieta	AZ	92562	(951) 696-0532	Owned	Propco II	45,493	35,596
34	5651	TRU	E. Mesa	1516 South Power Rd.		E. Mesa	AZ	85206	(480) 832-8697	Owned	Propco II	45,881	34,607
35	5653	TRU	National City	1100 E. 30 St.		National City	CA	91950	(619) 477-8383	No	GL	46,000	35,636
36	5655	TRU	Monrovia	660 West Huntington Dr.		Monrovia	CA	91016	(626) 303-5507	No	Lease	42,815	30,360
37	5658	TRU	Calixico	2600 Rockwood Ave.		Calixico	CA	92231	(760) 357-4709	GL	Propco I	45,378	35,236
38	5661	TRU	Henderson	1425 W. Sunset Road		Henderson	NV	89014	(702) 454-8697	GL	Propco I	45,000	35,092
39	5664	TRU	Arrowhead	7430 W. Bell Rd.		Glendale	AZ	85308	(623) 979-3622	Owned	Propco I	30,000	24,606
40	5682	TRU	Chandler	840 N. 54th St.		Chandler	AZ	85226	(480) 705-7444	No	GL	31,982	24,811
41	5683	TRU	Ontario Mills	4460 Ontario Mills Parkway		Ontario	CA	91764	(909) 987-8894	No	GL	48,000	37,377
42	5684	TRU	Visalia	2800 S. Mooney Blvd.		Visalia	CA	93277	(559) 635-8697	Owned	Propco I	31,000	23,830
43	5685	TRU	Murray	5968 South State St.		Murray	UT	84107	(801) 261-8697	Lease	Delaware	45,369	33,686
44	5689	TRU	Orem	86 E. University Parkway.		Orem	UT	84058	(801) 224-4448	Owned	Propco I	45,059	34,615
45	5691	TRU	Layton	1780 Woodland Park Drive		Layton	UT	84041	(801) 779-9900	GL	Propco I	34,790	22,405
46	5749	Outlet	Camarillo	900 Camarillo Center Suite 1112	1112	Camarillo	CA	93010	(805) 465-4040	Lease	Delaware	2,796	2,796
47	5750	Outlet	Dawsonville	800 Highway 400 South	630	Dawsonville	GA	30534	(706) 525-6029	Lease	Delaware	3,404	3,404
48	5751	Outlet	Barceloneta	1 Premium Outlets Blvd.	Local 315 A	Barceloneta	PR	00617	(787) 846-7233	Lease	Delaware	3,357	3,357
49	5752	Outlet	Round Rock	4401 North IH-35	449	Round Rock	TX	78664	(512) 591-2596	Lease	Delaware	3,045	3,045
50	5753	Outlet	West Palm Beach	1751 Palm Beach Lakes Blvd.	E115	West Palm Beach	FL	33401	(561) 530-6533	Lease	Delaware	4,500	4,500
51	5754	Outlet	San Diego	4345 Camino de la Plaza	332	San Diego	CA	92173	(619) 205-0070	Lease	Delaware	3,600	3,600
52	5755	Outlet	Nashville	327 Opry Mills Drive	327	Nashville	TN	37214	(615) 416-6770	Lease	Delaware	4,497	4,497
53	5756	Outlet	Woodstock	915 Ridgeway Parkway	250	Woodstock	GA	30188	(770) 702-9896	Lease	Delaware	3,450	3,450
54	5757	Outlet	Chesterfield	18521 Outlet Blvd.	530	Chesterfield	MO	63105	(636) 778-2220	Lease	Delaware	3,924	3,924
55	5761	Express	AVENTURA - TRU Surplus	2747 NE 193rd St.		Aventura	FL	33180	(305) 682-8986	GL	Delaware	6,000	6,000
56	5765	Express	Giam	1088 West Marine Corps Drive	1085	Dededo	GU	96912	(671) 632-8697	Lease	Delaware	4,150	4,150
57	5777	Express	San Jose	2200 Eastridge Loop #1085		San Jose	CA	95122	(408) 274-2804	Lease	Delaware	4,389	4,389
58	5805	TRU	Reno	5000 Smith Ridge Dr.		Reno	NV	89502	(775) 827-8697	Owned	Propco II	35,390	33,394
59	5807	TRU	Arden Way	1919 Arden Way		Sacramento	CA	95815	(916) 929-9500	Lease	Delaware	31,216	31,216
60	5808	TRU	Sunrise	7800 Greenback Lane		Citrus Heights	CA	95610	(916) 969-9727	Lease	Delaware	44,700	32,053
61	5809	TRU	Modesto	2700 Sisk Road		Modesto	CA	95350	(209) 527-2288	Owned	Propco II	43,000	34,087
62	5810	TRU	Stockton	718 West Hammer Lane		Stockton	CA	95210	(209) 473-9877	GL	Delaware	49,835	39,099

Toys "R" Us
Exhibit A

Store List

Count	Store #	Chain	Name	Address	City	State	Zip	Phone	Lease Type	Entity	Gross Sq. Ft.	Selling Sq. Ft.
63	5811	TRU	Dublin	6850 Anador Plaza Road.	Dublin	CA	94588	(925) 833-0131	Lease	Delaware	46,093	27,615
64	5815	TRU	Santa Rosa	2705 Santa Rosa Ave.	Santa Rosa	CA	95407	(707) 527-6200	Owned	Propco I	43,587	32,645
65	5817	TRU	Hayward	24011 Hesperian Blvd.	Hayward	CA	94541	(510) 785-5800	Lease	Propco I	44,196	29,205
66	5818	TRU	Almaden	1082 Blossom Hill Rd.	San Jose	CA	95123	(408) 266-2600	Lease	Propco I	38,776	30,207
67	5820	TRU	Salinas	370 Northridge Center	Salinas	CA	93906	(831) 443-4455	Owned	Propco I	43,000	32,499
68	5824	TRU	Chico	1919 East 20th St.	Chico	CA	95928	(530) 343-6458	Owned	Propco I	45,378	28,962
69	5839	TRU	Medford	1300 Biddle Road	Medford	OR	97504	(541) 772-6010	Owned	Propco I	31,000	20,601
70	5841	TRU	Clovis	1425 Shaw Ave.	Clovis	CA	93611	(559) 322-0279	Owned	Propco I	45,000	34,357
71	5842	TRU	Roseville	6780 Stanford Ranch Rd.	Roseville	CA	95678	(916) 784-8697	Owned	Propco I	45,000	32,417
72	6003	TRU	Springfield	2701 Veteran's Pkwy	Springfield	IL	62704	(217) 787-7346	GL	Delaware	40,673	33,410
73	6004	TRU	Burbank	8148 S. Cicero Ave.	Burbank	IL	60459	(708) 636-4600	Lease	Propco I	49,046	30,695
74	6005	TRU	Melrose	9200 W. North Ave.	Melrose Park	IL	60160	(708) 343-9000	Owned	Delaware	39,380	27,359
75	6012	TRU	Woodridge	1500 75th St.	Downers Grove	IL	60516	(630) 964-7124	Owned	Delaware	48,304	34,589
76	6013	TRU	Southbend	6011 N. Grape St.	Mishawaka	IN	46545	(574) 277-4928	Owned	Propco I	45,888	34,427
77	6015	TRU	Merrillville	2020 E. Lincoln Highway	Merrillville	IN	46410	(219) 769-0630	No	Lease	40,120	32,876
78	6017	TRU	Aurora	4070 Fox Valley Center Dr.	Aurora	IL	60504	(630) 851-7600	Lease	Propco I	43,000	33,599
79	6018	TRU	Joliet	3128 Voyager Lane	Joliet	IL	60435	(815) 439-1009	Lease	Propco I	43,560	32,037
80	6023	TRU	Orland Park	45 Orland Square Dr.	Orland Park	IL	60462	(708) 460-9494	Owned	Propco II	43,434	32,888
81	6025	TRU	Lafayette	2324 Sagamore Parkway So.	Lafayette	IN	47905	(765) 474-4425	Owned	Propco I	40,683	32,848
82	6028	TRU	Vernon Hills	5555 Town Line Road	Vernon Hills	IL	60061	(847) 367-0029	Owned	Propco I	46,157	33,934
83	6029	TRU	Burnsville	14041 Aldrich Ave. So.	Burnsville	MN	55337	(952) 890-8697	GL	Propco I	43,475	35,658
84	6032	TRU	Janesville	2723 Milton Ave.	Janesville	WI	53546	(608) 758-0747	Owned	Propco I	45,320	24,060
85	6033	TRU	Madison	7309 West Towne Way	Madison	WI	53719	(608) 829-0910	GL	Delaware	49,000	37,148
86	6035	TRU	So. Milwaukee	3900 S. 27th St.	Milwaukee	WI	53221	(414) 282-4300	Owned	Propco II	38,000	31,728
87	6038	TRU	Green Bay	1640 W. Mason St.	Greenbay	WI	54303	(920) 494-1774	Owned	Propco I	44,991	34,950
88	6046	TRU	Maplewood	1852 E. County Road "D"	Maplewood	MN	55109	(651) 770-2918	Owned	Propco I	45,183	35,289
89	6049	TRU	Moline	4555 16th St.	Moline	IL	61265	(309) 797-3602	Lease	Propco I	43,000	32,192
90	6068	TRU	Flint	3250 So. Linden	Flint	MI	48507	(810) 733-3490	Lease	Propco I	38,000	28,062
91	6069	TRU	Saginaw	2800 Titabawassee Rd.	Saginaw	MI	48603	(989) 790-2400	Lease	Propco I	40,000	33,881
92	6072	TRU	Kalamazoo	6207 So. Westnedge Ave.	Portage	MI	49002	(269) 329-1777	Lease	Propco I	52,050	34,329
93	6074	TRU	N. Grand Rapids	3130 Alpine Road N.W.	Walker	MI	49544	(616) 784-5999	Owned	Propco I	45,783	31,549
94	6077	TRU	Jackson	1038 Jackson Crossing	Jackson	MI	49204	(517) 780-0500	Lease	Delaware	32,667	20,638
95	6164	Outlet	El Paso	7051 S. Desert Blvd	Canutillo	TX	79835	(915) 321-7061	Lease	Delaware	3,992	3,992
96	6191	Express	Oklahoma City	7624 W. Reno Avenue	Oklahoma City	OK	73127	(405) 787-1183	Lease	Delaware	3,562	3,562
97	6304	TRU	Totowa	445 US Highway 46	Totowa	NJ	07512	(973) 256-6003	GL	Delaware	50,679	36,913
98	6306	TRU	Paramus	250 E. Route 4	Paramus	NJ	07652	(201) 845-7260	No	GL	38,568	29,498
99	6308	TRU	Flatbush	2875 Flatbush Ave.	Brooklyn	NY	11234	(718) 252-8697	Owned	Delaware	45,980	34,126
100	6309	TRU	Massapequa	5520 Sunrise Highway	Massapequa	NY	11758	(516) 798-3240	No	Lease	42,995	28,607
101	6311	TRU	Carle Place	117 Old Country Rd.	Carle Place	NY	11514	(516) 746-3200	No	Lease	43,000	33,006
102	6312	TRU	Staten Island	2845 Richmond Ave.	Staten Island	NY	10314	(718) 698-8821	Lease	Delaware	39,200	29,891
103	6313	TRU	Eatontown	137 Route 35	Eatontown	NJ	07724	(732) 544-0734	Lease	Delaware	48,997	36,703
104	6319	TRU	Livingston	599 W. Mt. Pleasant Ave.	Livingston	NJ	07039	(973) 994-2277	Lease	Propco I	43,000	33,048
105	6321	TRU	Toms River	1224 Hooper Ave.	Toms River	NJ	08753	(732) 341-2030	Owned	Propco II	49,215	30,913
106	6322	TRU	Douglaston	242-02 61st Ave	Little Neck	NY	11363	(718) 224-2800	Lease	Delaware	47,943	30,365
107	6325	TRU	Nanuet	122 East Route 59	Nanuet	NY	10954	(845) 624-8282	Owned	Propco II	41,538	31,026
108	6326	TRU	Milford	330 Oldgate Lane	Milford	CT	06460	(203) 874-0750	Owned	Propco II	38,000	33,174
109	6330	TRU	Paramus II	634 Rt. 17N @ Ridgewood Ave	Paramus	NJ	07652	(201) 670-7733	Lease	Propco I	61,818	28,447
110	6331	TRU	Poughkeepsie	2576 South Road	Poughkeepsie	NY	12601	(845) 473-5178	Owned	Propco II	42,267	34,209
111	6332	TRU	Danbury	17 Backus Avenue	Danbury	CT	06810	(203) 778-9913	GL	Delaware	45,180	33,829
112	6337	TRU	Middletown	88 Dunning Rd.	Middletown	NY	10940	(845) 342-4144	GL	Propco I	57,500	34,349
113	6341	TRU	Clifton Park	17 Clifton County Rd.	Clifton Park	NY	12065	(518) 383-0188	GL	Propco I	45,453	32,846
114	6342	TRU	Freehold	600 Trotter Way	Freehold	NJ	07728	(732) 462-0500	Owned	Propco I	44,799	33,841
115	6343	TRU	Hazlet Plaza	Hazlet Plaza	Hazlet	NJ	07730	(732) 888-8200	Lease	Propco I	35,000	25,765
116	6355	TRU	Riverhead	1151 Old Country Road	Riverhead	NY	11901	(631) 369-6501	Owned	Propco I	34,000	26,002
117	6359	TRU	Whitehall	955 Grape Streets	Whitehall	PA	18052	(610) 264-4100	Owned	Propco II	40,683	33,135
118	6360	TRU	Lawrenceville	3265 Brunswick Pike	Lawrenceville	GA	30044	(770) 962-3330	GL	Propco I	38,000	31,258
119	6361	TRU	Wilkes-Barre	620 Kidder St.	Wilkes-Barre	PA	18702	(570) 825-8600	Owned	Propco II	44,638	34,634
120	6363	TRU	Elmira	7 Arnot Road	Horseheads	NY	14845	(607) 739-3695	GL	Propco I	46,700	30,300
121	6367	TRU	Glen Falls	708 Upper Glen St.	Glen Falls	NY	12804	(518) 761-7100	Lease	Propco I	30,390	23,251
122	6368	TRU	Fairfax-KidsWorld	13035 Fair Lakes Shopping Plaza	Fairfax	VA	22030	(703) 803-1050	Owned	Propco I	49,028	38,624
123	6390	TRU	College Point	30-02 Whitestone Expressway	Flushing	NY	11356	(718) 460-6363	No	Lease	43,999	32,545
124	6489	TRU	La Crosse	2906 Market Place	Onalaska	WI	54650	(608) 783-1851	Owned	Propco I	44,261	35,208

Toys "R" Us
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Store List

Count	Store #	Chain	Name	Address	City	State	Zip	Phone	Lease Type	Entity	Gross Sq. Ft.	Selling Sq. Ft.
125	6630	Outlet	Oceanside	3515 Long Beach Road	Oceanside	NY	11572	(516) 632-2079	Lease	Delaware	6,450	6,450
126	6650	Express	Riverhead	405 Tanger Mall Drive	Riverhead	NY	11901	(631) 727-7718	Lease	Delaware	4,300	4,300
127	6651	Express	Deer Park	152 The Arches Circle	Deer Park	NY	11729	(631) 242-0162	Lease	Delaware	3,552	3,552
128	6677	Express	New York	901 Ave Of The Americas	New York	NY	10001	(212) 239-7306	Lease	Delaware	4,698	4,698
129	6771	Express	Santa Barbara	110 South Hope Ave	Santa Barbara	CA	93105	(805) 687-0219	Lease	Delaware	3,048	3,048
130	6794	Outlet	Commerce	100 Citadel Drive	City Of Commerce	CA	90040	(323) 765-2306	Lease	Delaware	5,755	5,755
131	6867	Express	Gurnee	6170 W. Grand Avenue	Gurnee	IL	60031	(847) 672-0010	Lease	Delaware	5,127	5,127
132	6942	Express	Commerce	800 Steven B Tanger Blvd	Commerce	GA	30529	(706) 335-8108	Lease	Delaware	4,700	4,700
133	6951	Express	Williamsburg	128 Tanger Drive	Williamsburg	IA	52361	(319) 668-2152	Lease	Delaware	4,000	4,000
134	6978	Outlet	Limerick	18 West Lightcap Road	Pittsford	PA	19464	(610) 569-4187	Lease	Delaware	6,039	6,039
135	7010	TRU	South Austin	4025 S. Capitol of Texas Hwy	Austin	TX	78704	(512) 441-7116	Owned	Propco II	42,500	33,737
136	7011	TRU	North Austin	12901 Hwy 35 North	Austin	TX	78753	(512) 989-6298	GL	Propco I	49,000	38,038
137	7016	TRU	Metairie	3609 Veterans Memorial Blvd.	Metairie	LA	70002	(504) 455-9513	No	GL	45,167	35,259
138	7019	TRU	Baybrook	1449 Bay Area Blvd.	Webster	TX	77598	(281) 338-2915	GL	Propco I	46,011	33,313
139	7022	TRU	Monroe	1350 Pecan Land Dr.	Monroe	LA	71201	(318) 322-8590	Lease	Delaware	47,500	34,443
140	7023	TRU	North Jackson	1175 East County Line Rd.	Jackson	MS	39211	(601) 956-2720	Owned	Propco I	46,000	35,430
141	7027	TRU	El Paso	9801 Gateway Blvd W	El Paso	TX	79925	(915) 594-1131	Lease	Propco I	55,000	33,896
142	7028	TRU	West El Paso	801 Mesa Hills Dr.	El Paso	TX	79912	(915) 833-3459	Lease	Delaware	50,014	34,036
143	7030	TRU	McAllen	1101 W. Expressway 83	McAllen	TX	78502	(956) 682-8697	Owned	Propco II	45,451	35,438
144	7036	TRU	Astrodome	1212 Old Spanish Tr.	Houston	TX	77054	(713) 796-8697	Owned	Propco I	45,000	35,557
145	7038	TRU	College Station	1306 Harvey Rd.	College Station	TX	77845	(979) 693-2282	Owned	Propco I	20,594	20,594
146	7039	TRU	The Woodlands	1420 Lake Woodlands Dr.	The Woodlands	TX	77380	(281) 367-0061	Owned	Propco I	30,725	24,900
147	7040	TRU	Hattiesburg	4600 Hardy Street	Hattiesburg	MS	39402	(601) 264-2429	Lease	Delaware	35,000	21,179
148	7043	TRU	Lake Charles	3405 Gerstner Memorial Dr.	Lake Charles	LA	70607	(337) 478-0250	Owned	Delaware	20,000	16,338
149	7046	TRU	Sugarland	16618 SW Frwy	Sugarland	TX	77478	(281) 277-8697	GL	Delaware	31,000	25,277
150	7050	TRU	Katy Frwy.	25024 Katy Mills Drive	Katy	TX	77494	(281) 644-7600	Owned	Propco I	49,000	37,559
151	7058	Outlet	Sevierville	1645 Parkway	Sevierville	TN	37862	(865) 280-6246	Lease	Delaware	3,350	3,350
152	7059	Outlet	National Harbor	6800 Ocon Hill Rd	National Harbor	MD	20745	(301) 747-9002	Lease	Delaware	2,893	2,893
153	7060	Outlet	Los Angeles	3650 W Martin Luther King Blvd	Los Angeles	CA	90008	(323) 200-2002	Lease	Delaware	2,998	2,998
154	7061	Outlet	Tempe	5000 S Arizona Mills Circle	Tempe	AZ	85282	(602) 308-3437	Lease	Delaware	3,839	3,839
155	7063	Outlet	St. Augustine	500 Outlet Mall Blvd	St Augustine	FL	32084	(904) 417-9189	Lease	Delaware	4,260	4,260
156	7064	Outlet	Glendale	8016 Cooper Ave	Glendale	NY	11385	(718) 289-9000	Lease	Delaware	3,934	3,934
157	7065	Outlet	Tannersville	1000 Premium Outlets Drive	Tannersville	PA	18372	(570) 534-6032	Lease	Delaware	3,000	3,000
158	7066	Outlet	Orlando	4973 International Drive	Orlando	FL	32819	(407) 204-8786	Lease	Delaware	3,490	3,490
159	7067	Outlet	Tinton Falls	One Premium Outlets Boulevard	Tinton Falls	NJ	07753	(732) 481-8724	Lease	Delaware	3,000	3,000
160	7068	Outlet	Wrentham	1 Premium Outlets Blvd.	Wrentham	MA	02093	(508)384-3725	Lease	Delaware	-	-
161	7071	Outlet	Tulalip	10600 Quil Ceda Blvd	Tulalip	WA	98271	(360) 363-9034	Lease	Delaware	4,985	4,985
162	7074	Express	Laredo	1600 Water St	Laredo	TX	78040	956-231-5680	Lease	Delaware	4,406	4,406
163	7077	Outlet	Woodbridge	2700 Potomac Mills Cir	Woodbridge	VA	22192	703-987-2064	Lease	Delaware	3,093	3,093
164	7078	Express	Lee	17 Prime Outlets Blvd.	Lee	MA	01238	(413) 243-9778	Lease	Delaware	18,522	18,522
165	7080	TRU	Citrus Park	12845 Citrus Plaza Drive	Tampa	FL	33625	(813) 749-5049	Lease	Delaware	24,006	19,318
166	7081	TRU	Santa Ana	3900 Bristol Street Suite B	Santa Ana	CA	92704	(657) 328-6763	Lease	Delaware	41,500	19,318
167	7082	Outlet	Livermore	Livermore Outlets Dr	Livermore	CA	94551	(925) 292-2332	Lease	Delaware	3,797	3,797
168	7083	Express	Sunbury	400 South Wilson Rd	Sunbury	OH	43074	(740) 965-4198	Lease	Delaware	4,596	4,596
169	7084	Express	Clarksburg	22705 Clarksburg RD	Clarksburg	MD	20871	(301) 540-1697	Lease	Delaware	2,822	2,822
170	7085	Outlet	Las Vegas	805 South Grand Central Pkwy	Las Vegas	NV	89106	(702) 986-7536	Lease	Delaware	3,031	3,031
171	7088	Outlet	San Marcos	4015 S Interstate 35	San Marcos	TX	78666	512-214-6125	Lease	Delaware	3,500	3,500
172	7089	Outlet	Grapevine	3000 Grapevine Mills Parkway	Grapevine	TX	76051	469-293-7029	Lease	Delaware	4,605	4,605
173	7093	Outlet	Southaven	5205 Airways Blvd	Southaven	MS	38671	662-253-6188	Lease	Delaware	4,368	4,368
174	7094	Outlet	Branson	300 Tanger Boulevard	Branson	MO	65616	417-297-6011	Lease	Delaware	3,500	3,500
175	7103	Outlet	Orlando	8200 Vineland Avenue	Orlando	FL	32821	(407) 550-9001	Lease	Delaware	4,386	4,386
176	7132	Express	Saugus	1201 Broadway	Saugus	MA	01925A	(781) 231-0219	Lease	Delaware	3,306	3,306
177	7158	Outlet	Woodbury	620 Bluebird Cr	Central Valley	NY	10917	(845) 928-9566	Lease	Delaware	5,627	5,627
178	7159	Outlet	Elizabeth	651 Kapkowski Road	Elizabeth	NJ	07201	(908) 787-1279	Lease	Delaware	4,199	4,199
179	7257	Express	Johnson Creek	575 W. Unmar Lane	Johnson Creek	WI	53038	(920) 699-2329	Lease	Delaware	4,000	4,000
180	7502	TRU	Warwick	375 East Ave	Warwick	RI	02886	(401) 821-3872	Lease	Delaware	43,000	33,638
181	7503	TRU	Peabody	Northshore Mall	Peabody	MA	01960	(978) 532-0975	GL	Delaware	44,913	34,477
182	7505	TRU	Frammingham	One Worcester Road	Frammingham	MA	01701	(508) 370-4445	GL	Propco I	44,847	34,934
183	7510	TRU	W. Hartford	1471 New Britain Ave.	W. Hartford	CT	06110	(860) 521-4880	No	Lease	36,950	27,959
184	7512	TRU	Swansea	86 Swansea Mall Drive	Swansea	MA	02777	(508) 675-1200	GL	Propco I	36,268	34,102
185	7513	TRU	So. Portland	303 Maine Mall Rd.	So. Portland	ME	04106	(207) 774-9430	Owned	Propco I	43,480	32,200
186	7515	TRU	Waterford	5 Dayton Road	Waterford	CT	06385	(860) 443-6637	Owned	Propco I	46,000	35,649

Toys "R" Us
Exhibit A

Store List

Count	Store #	Chain	Name	Address	City	State	Zip	Phone	Lease Type	Entity	Gross Sq. Ft.	Selling Sq. Ft.
187	7517	TRU	Clay	G. Northern Mall	Clay	NY	13041	(315) 652-8697	Lease	Delaware	45,826	32,824
188	7520	TRU	Kingston	8 Gallen Road	Kingston	MA	02364	(781) 585-1200	Owned	Propco II	45,563	27,379
189	7522	TRU	Brocton	105 Campanelli Industrial Drive	Brocton	MA	02401	(508) 584-8697	Owned	Propco II	45,453	35,759
190	7523	TRU	Salem	16 Veterans Memorial Parkway	Salem	NH	03079	(603) 893-8697	Owned	Propco II	50,215	33,699
191	7524	TRU	N. Attleboro	1190 S. Washington St.	N. Attleboro	MA	02760	(508) 695-6195	Owned	Propco II	45,453	35,122
192	7532	TRU	Buckland Hills	1460 Pleasant Valley Rd.	Manchester	CT	06040	(860) 644-7606	GL	Delaware	44,873	33,831
193	7543	TRU	Kissimmee	3214 N John Young Pkwy	Kissimmee	FL	34741-7549	(407) 552-0951	Lease	Delaware	35,000	-
194	7544	Outlet	Miami	11401 NW12th St	Miami	FL	33172	(786) 450-5480	Lease	Delaware	4,500	4,500
195	7546	Outlet	Gilroy	8225 Arroyo Circle	Gilroy	CA	95020	(408) 337-4101	Lease	Delaware	-	-
196	7547	Outlet	Birch Run	12150 S Beyer Road	Birch Run	MI	48415	(989) 349-7229	Lease	Delaware	-	-
197	7548	Outlet	Smithfield	1025 Industrial Park Drive	Smithfield	NC	27577	(919) 209-1038	Lease	Delaware	-	-
198	7549	Outlet	Ontario	1 Mills Circle	Ontario	CA	91764	909-687-1325	Lease	Delaware	3,641	3,641
199	7554	Express	Norfolk	1600 Premium Outlets	Norfolk	VA	23502	757-389-7542	Lease	Delaware	-	-
200	7557	Outlet	Altoona	801 Bass Pro Dr Nw 620	Altoona	IA	50009	(515) 957-0864	01/00/00	0	-	4,000
201	7561	Outlet	Fort Worth	15853 N. Fwy Ste#1135	Fort Worth	TX	76177	(882) 831-9971	01/00/00	0	-	4,493
202	7562	TRU	Times Square	1466 Broadway	New York	NY	10036	(212) 277-4468	01/00/00	0	-	34,916
203	7580	Outlet	Philadelphia Mills	1417 Franklin Mills Circle	Philadelphia	PA	19154	-	01/00/00	0	-	40,000
204	7749	Express	Corpus Christi	5488 S. Padre Island Drive	Corpus Christi	TX	78411	(361) 985-0740	Lease	Delaware	9,449	9,449
205	7802	TRU	Fort Worth	7606 W. Freeway	White Settlement	TX	76108	(817) 246-2251	No	Lease	45,000	34,544
206	7805	TRU	Mesquite	2100 N.Town East Blvd	Mesquite	TX	75150	(972) 270-6164	Lease	Delaware	38,000	31,419
207	7807	TRU	Albuquerque	7400 Indian School Rd. NE	Albuquerque	NM	87110	(505) 884-1144	No	Lease	41,883	33,681
208	7809	TRU	Hurst	1319 West Pipeline Rd	Hurst	TX	76053	(817) 589-7181	GL	Propco I	49,210	38,303
209	7811	TRU	Quail Springs	2121 NW 138th St.	Oklahoma City	OK	73134	(405) 755-1335	Owned	Propco I	45,888	36,004
210	7814	TRU	Waco	5200 W. Waco Drive	Waco	TX	76710	(254) 772-1556	Owned	Propco I	45,187	30,555
211	7817	TRU	South Arlington	4111 S. Cooper St.	Arlington	TX	76015	(817) 784-0843	Owned	Propco II	45,183	36,166
212	7818	TRU	N. Little Rock	4239 E. McCain Blvd.	N. Little Rock	AR	72117	(501) 945-8020	GL	Propco I	42,617	32,837
213	7822	TRU	Lewisville	2412 S. Stemmons Freeway	Lewisville	TX	75067	(972) 315-6210	Owned	Propco II	45,453	34,128
214	7826	TRU	Killeen	2500 E. Central Texas Expressway #B	Killeen	TX	76541	(254) 634-8697	Owned	Propco I	30,531	20,585
215	7827	TRU	Longview	402 W. Loop 281	Longview	TX	75604	(937) 757-8697	Owned	Propco I	31,000	20,595
216	7828	TRU	Wichita Falls	2500 E. Elliott St.	Wichita Falls	TX	76308	(940) 691-8697	Owned	Propco I	30,000	20,608
217	7830	TRU	W. Little Rock	11500 Financial Center Parkway	Little Rock	AR	72211	(501) 954-8697	GL	Propco I	30,900	24,783
218	7833	TRU	Fayetteville	4166 N. College Ave.	Fayetteville	AR	72701	(479) 442-8697	GL	Propco I	30,700	20,692
219	7835	TRU	W. Albuquerque	3701 Ellison Rd NW	Albuquerque	NM	87114	(505) 899-8697	GL	Propco I	34,700	24,608
220	8003	TRU	Lynnwood	18601 Alderwood Mall Pkwy.	Lynnwood	WA	98037	(425) 771-4748	Lease	Propco I	43,000	34,357
221	8005	TRU	Clarkamas	12535 SE 82nd Ave.	Clarkamas	OR	97015	(503) 659-5163	Lease	Propco I	43,000	33,670
222	8006	TRU	Tigard	10065 SW Cascade Blvd.	Tigard	OR	97223	(503) 620-9779	Owned	Propco II	43,000	33,816
223	8007	TRU	Tacoma	4214 South Tacoma Mall Blvd.	Tacoma	WA	98409	(253) 472-4568	Owned	Propco I	43,000	34,723
224	8009	TRU	Eugene	1133 Valley River Dr.	Eugene	OR	97401	(541) 485-8742	Owned	Propco I	38,000	32,405
225	8018	Outlet	Milpitas	447 Great Mall Drive	Milpitas	CA	95035	(408) 964-2915	Lease	Delaware	4,816	4,816
226	8019	TRU	Kennewick	1321 N. Columbia Center Blvd	Kennewick	WA	99336	(509) 783-7006	Lease	Propco I	37,865	23,705
227	8020	TRU	Billings	640 South 24th St. W.	Billings	MT	59102	(406) 652-8697	Owned	Propco I	45,300	20,578
228	8021	TRU	Idaho Falls	2395 East 17th St.	Idaho Falls	ID	83401	(208) 524-7070	GL	Propco I	30,000	20,729
229	8023	TRU	Puyallup	3551-9th Street SW	Puyallup	WA	98373	(253) 848-1331	GL	Propco I	30,000	24,369
230	8026	TRU	Yakima	1401 E. Washington Ave.	Union Gap	WA	98903	(509) 248-4202	Owned	Propco I	30,000	20,462
231	8027	TRU	Spokane II Valley	15505 E. Broadway Avenue	Spokane Valley	WA	99037	(509) 927-6759	Owned	Propco I	30,000	24,363
232	8108	Express	Aurora	549 South Chillicothe Road	Aurora	OH	44202	(330) 995-3717	Lease	Delaware	2,875	-
233	8204	Express	Lawrenceville	150 Quaker Bridge Mall Road	Lawrenceville	NJ	08648	(609) 799-1879	Lease	Delaware	6,925	6,925
234	8271	Express	San Bruno	1150 El Camino Real	San Bruno	CA	94066	(650) 588-5910	Lease	Delaware	6,632	6,632
235	8285	Outlet	Atlantic City	114 North Christopher Columbus Blvd.	Atlantic City	NJ	08401	(609) 594-9010	Lease	Delaware	6,308	6,308
236	8286	Outlet	Las Vegas	7400 Las Vegas Boulevard South	Las Vegas	NV	89123	(702) 473-7122	Lease	Delaware	4,119	4,119
237	8288	Outlet	Surprise	12801 West Sunrise Blvd.	Surprise	FL	33323	(954) 331-1825	Lease	Delaware	4,649	4,649
238	8289	Outlet	Shirley	999-16 Montauk Highway	Shirley	NY	11967	(631) 729-4004	Lease	Delaware	4,180	4,180
239	8302	TRU	Montgomeryville	2 Airport Square	North Wales	PA	19454	(215) 368-8050	Lease	Delaware	37,358	31,429
240	8304	TRU	Baileys	5521 Leesburg Pike	Baileys Crossroads	VA	22041	(703) 820-2428	Owned	Propco I	45,000	31,354
241	8306	TRU	Deptford	409 Almonesson Rd.	Deptford	NJ	08096	(856) 848-9484	Owned	Propco I	43,350	33,204
242	8308	TRU	Cottman	2045 Cottman Ave.	Philadelphia	PA	19149	(215) 742-8090	Lease	Delaware	33,000	25,881
243	8309	TRU	So. Philadelphia	2703-2817 S. 3rd St.	Philadelphia	PA	19148	(215) 334-4600	GL	Propco I	38,056	32,011
244	8311	TRU	Oxford Valley	2345 East Lincoln Hwy.	Langhorne	PA	19047	(215) 943-1556	Owned	Propco II	43,040	34,042
245	8314	TRU	Christiana	10 Geofffrey Dr.	Newark	DE	19702	(302) 731-4556	Owned	Delaware	39,514	34,843
246	8319	TRU	Gaithersburg	600 North Frederick Rd.	Gaithersburg	MD	20877	(301) 869-5510	Lease	Delaware	55,393	27,510
247	8326	TRU	Lancaster	1430 Harrisburg Pike	Lancaster	PA	17601	(717) 293-1494	Owned	Propco I	46,065	34,864
248	8327	TRU	Atlantic City	4476 Black Horse Pike	Mays Landing	NJ	08330	(609) 625-3666	Owned	Propco I	46,472	33,378

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Store List

Count	Store #	Chain	Name	Address	City	State	Zip	Phone	Lease Type	Entity	Gross Sq. Ft.	Selling Sq. Ft.	
249	8328	TRU	Exton	103 E. Swedesford Rd.	Exton	PA	19341	(610) 524-8699	GL	Propco I	44,478	34,645	
250	8329	TRU	Franklin Mills	201 Franklin Mills Circle	Philadelphia	PA	19154	(215) 281-0222	Owned	Propco II	45,453	35,694	
251	8331	TRU	Colonial Heights	1869 South Park Blvd.	Colonial Heights	VA	23834	(804) 520-7854	GL	Delaware	41,500	34,081	
252	8333	TRU	Waldorf	11055 Mail Circle Road	Waldorf	MD	20603	(301) 705-9800	GL	Propco I	46,350	35,522	
253	8334	TRU	Lynchburg	3700 Candlers Mountain Rd.	Lynchburg	VA	24502	(434) 847-8697	Owned	Propco I	49,493	35,004	
254	8335	TRU	Manassas	10318 Portsmouth Rd.	Manassas	VA	20110	(703) 330-8304	Lease	Propco I	45,183	35,561	
255	8340	TRU	Winchester	655 East Jubal Early Avenue	Winchester	VA	22601	(540) 678-0231	Owned	Propco II	30,000	24,483	
256	8341	TRU	Dale City	14603 Telegraph Road	Woodbridge	VA	22194	(703) 490-1466	Owned	Propco I	45,453	34,629	
257	8346	TRU	Chesapeake	4120 Portsmouth Blvd.	Chesapeake	VA	23321	(757) 465-0086	Owned	Propco I	30,000	24,478	
258	8347	TRU	Danville	142 Executive Dr.	Danville	VA	24541	(434) 797-1581	Owned	Propco I	30,000	20,720	
259	8350	TRU	Glen Burnie	6711 Ritchie Highway	Glen Burnie	MD	21061	(410) 768-4050	Lease	Delaware	47,676	31,176	
260	8352	TRU	Norfolk	400 Military Highway	Norfolk	VA	23502	(757) 461-0440	Owned	Propco II	45,000	33,711	
261	8354	TRU	Golden Ring	8804 Pulaski Highway	Baltimore	MD	21237	(410) 682-5166	Owned	Propco II	40,158	33,061	
262	8360	TRU	Richmond South	1257 Garnia Way	Richmond	VA	23235	(804) 897-7297	Owned	Propco I	48,000	34,919	
263	8361	TRU	Frederick	1308 West Patrick Street	Frederick	MD	21701	(301) 694-7278	Lease	Propco I	45,787	34,608	
264	8362	TRU	Clarksburg	2301 Meadowbrook Mall Rd.	Bridgeport	WV	26330	(304) 842-8697	Owned	Propco I	47,355	27,443	
265	8364	TRU	Sterling	46300 Unit 100 Potomac Run Plaza	Sterling	VA	20164	(703) 404-8697	GL	Propco I	46,000	33,361	
266	8366	TRU	Reading	1055 Woodland Road	Wyomissing	PA	19610	(610) 208-0898	Owned	Propco II	44,544	33,588	
267	8368	TRU	Altoona	235 Park Hill Plaza	Altoona	PA	16602	(814) 941-8470	Lease	Propco I	32,500	25,041	
268	8369	TRU	Newport News	12132 Jefferson Avenue	Newport News	VA	23602	(757) 249-8697	GL	Propco I	30,000	23,902	
269	8370	TRU	Johnstown	620 Galleria Drive	Johnstown	PA	15904	(814) 262-0181	Owned	Propco II	30,480	20,602	
270	8372	TRU	Hickory	1840 Hwy. 70 S.E.	Hickory	NC	28601	(828) 324-8565	No	Lease	Lease	31,740	25,877
271	8373	TRU	Greensboro South	3728 W Gate City Blvd	Greensboro	NC	27407	(336) 855-3221	GL	Delaware	46,000	34,303	
272	8375	TRU	Wilmington	4510 Olander Drive	Wilmington	NC	28403	(910) 791-9067	Owned	Propco I	45,183	31,456	
273	8376	TRU	Winston-Salem	3200 Slias Creek Parkway	Winston-Salem	NC	27103	(336) 659-0011	Owned	Delaware	45,183	35,854	
274	8378	TRU	Hialeah	500 W. 49th St.	Hialeah	FL	33012	(305) 557-6704	Lease	Delaware	8,467	29,554	
275	8706	TRU	Plantation	8501 W. Broward Blvd.	Plantation	FL	33324	(954) 474-1404	Owned	Delaware	45,308	31,910	
276	8709	TRU	N. Miami Beach	551 N.E. 167th St.	North Miami Beach	FL	33162	(305) 653-8697	No	Lease	Lease	48,995	30,963
277	8710	TRU	Fort Myers	4983 S. Cleveland Ave.	Fort Myers	FL	33907	(239) 275-7409	GL	Delaware	48,000	37,613	
278	8712	TRU	Palm Beach Gardens	3195 PGA Blvd.	Palm Beach Gardens	FL	33410	(561) 624-8905	Owned	Propco I	45,000	30,579	
279	8715	TRU	Kendall	8789 S.W. 117th Ave.	Kendall	FL	33183	(305) 273-9311	No	GL	44,925	35,257	
280	8716	TRU	Boynton Beach	601 N. Congress Ave.	Boynton Beach	FL	33435	(561) 369-1559	Owned	Propco I	36,600	27,790	
281	8719	TRU	Mayaguez	875 Ave Hostos Ste 1	Mayaguez	PR	00680	(787) 265-8697	GL	Delaware	51,372	28,638	
282	8724	TRU	Altamonte Springs	350 E. Altamonte Dr	Altamonte Springs	FL	32701	(407) 834-7300	Owned	Propco I	41,864	33,582	
283	8728	TRU	Clearwater	26286 US Highway 19 North	Clearwater	FL	33761	(727) 797-5222	Owned	Propco I	43,000	34,775	
284	8731	TRU	Bradenton	512 Cortez Rd. West	Bradenton	FL	34207	(941) 753-6151	Owned	Propco I	45,170	33,724	
285	8732	TRU	Orange Park	1972 Wells Road	Orange Park	FL	32073	(904) 276-5492	GL	Delaware	49,213	33,386	
286	8733	TRU	Gainesville	6711 W. Newberry Road	Gainesville	FL	32605	(352) 331-7778	Lease	Delaware	39,600	34,495	
287	8734	TRU	Lakeland	3770 U.S. 98 North	Lakeland	FL	33809	(863) 859-5444	Owned	Propco I	45,400	20,163	
288	8736	TRU	Stuart	3550 N. Federal Hwy.	Jensen Beach	FL	34957	(772) 692-1952	Owned	Propco I	45,183	35,222	
289	8737	TRU	Port Richey	6233 Tacoma Dr.	Port Richey	FL	34668	(727) 842-8697	Owned	Propco I	45,000	34,222	
290	8738	TRU	Ocala	2800 S.W. College Rd.	Ocala	FL	34474	(352) 237-4644	Owned	Propco I	45,493	35,472	
291	8740	TRU	Melbourne	1275 W. New Haven Ave.	Melbourne	FL	32904	(321) 952-2412	Owned	Propco I	45,453	32,817	
292	8743	TRU	Pembroke Pines	12235 Pines Blvd.	Pembroke Pines	FL	33026	(954) 433-0308	Owned	Propco II	45,000	34,348	
293	8744	TRU	Brandon	330 Brandon Town Center Blvd.	Brandon	FL	33511	(813) 661-2606	Owned	Propco I	44,900	34,372	
294	8745	TRU	Sanford	101 Town Center Blvd.	Sanford	FL	32771	(407) 330-1335	GL	Propco I	30,000	24,599	
295	8746	TRU	Valdosta	1200 B. N. St. Augustine Rd.	Valdosta	GA	31602	(229) 241-1050	No	Lease	30,000	20,709	
296	8747	TRU	Panama City	809 East 23rd St.	Panama City	FL	32401	(850) 747-9950	Owned	Propco I	30,000	20,592	
297	8749	TRU	Naples	5305 Airport Pulling Rd.	Naples	FL	34109	(239) 514-8697	Owned	Propco I	30,000	24,862	
298	8755	TRU	Charleston	7800 Rivers Ave.	N.Charleston	SC	29406	(843) 553-5817	Owned	Propco I	40,763	32,158	
299	8802	TRU	Rivergate	1800 Gallatin Pike North	Madison	TN	37115	(615) 868-8953	Owned	Propco II	41,320	34,346	
300	8804	TRU	Montgomery	5484 Atlanta Highway	Montgomery	AL	36109	(334) 272-6706	GL	Propco I	43,000	31,045	
301	8810	TRU	Knoxville	8009 Kingston Pike	Knoxville	TN	37919	(865) 690-1632	No	Lease	39,000	35,542	
302	8811	TRU	Gwinnett	2205 Pleasant Hill Rd.	Duluth	GA	30096	(770) 476-4646	Lease	Delaware	48,134	36,774	
303	8812	TRU	Stoncrest	2918 Turner Hill Road	Lithonia	GA	30058	(770) 484-6757	GL	Propco I	49,000	37,535	
304	8814	TRU	Augusta	3424 Wrightsboro Rd.	Augusta	GA	30909	(706) 733-8282	Owned	Propco I	44,255	29,819	
305	8815	TRU	Town Center	501 Roberts Court	Kennesaw	GA	30144	(770) 424-9100	Owned	Propco I	42,000	32,967	
306	8817	TRU	Chattanooga	2200 Hamilton Place Blvd.	Chattanooga	TN	37421	(423) 892-6555	Owned	Propco I	45,176	34,570	
307	8825	TRU	Concord	8050 Concord Mills Blvd.	Concord	NC	28027	(704) 979-3410	GL	Delaware	49,000	37,863	
308	8827	TRU	Mobile	429 Bel Air Blvd.	Mobile	AL	36606	(251) 470-9891	Owned	Delaware	49,000	38,365	
309	8830	TRU	Florence	2680 David McLeod Blvd.	Florence	SC	29501	(843) 667-1211	Owned	Propco I	46,000	35,430	
310	8835	TRU	Columbia II	140 Columbiana Dr.	Columbia	SC	29212	(803) 781-1002	Owned	Propco I	45,378	34,903	

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Store List

Count	Store #	Chain	Name	Address	Address2	City	State	Zip	Phone	Lease Type	Entity	Gross Sq. Ft.	Selling Sq. Ft.
311	8836	TRU	Anderson	3405 Clemson Blvd.		Anderson	SC	29621	(864) 225-9012	Owned	Propco I	45,190	34,816
312	8837	TRU	Asheville	877 Brevard Rd.		Asheville	NC	28806	(828) 665-8697	Owned	Propco I	45,493	35,539
313	8841	TRU	Pineville	11300 Carolina Pl. Parkway		Pineville	NC	28134	(704) 541-9972	Owned	Propco II	45,905	33,492
314	8843	TRU	Cool Springs	1735 Galleria Blvd.	Suite 200	Franklin	TN	37064	(615) 771-7744	Owned	Propco II	52,000	33,434
315	8846	TRU	Athens	3900 Atlanta Hwy.		Athens	GA	30606	(706) 613-7003	Owned	Propco I	30,000	20,746
316	8847	TRU	Alpharetta	7731 N. Point Pkwy.		Alpharetta	GA	30022	(770) 518-9188	Owned	Propco I	45,000	33,949
317	8851	TRU	Warner Robins	3000 Watson Blvd.		Warner Robins	GA	31093	(478) 953-1892	Owned	Propco I	30,625	20,582
318	8852	TRU	Rome	2780 Martha Berry Hwy.		Rome	GA	30165	(706) 234-8878	Owned	Propco I	20,000	16,512
319	8853	TRU	Douglasville	9365 The Landing Dr.	Ste. B	Douglasville	GA	30135	(770) 970-4100	Owned	Propco I	49,241	38,090
320	8868	TRU	Jackson	2139 N. Highland Drive		Jackson	TN	38305	(731) 660-5265	Owned	Propco I	30,500	20,350
321	8873	TRU	Myrtle Beach	1100 Seaboard Street		Myrtle Beach	SC	29577	(843) 445-9884	GL	Propco I	30,500	24,155
322	8903	TRU	Florence	7960 Connector Dr.		Florence	KY	41042	(859) 371-0672	Owned	Propco II	40,380	36,070
323	8905	TRU	Coleman	9959 Colerain Ave.		Cincinnati	OH	45251	(513) 385-2804	Owned	Propco II	45,177	33,393
324	8906	TRU	Jefferson	4805 Outer Loop Rd.		Louisville	KY	40219	(502) 964-3039	Owned	Propco I	45,883	33,848
325	8908	TRU	Germont	4585 Eastgate Blvd.		Cincinnati	OH	45245	(513) 752-6811	Owned	Propco II	45,176	32,923
326	8909	TRU	Greenwood	1650 E. County Line Rd.		Indianapolis	IN	46227	(317) 882-5838	Lease	Delaware	47,367	33,086
327	8910	TRU	Hanilton	4285 Groves Rd.		Columbus	OH	43232	(614) 866-9163	Owned	Propco II	48,964	33,464
328	8913	TRU	Washington	9251 East Washington St.		Indianapolis	IN	46229	(317) 897-0320	Owned	Propco I	45,176	34,629
329	8916	TRU	Miamisburg	2859 Miamisburg Centerville Rd		Miamisburg	OH	45342	(937) 435-6271	Owned	Propco II	40,763	34,111
330	8918	TRU	Evansville	318 N. Green River Rd.		Evansville	IN	47715	(812) 477-5844	GL	Delaware	46,000	33,878
331	8920	TRU	Fort Wayne	4122 Lima Road		Fort Wayne	IN	46805	(260) 484-5420	Lease	Delaware	45,495	33,878
332	8921	TRU	Huntington	109 Mail Road		Barboursville	WV	25504	(304) 733-2224	GL	Propco I	42,345	27,393
333	8922	TRU	Dublin	6547 Sawmill Road		Dublin	OH	43017	(614) 792-9194	Owned	Propco II	40,683	30,185
334	8924	TRU	Clarksville	951 E. Lewis and Clark Pkwy.		Clarksville	IN	47129	(812) 282-8632	Owned	Propco I	47,297	34,789
335	8927	TRU	Marion	2904 W. Deyoung St.		Marion	IL	62959	(618) 997-1892	Owned	Propco I	30,000	20,379
336	8934	TRU	Heath	851 South 30th St.		Heath	OH	43056	(740) 522-4455	GL	Propco I	30,000	21,932
337	8936	TRU	Muncie	3400 N. Morrison Road		Muncie	IN	47304	(765) 282-2614	Owned	Propco I	31,070	21,188
338	9021	Express	Folsom	13000 Folsom Blvd	907	Folsom	CA	95630	(916) 608-4138	Lease	Delaware	3,144	3,144
339	9022	Express	Auburn Hills	4526 Baldwin Road	Suite 853	Auburn Hills	MI	48326	(248) 598-7121	Lease	Delaware	4,231	4,231
340	9057	Outlet	Foley	2601 S. McKenzie St	310	Foley	AL	36535	(251) 677-6112	Lease	Delaware	5,500	5,500
341	9058	Outlet	Kaneohe	46-056 Kaneohe Highway	Windward Mall	Kaneohe	HI	96744	(808) 235-6302	Lease	Delaware	4,166	4,166
342	9059	Outlet	Mercedes	5001 East Expressway 83	322	Mercedes	TX	78150	(360) 621-7616	Lease	Delaware	4,998	4,998
343	9066	Express	Honolulu	1450 Ala Moana Blvd	3065	Honolulu	HI	96814	(808) 946-0327	Lease	Delaware	4,783	4,783
344	9206	TRU	Niles	5555 Youngstown-Warren Road		Niles	OH	44446	(330) 652-1115	Lease	Delaware	31,858	25,384
345	9207	TRU	Mentor	7723 Mentor Ave.		Mentor	OH	44060	(440) 953-8697	Owned	Propco II	46,750	32,608
346	9208	TRU	Elyria	1601 West River Road North		Elyria	OH	44035	(440) 324-2123	Owned	Propco II	40,763	33,090
347	9209	TRU	Erie	1920 Edinboro Rd.		Erie	PA	16509	(814) 864-8697	Owned	Propco II	47,525	32,933
348	9210	TRU	Boardman	317 Boardman Poland Rd.		Boardman	OH	44512	(330) 726-8697	Owned	Propco II	46,749	29,818
349	9211	TRU	Canton	4822 N.W. Wipple Ave.		Canton	OH	44718	(330) 493-8697	Owned	Propco II	40,169	31,351
350	9212	TRU	St. Clairsville	67681 Mail Rd.		St. Clairsville	OH	43950	(740) 695-1866	GL	Propco II	41,598	27,760
351	9213	TRU	Monroeville	3735 William Penn Hwy.		Monroeville	PA	15146	(412) 373-8043	Owned	Propco II	38,137	28,976
352	9221	TRU	North Olmsted	27048 Lorain Road		North Olmsted	OH	44070	(440) 779-9339	GL	Propco II	45,453	34,451
353	9224	TRU	Clarence	4135 Transit Rd.		Williamsville	NY	14221	(716) 632-6788	Owned	Propco I	41,484	35,304
354	9227	TRU	Henrietta	654 Hylan Dr.		Rochester	NY	14623	(585) 272-8697	GL	Delaware	45,500	35,861
355	9229	TRU	Greensburg	135 Donahue Rd.		Greensburg	PA	15601	(724) 836-8813	GL	Delaware	36,188	26,482
356	9233	TRU	Mansfield/Ontario	2196 W. 4th Street & Lex-Springmill Road		Mansfield	OH	44906	(419) 747-9001	GL	Propco I	30,067	24,135
357	9234	TRU	Cranberry Twp.	1000 Cranberry Square		Cranberry Township	PA	16066	(724) 742-8697	No	Propco II	48,000	35,005
358	9251	TRU	Robinson Township	2001 Park Manor Blvd.		Pittsburgh	PA	15205	(412) 787-1770	GL	Lease	30,225	23,894
359	9262	TRU	Southgate	14333 Eureka Rd.		Southgate	MI	48195	(734) 285-7100	Owned	Propco II	44,948	31,296
360	9265	TRU	Livonia	29150 W. Seven Mile Rd.		Livonia	MI	48152	(248) 477-3000	Owned	Propco I	56,903	36,191
361	9266	TRU	Roseville	32070 Gratiot		Roseville	MI	48066	(586) 296-9800	Owned	Propco I	45,900	31,771
362	9267	TRU	Toledo	5025 Monroe St.		Toledo	OH	43623	(419) 473-0165	Owned	Propco II	38,466	33,202
363	9269	TRU	Sterling Heights	13801 Lakeside Circle		Sterling Heights	MI	48313	(586) 247-1443	Owned	Propco II	43,668	32,989
364	9271	TRU	Westland	34800 Warren Road		Westland	MI	48185	(734) 421-1410	Owned	Propco II	48,134	38,085
365	9273	TRU	Pontiac	220 North Telegraph Rd.		Pontiac	MI	48341	(248) 333-1705	Owned	Propco I	40,762	34,055
366	9274	TRU	Novi	43460 West Oaks Drive		Novi	MI	48377	(248) 344-1300	Owned	Propco I	40,302	34,429
367	9275	TRU	South Toledo	2333 S. Reynolds Road		Toledo	OH	43614	(419) 382-9990	GL	Propco I	45,500	35,421
368	9277	TRU	Sandusky	5500 Milan Road		Sandusky	OH	44870	(419) 621-8697	Owned	Propco II	29,422	19,125
369	9278	TRU	Port Huron	4235 24th Ave.		Fort Gratiot	MI	48059	(810) 385-8886	Owned	Propco I	46,000	24,431
370	9287	TRU	E. Lansing	1705 W. Newmand Rd.		Okemos	MI	48864	(517) 347-6959	Owned	Propco I	30,000	24,390
371	9438	Express	Texas City	5885 Gulf Freeway	420	Texas City	TX	77591	(281) 337-2392	Lease	Delaware	3,200	3,200
372	9502	TRU	Independence	13920 E. 40 Highway		Independence	MO	64055	(816) 478-4475	Lease	Delaware	43,396	33,951

Toys "R" Us
Exhibit A

Store List

Count	Store #	Chain	Name	Address	Address2	City	State	Zip	Phone	Lease Type	Entity	Gross Sq. Ft.	Selling Sq. Ft.
373	9503	TRU	Overland Park	11620 W. 95 St.		Overland Park	KS	66214	(913) 492-8333	Owned	Propco I	44,686	34,344
374	9507	TRU	Des Moines	8801 University		Clive	IA	50322	(515) 225-7464	Owned	Propco II	45,183	35,177
375	9508	TRU	Mid Rivers	5821 Sue Mandy Dr.		St. Peters	MO	63376	(636) 397-5048	Owned	Propco II	45,293	34,769
376	9510	TRU	Fairview Heights	120 Commerce Lane		Fairview Heights	IL	62208	(618) 394-1100	Owned	Propco II	45,783	33,785
377	9516	TRU	South County	6926 South Lindbergh		St. Louis	MO	63129	(314) 845-7400	Owned	Propco I	45,893	35,901
378	9520	TRU	Metro North	8330 N. Broadway		Kansas City	MO	64118	(816) 468-0808	GL	Delaware	41,419	31,986
379	9521	TRU	Oakview	3435 Oakview Drive		Omaha	NE	68144	(402) 697-9970	Owned	Propco I	30,000	24,469
380	9522	TRU	Lincoln	5220 N. 27th Street		Lincoln	NE	68521	(402) 476-1818	Owned	Propco I	30,000	22,149
381	9525	TRU	Tulsa	6910 S. Memorial Drive		Tulsa	OK	74133	(918) 252-2997	Lease	Delaware	43,000	33,970
382	9529	TRU	Colorado Springs	3730 N. Citadel Dr.		Colorado Springs	CO	80909	(719) 597-8697	Owned	Propco I	46,415	35,437
383	9531	TRU	Westminster	5650 West 88th Ave.		Westminster	CO	80030	(303) 426-8697	Owned	Propco II	53,734	34,830
384	9538	TRU	Fargo	4603-13th Ave. South		Fargo	ND	58102	(701) 281-8697	GL	Propco I	30,625	20,719
385	9539	TRU	Council Bluffs	3145 Marawa Center Dr.		Council Bluffs	IA	51501	(712) 366-6754	Owned	Propco I	30,000	20,683
386	9540	TRU	Englewood	9505 E. County Line Rd.		Englewood	CO	80112	(303) 790-8697	Lease	Propco I	44,300	35,250
387	9565	TRU	Sunset Hills	3600 Lindbergh		St. Louis	MO	63127	(314) 909-8788	GL	Propco I	48,200	36,095
388	5573	SBS	Garland, TX	320 Winecup Way		Garland	TX	75040	(972) 495-2376	Lease	Delaware	35,288	26,481
389	5579	SBS	Upland, CA	1295 East 19th Stree		Upland	CA	91784	(909) 981-2081	Lease	Delaware	47,436	36,903
390	5605	SBS	Bakersfield	3792 Ming Ave.		Bakersfield	CA	93309	(661) 832-8943	Owned	Propco I	43,000	34,243
391	5616	SBS	W. Los Angeles	1833 La Cienega Blvd.		Los Angeles	CA	90035	(310) 558-1831	No	Lease	61,965	36,262
392	5619	SBS	Victorville	12450 Anargosa Rd.		Victorville	CA	92392	(760) 951-2955	Owned	Propco I	45,453	34,961
393	5632	SBS	Culver City	11136 Jefferson Blvd.		Culver City	CA	90230	(310) 398-5775	Lease	Propco I	36,000	31,061
394	5636	SBS	Santa Maria	1411 S. Bradley		Santa Maria	CA	93454	(805) 925-5266	Owned	Propco I	45,453	34,607
395	5641	SBS	Goodyear	15325 W. McDowell Road.		Goodyear	AZ	85395	(623) 935-5902	Lease	Delaware	64,028	51,052
396	5644	SBS	North Phoenix	245 E. Bell Rd.		Phoenix	AZ	85022	(602) 548-0180	Lease	Delaware	47,510	35,758
397	5646	SBS	E. Tucson	5355 E. Broadway Blvd.		Tucson	AZ	85711	(520) 748-8697	GL	Delaware	45,219	33,667
398	5647	SBS	Fullerton	1100 South Harbor Blvd.		Fullerton	CA	92832	(714) 447-4995	No	Lease	52,720	34,332
399	5650	SBS	Hawthorne	14705 Oceangate Ave.		Hawthorne	CA	90250	(310) 973-6366	Owned	Propco I	45,990	35,180
400	5654	SBS	Montebello	1445 Montebello Blvd.		Montebello	CA	90640	(323) 724-1399	GL	Delaware	46,270	34,536
401	5657	SBS	Chino Hills	4635 Chino Hills Pkwy.		Chino Hills	CA	91709	(909) 393-6221	Lease	Delaware	64,028	50,818
402	5659	SBS	Mission Viejo	25362 El Paseo Road		Mission Viejo	CA	92691	(949) 582-7945	Owned	Propco II	44,904	29,896
403	5662	SBS	Alhambra	2500 W. Commonwealth		Alhambra	CA	91802	(626) 284-8909	Lease	Propco I	34,610	29,896
404	5666	SBS	Valencia	25510 The Old Road		Newhall	CA	91381	(661) 260-1599	GL	Propco I	45,000	34,839
405	5667	SBS	Glendale	2905 Los Feliz Blvd.		Los Angeles	CA	90039	(323) 663-8704	GL	Delaware	45,389	33,468
406	5669	BRU	Tustin	13672 Jamboree Road		Irvine	CA	92602	(714) 832-7545	Lease	Delaware	40,469	31,828
407	5670	BRU	Tempe	4835 E. Ray Rd		Phoenix	AZ	85044	(480) 705-0400	Lease	Delaware	40,000	36,127
408	5671	BRU	La Mesa	8165 Fletcher Parkway		La Mesa	CA	91942	(619) 589-1880	GL	Propco I	39,500	31,712
409	5673	BRU	Henderson	510 North Stephanie Street		Henderson	NV	89014	(702) 450-2330	Lease	Delaware	37,882	30,349
410	5675	BRU	Oxnard	2340 North Rose Avenue		Oxnard	CA	93030	(805) 988-5951	Owned	Propco II	38,000	29,922
411	5677	BRU	Van Nuys	7886 N. Van Nuys Blvd.		Van Nuys	CA	91402	(818) 984-2006	Owned	Propco II	37,000	29,705
412	5678	BRU	Cerritos	11540 South St.		Cerritos	CA	90703	(562) 865-8771	GL	Propco I	36,262	29,915
413	5679	BRU	Arrowhead	7540 W. Bell Rd		Glendale	AZ	85308	(623) 878-3810	Owned	Propco II	29,000	23,762
414	5681	SBS	Porter Ranch	11460 Porter Ranch Dr.		Porter Ranch	CA	91326	(818) 366-8675	Owned	Propco I	48,000	36,847
415	5692	BRU	Fresno	7370 N. Blackstone Ave.		Pinedale	CA	93650	(559) 446-1091	Owned	Propco I	37,000	29,995
416	5693	BRU	Ontario	4430 Ontario Mills Parkway		Ontario	CA	91764	(909) 987-4105	GL	Delaware	37,430	29,675
417	5803	SBS	Pleasant Hill (Concord)	568 Contra Costa Blvd.		Pleasant Hill	CA	94523	(925) 689-9757	Lease	Delaware	44,586	31,349
418	5806	SBS	Elk Grove	8507 Bond Rd.		Elk Grove	CA	95624	(916) 686-0290	GL	Delaware	49,262	36,941
419	5814	SBS	Sunnyvale	130 E. El Camino Real		Sunnyvale	CA	94087	(408) 732-0331	Lease	Propco I	39,500	31,055
420	5821	SBS	Redwood City	202 Walnut St.		Redwood City	CA	94063	(650) 367-0186	No	Lease	43,697	50,008
421	5822	SBS	Fremont	43756 Christie St.		Fremont	CA	94538	(510) 353-1107	Lease	Delaware	47,807	34,730
422	5829	SBS	San Rafael	600 Francisco Blvd.		San Rafael	CA	94901	(415) 721-7188	GL	Propco I	45,767	35,771
423	5843	SBS	Santa Cruz	1660 Commercial Way		Santa Cruz	CA	95065	(831) 479-4296	No	GL	46,838	35,380
424	5845	SBS	San Mateo	2270 Bridgeport Pkw.		San Mateo	CA	94404	(650) 345-4475	Owned	Propco I	48,000	36,162
425	5858	BRU	Salinas	1930 N. Davis Road		Salinas	CA	93907	(831) 444-9846	GL	Delaware	30,567	24,099
426	6002	SBS	Pecoria	2601 W. Lake Ave.		Pecoria	IL	61615	(309) 686-2830	Lease	Propco I	51,550	32,808
427	6006	SBS	Niles	9555 N. Milwaukee Ave.		Niles	IL	60714	(847) 967-9000	Owned	Propco II	38,940	32,328
428	6008	SBS	Bloomington	1703 E. Empire		Bloomington	IL	61701	(309) 662-6464	GL	Propco I	46,070	34,340
429	6009	SBS	Schaumburg	1111 E. Golf Rd.		Schaumburg	IL	60173	(847) 517-1300	Lease	Propco I	47,215	32,836
430	6010	SBS	Downers Grove	1434 Butterfield Rd.		Downers Grove	IL	60515	(630) 629-2200	Lease	Propco I	41,336	29,790
431	6016	SBS	N. Riverside	7451 W. Cernak Rd.		N. Riverside	IL	60546	(708) 442-5155	Lease	Propco I	40,000	34,269
432	6019	SBS	Riverview	3330 N. Western Ave.		Chicago	IL	60618	(773) 525-1690	No	GL	49,873	30,903
433	6020	SBS	Bloomigdale	404 W. Army Trail Rd.		Bloomigdale	IL	60108	(630) 529-3399	Owned	Propco II	44,081	33,090
434	6022	SBS	Algonquin	826 S. Randall Road.		Algonquin	IL	60102	(847) 458-0439	Lease	Delaware	64,000	50,868

Toys "R" Us
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Store List

Count	Store #	Chain	Name	Address	Address2	City	State	Zip	Phone	Lease Type	Entity	Gross Sq. Ft.	Selling Sq. Ft.
435	6034	SBS	Rockford	6449 E. State Street		Rockford	IL	61108	(815) 397-5792	Lease	Delaware	65,262	50,839
436	6037	SBS	Brookfield	355 S. Moorland Rd.		Brookfield	WI	53005	(262) 797-8577	Owned	Propco II	41,886	33,705
437	6039	SBS	Appleton	4411 W. Wisconsin Ave.		Grand Chute	WI	54913	(920) 739-7992	Owned	Propco II	43,297	35,195
438	6040	SBS	Cedar Rapids	2425 Wiley Blvd.		Cedar Rapids	IA	52404	(319) 396-0445	Owned	Propco I	45,750	36,570
439	6041	SBS	Davenport	200 E. Kimberly Rd.		Davenport	IA	52806	(563) 386-8697	Owned	Propco II	45,453	35,402
440	6047	SBS	Blaine	170 89th Ave.		Blaine	MN	55434	(763) 784-6255	Lease	Propco I	43,300	33,344
441	6050	SBS	Rochester	808 Apache Lane		Rochester	MIN	55902	(507) 286-9291	Owned	Propco I	45,453	32,945
442	6051	SBS	Racine	2433 S. Greenbay Rd.		Racine	WI	53406	(262) 637-8697	Owned	Propco II	43,560	35,553
443	6054	SBS	Gurnee	6050 Gurnee Mills Blvd.		Gurnee	IL	60031	(847) 855-8697	Owned	Propco II	44,894	34,831
444	6057	SBS	Champaign	40 Anthony Drive		Champaign	IL	61820	(217) 356-8697	Owned	Propco I	36,600	28,420
445	6063	SBS	South Elgin	486 S. Randall Road		S. Elgin	IL	60177	(847) 888-0235	Lease	Delaware	58,000	46,758
446	6070	SBS	Grand Rapids	3445-28th St. SE		Grand Rapids	MI	49512	(616) 957-0400	Lease	Propco I	43,000	33,352
447	6305	SBS	E. Brunswick	581 Route 18 South		E. Brunswick	NJ	08816	(732) 257-2251	Lease	Delaware	64,757	50,596
448	6307	SBS	Watchung	1701-45 US Highway 22		Watchung	NJ	07069	(908) 322-6065	Lease	Delaware	44,419	33,197
449	6310	SBS	Valley Stream	300 W. Sunrise Highway		Valley Stream	NY	11580	(516) 791-1270	Owned	Delaware	46,448	33,030
450	6314	SBS	Colonia	38 Wolf Rd.		Colonia	NY	12205	(518) 459-5561	Lease	Propco I	43,000	34,342
451	6315	SBS	Jersey City	641 Route 440		Jersey City	NJ	07304	(201) 433-8550	Lease	Delaware	37,600	30,493
452	6317	SBS	Lake Grove	3250 Middle Country Road		Lake Grove	NY	11755	(631) 585-0173	Lease	Delaware	71,473	50,548
453	6318	SBS	Woodbridge	675 Route 1 South		Iselin	NJ	08830	(732) 636-2723	Lease	Delaware	58,441	45,436
454	6320	SBS	Yonkers	1000 Central Park Ave.		Yonkers	NY	10704	(914) 423-7070	Owned	Propco II	47,655	31,977
455	6323	SBS	Bay Parkway	8973-95 Bay Parkway		Brooklyn	NY	11214	(718) 372-4646	Lease	Delaware	79,151	44,773
456	6324	SBS	Bayshore	1851 Sunrise Highway		Bay Shore	NY	11706	(631) 666-6611	Lease	Delaware	43,000	33,251
457	6329	SBS	Union	1701 Morris Ave.		Union	NJ	07083	(908) 851-9695	Lease	Delaware	46,800	36,135
458	6334	SBS	Raritan	451-Route #28		Raritan	NJ	08869	(908) 526-2755	No	Lease	45,800	35,869
459	6335	SBS	Rockaway	301 Mall Ring Rd.	Rockaway Sq. Mall	Rockaway	NJ	07866	(973) 366-3126	GL	Delaware	40,000	28,762
460	6336	SBS	Bronx	350 Bay Chester Avenue	Bay Plaza	Bronx	NY	10475	(718) 862-2240	Lease	Delaware	48,335	36,163
461	6338	SBS	Long Island City	3540 - 48th St.		Long Island City	NY	11101	(718) 937-8697	GL	Delaware	39,000	32,514
462	6339	SBS	Yorcktown	621 Bank Street		Jefferson Valley	NY	10535	(914) 962-6878	GL	Propco I	46,000	35,899
463	6347	SBS	White Plains	7 City Center Place		White Plains	NY	10601	(914) 686-8071	Lease	Delaware	56,000	41,811
464	6350	SBS	Holbrook	5801 Sunrise Hwy.		Holbrook	NY	11741	(631) 563-8697	Lease	Delaware	34,265	39,103
465	6352	SBS	Bruckner	970 White Plains Rd.		Bronx	NY	10473	(718) 904-8697	GL	Propco I	43,165	32,606
466	6353	SBS	Norwalk	59 Connecticut Ave		Norwalk	CT	06851	(203) 852-6988	Owned	Propco II	30,000	24,487
467	6358	BRU	Eatontown	70 US Highway 36		Eatontown	NJ	07724	(732) 935-9366	No	Lease	47,500	38,013
468	6362	SBS	Scranton	409 Scranton Carbondale Highway		Scranton	PA	18508	(570) 963-8987	Owned	Propco II	36,416	31,224
469	6364	SBS	Binghamton	416 Harry L Dr.	Rt. 201 & 17	Johnson City	NY	13790	(607) 770-9300	Owned	Propco I	43,340	34,066
470	6370	BRU	Deptford	1120 Hurlville Rd		Deptford	NJ	08096	(856) 384-3788	Lease	Delaware	38,664	32,366
471	6371	BRU	Bensalem	1336 Bristol Pike		Bensalem	PA	19020	(215) 633-6990	Lease	Delaware	39,264	33,812
472	6372	BRU	Fairless Hills	330 Commerce Blvd.		Fairless Hills	PA	19030	(215) 269-0100	Lease	Delaware	43,314	35,498
473	6373	BRU	Mays Landing	130 Consumer Square		Mays Landing	NJ	08330	(609) 484-1177	Lease	Delaware	39,442	31,922
474	6376	BRU	Christiana	1317 New Churchmans Rd.		Christiana	DE	19713	(302) 266-8194	Lease	Delaware	41,890	32,030
475	6378	SBS	COMMACK	108 Veterans Memorial Highway		Commack	NY	11725	(631) 462-6300	Lease	Propco I	63,296	47,529
476	6380	BRU	Baileys	5700 Leesburg Pike		Falls Church	VA	22041	(703) 575-9542	GL	Propco I	38,500	29,690
477	6383	BRU	Braintree	450 Grossman Drive		Braintree	MA	02184	(781) 356-0475	Owned	Propco II	37,600	29,671
478	6384	BRU	Peabody	300 Andover Street		Peabody	MA	01960	(978) 532-0400	Lease	Delaware	38,931	31,654
479	6385	BRU	Warwick	300 Quaker Lane		Warwick	RI	02886	(401) 827-9920	Lease	Delaware	40,271	29,616
480	6387	BRU	Whitehall	600 Lehigh Valley Mall		Whitehall	PA	18052	(610) 231-0481	Lease	Propco I	37,968	30,344
481	6388	BRU	N. Attleboro	1255 S. Washington St.		N. Attleboro	MA	02760	(508) 699-8218	GL	Propco II	37,500	29,674
482	6389	BRU	College Point	139-19 20th Ave.		College Point	NY	11356	(718) 321-8166	Lease	Propco I	37,403	29,666
483	6392	BRU	West Hartford	1559 New Britain Avenue		West Hartford	CT	06110	(860) 561-0329	GL	Propco I	29,860	23,927
484	6393	BRU	Sterling	21300 Signal Hill Plaza		Sterling	VA	20164	(571) 434-8850	Owned	Propco II	30,000	23,754
485	6394	BRU	Reading	2789 Paper Mill Road		Reading	PA	19610	(610) 373-7174	No	Lease	29,112	23,883
486	6410	BRU	Nanuet	250 East Route 59		Nanuet	NY	10954	(845) 627-6636	Lease	Delaware	37,380	29,089
487	6414	BRU	Silver Spring	12012 Cherry Hill Road		Silver Spring	MD	20904	(301) 586-8630	Owned	Propco II	37,000	29,691
488	6425	BRU	Harrisburg	5125 Jonestown Rd		Harrisburg	PA	17112	(717) 671-7101	GL	Delaware	30,895	23,914
489	6426	BRU	Winston Salem	975 Hanes Mall Blvd		Winston Salem	NC	27103	(336) 765-5600	GL	Delaware	30,600	23,914
490	6429	BRU	Manchester	169 Hale Road		Manchester	CT	06040	(860) 644-6084	GL	Delaware	30,681	23,858
491	6430	BRU	Portland	200 Running Hill Road	Suite 6	S. Portland	ME	04106	(207) 773-4861	GL	Propco I	30,698	24,066
492	6432	BRU	Bakersfield	9280 Rosedale Highway		Bakersfield	CA	93312	(661) 587-0423	GL	Propco I	30,606	23,899
493	6439	BRU	Newport News	12153 Jefferson Ave.		Newport News	VA	23602	(757) 269-0140	GL	Propco I	24,932	18,462
494	6440	BRU	Taylor	14544 Racho Road		Taylor	MI	48180	(734) 287-5982	Lease	Delaware	37,459	26,820
495	6441	BRU	Milford	1522-24 Boston Post Road (PO Box 5144)		Milford	CT	06460	(203) 876-9979	Owned	Propco II	30,000	24,420
496	6443	BRU	Everett	12 Mystic View Road		Everett	MA	02149	(617) 381-1537	GL	Propco II	30,606	23,899

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Store List

Count	Store #	Chain	Name	Address	Address2	City	State	Zip	Phone	Lease Type	Entity	Gross Sq. Ft.	Selling Sq. Ft.
497	6444	BRU	Staten Island	2655 Richmond Ave.		Staten Island	NY	10314	(718) 370-2734	Lease	Delaware	35,700	28,225
498	6445	BRU	Reno	4869 Nietzke Lane		Reno	NV	89509	(775) 825-2229	Owned	Propco II	30,901	23,901
499	6448	BRU	Hickory	1856 Carawba Valley Blvd.		Hickory	NC	28602	(828) 304-6300	No	GL	25,127	18,880
500	6449	BRU	Springfield	770 Baltimore Pike		Springfield	PA	19064	(610) 544-9207	Owned	Propco II	37,000	29,678
501	6455	BRU	Brooklyn	395 Gateway drive.		Brooklyn	NY	11239	(718) 277-3400	GL	Propco I	36,908	26,775
502	6456	BRU	Clearwater	21315 US 19 North	Drew S/C	Clearwater	FL	33765	(727) 726-6333	Lease	Delaware	30,624	24,075
503	6459	BRU	Salem	447 South Broadway		Salem	NH	03079	(603) 893-2614	GL	Propco I	37,000	29,526
504	6461	BRU	El Paso	1327 George Dieter Dr		El Paso	TX	79936	(915) 593-2143	No	Lease	30,624	24,074
505	6462	BRU	Montgomeryville	980 Bethlehem Pike		Montgomeryville	PA	18936	(215) 699-8762	Owned	Propco II	37,000	29,804
506	6464	BRU	Mishawaka	435 E. University Dr.		Granger	IN	46530	(574) 247-3024	GL	Propco I	24,779	18,528
507	6467	BRU	Wilkes Barre	3300 Wilkes-Barre Township Commons		Wilkes Barre	PA	18702	(570) 822-7854	GL	Propco I	30,624	24,075
508	6469	BRU	Portage	5890 S. Westridge Ave.		Portage	MI	49024	(269) 382-2187	GL	Propco I	24,000	18,436
509	6471	BRU	Evansville	6501 E. Lloyd Expressway - Suite 6		Evansville	IN	47715	(812) 402-4300	GL	Propco I	24,649	18,528
510	6477	BRU	Waldorf	2969 Festival Way		Waldorf	MD	20601	(301) 396-8037	Lease	Delaware	30,719	24,540
511	6478	BRU	Canberry	20111 Route 19		Canberry Township	PA	16066	(724) 772-2500	Lease	Delaware	31,650	24,994
512	6480	BRU	Poughkeepsie	1822 South Road		Wappinger Falls	NY	12590	(845) 297-4579	Lease	Propco I	30,782	23,633
513	6481	BRU	Manalapan	7 Route 9 South		Manalapan	NJ	07726	(732) 845-2861	Lease	Delaware	30,926	25,084
514	6486	BRU	Saginaw	3321 Titabawassee Road		Saginaw	MI	48604	(989) 790-5961	GL	Propco I	24,651	18,533
515	6490	BRU	Stockton	10640 Trinity Pkwy		Stockton	CA	95219	(209) 473-9858	GL	Propco I	31,494	23,816
516	6491	BRU	Waterford	915 Hartford Turnpike		Waterford	CT	06385	(860) 447-4589	Lease	Delaware	24,512	18,869
517	6493	BRU	Tacoma	2502 S. 48 th St.	Unit A-5	Tacoma	WA	98409	(253) 472-4441	GL	Propco I	37,415	29,822
518	6502	BRU	Springfield	2601 Veterans Pkwy		Springfield	IL	62711	(217) 546-0367	Lease	Delaware	25,000	17,404
519	6504	BRU	Lancaster	990 Plaza Blvd.		Lancaster	PA	17601	(717) 394-0823	Lease	Delaware	21,940	15,657
520	6505	BRU	Fairview Heights	114 Commerce Lane		Fairview Heights	IL	62208	(618) 398-7099	Owned	Propco II	22,138	15,790
521	6508	BRU	Toms River	1220 Hooper Ave.		Toms River	NJ	08753	(732) 244-8880	Lease	Delaware	25,000	19,033
522	6509	BRU	Middletown	88 Dunning Rd.		Middletown	NY	10940	(845) 956-4050	GL	Propco I	22,010	16,265
523	6510	BRU	Aventura	2745 NE 193rd Street		Aventura	FL	33180	(305) 705-9893	No	GL	21,600	16,265
524	6512	BRU	Murrietta	24440 Village Walk Place		Murrietta	CA	92562	(951) 461-1204	No	GL	30,624	24,082
525	6516	BRU	Orem	106 East University Pkwy.		Orem	UT	84058	(801) 802-8200	Lease	Propco I	20,900	15,564
526	6518	BRU	Danbury	19 Backus Ave		Danbury	CT	06810	(203) 790-8898	GL	Delaware	20,520	14,843
527	6533	BRU	West Windsor	700 Nassua Park Blvd		West Windsor	NJ	08540	(609) 987-1751	No	GL	37,259	29,083
528	6534	BRU	Chula Vista	1860 Main Court		Chula Vista	CA	91911	(619) 421-8856	GL	Delaware	37,320	29,629
529	6536	BRU	Ft. Myers	10002 Gulf Center Dr		Ft. Myers	FL	33913	(239) 433-6837	GL	Delaware	30,700	24,079
530	6539	BRU	Totowa	465 Route 46 West.		Totowa	NJ	07512	(973) 256-2566	Lease	Delaware	49,950	37,016
531	6551	BRU	Woodbury	8236 Tamarack Village		Woodbury	MIN	55125	(651) 367-6820	GL	Propco I	31,268	25,131
532	6552	BRU	Madison	2161 Zeller Road		Madison	WI	53704	(608) 234-6936	Owned	Propco II	45,451	34,355
533	6558	BRU	Serramonte	775 Serramonte Blvd		Colma	CA	94014	(650) 449-5106	Owned	Propco I	47,567	29,901
534	6559	SBS	TOWSON	1238 Putty Hill Avenue		Towson	MD	21286	(410) 372-5000	Lease	Propco I	47,761	36,889
535	6560	SBS	BETHEL PARK	4000 Oxford Drive		Bethel Park	PA	15102	(412) 479-9020	No	Lease	46,620	34,286
536	6563	BRU	Nashville	2205 Gallatin Pike N.		Madison	TN	37115	(615) 855-3773	Lease	Delaware	41,640	31,974
537	6570	BRU	S. Richmond	13315 Rittenhouse Drive		Midlothian	VA	23112	(804) 744-2595	GL	Delaware	31,362	23,864
538	6575	BRU	Florence	4999 Houston Road		Florence	KY	41042	(859) 282-8921	No	Lease	33,148	24,853
539	6576	BRU	Shorewood	994 Brook Forest Ave.		Shorewood	IL	60431	(815) 439-3676	Lease	Delaware	30,000	23,858
540	6583	SBS	Redlands	9930 Alabama Street		Redlands	CA	92374	(909) 307-2316	No	Lease	64,000	51,465
541	6605	BRU	Kissimmee	2601 W.Osceola Parkway		Kissimmee	FL	34741	(407) 846-1433	Lease	Delaware	30,567	24,101
542	6623	SBS	Secaucus	3 Mill Creek Drive		Secaucus	NJ	07094	(201) 558-4750	Lease	Delaware	69,230	51,898
543	6624	SBS	NW Las Vegas	7020 North 5th Street		Las Vegas	NV	89084	(702) 642-0793	Lease	Delaware	65,000	47,053
544	6629	SBS	Bronx Terminal	610 Exterior Street		Bronx	NY	10451	(718) 292-5857	Lease	Delaware	76,921	51,832
545	6642	BRU	Pearl City	1150 Kuaia Street		Pearl City	HI	96782	(808) 454-8438	Lease	Delaware	45,000	30,506
546	6753	SBS	Rego Park	61-35 Junction Blvd (2nd Floor)		Rego Park	NY	11374	(718) 595-0023	Lease	Delaware	46,915	35,197
547	6755	SBS	Coral Springs	6001 West Sample Road		Coral Springs	FL	33067	(954) 341-2583	Lease	Delaware	46,079	33,919
548	6756	SBS	Memphis	7676 Polo Ground Blvd.		Memphis	TN	38125	(901) 309-3015	Lease	Delaware	46,737	36,063
549	7002	SBS	Pasadena	5651 Fairmont Parkway		Pasadena	TX	77505	(281) 998-3009	No	GL	47,805	36,895
550	7004	SBS	Katy	9730 Katy Freeway		Houston	TX	77024	(713) 465-4176	Lease	Delaware	65,522	48,107
551	7006	SBS	Beaumont	5910 Eastex Freeway		Beaumont	TX	77708	(409) 898-8586	Lease	Propco I	43,000	34,672
552	7007	SBS	Forum	8270 Agora Parkway		Selma	TX	78154	(210) 658-2183	GL	Propco I	48,640	37,331
553	7009	SBS	Willowbrook	17776 State Hwy 249 Suite 1		Houston	TX	77064	(281) 955-5564	Lease	Delaware	58,421	46,174
554	7012	SBS	Humble	20450 Highway 59 North		Humble	TX	77038	(281) 540-1464	Owned	Propco I	46,700	34,452
555	7013	SBS	Baytown	4815 East Fry		Baytown	TX	77521	(281) 421-4647	Owned	Propco I	42,252	33,741
556	7014	SBS	Corpus Christi	1220 Airline Road		Corpus Christi	TX	78412	(361) 992-2429	Owned	Propco II	47,000	34,834
557	7017	SBS	Baton Rouge	10780 North Mall Dr.		Baton Rouge	LA	70809	(225) 296-0126	Lease	Delaware	58,907	46,803
558	7026	SBS	Lafayette	5700 Johnston Street	Suite 1000	Lafayette	LA	70506	(337) 988-2228	Owned	Propco II	45,453	34,901

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Count	Store #	Chain	Name	Address	Address2	City	State	Zip	Phone	Lease Type	Entity	Gross Sq. Ft.	Selling Sq. Ft.
559	7031	SBS	Galleria	6145 Westheimer Rd.		Houston	TX	77057	(713) 785-8697	Owned	Propco I	44,052	33,372
560	7032	SBS	North San Antonio	321 NW Loop 410 Suite 108		San Antonio	TX	78216	(210) 524-0117	Lease	Delaware	60,687	45,941
561	7035	SBS	Laredo	5404 San Bernardo Ave.		Laredo	TX	78041	(956) 791-8697	GL	Propco I	45,000	34,968
562	7047	SBS	Austin, TX	9333 Research Blvd		Austin	TX	78759	(512) 342-0805	Lease	Delaware	55,000	44,681
563	7504	SBS	Auburn	416 Southbridge St.		Auburn	MA	01501	(508) 832-9598	Lease	Delaware	43,000	34,564
564	7506	SBS	Woburn	366 Cambridge Street		Woburn	MA	01801	(781) 935-7654	Lease	Delaware	48,000	34,625
565	7507	SBS	Dedham	302 Providence Hwy.		Dedham	MA	02026	(781) 326-0112	Lease	Delaware	45,333	34,387
566	7508	SBS	Springfield	1686 Boston Rd.		Springfield	MA	01129	(413) 543-6555	Lease	Propco I	43,000	33,976
567	7509	SBS	Waterbury	275 Union St.		Waterbury	CT	06706	(203) 574-4457	Lease	Propco I	48,000	36,613
568	7511	SBS	Manchester	2 Keller St.		Manchester	NH	03103	(603) 623-8077	Owned	Propco II	44,800	31,629
569	7514	SBS	Newington	85 Gosling Rd.		Newington	NH	03801	(603) 431-6528	GL	Propco I	43,000	33,038
570	7518	SBS	Utica	4505 Commercial Dr.		New Hartford	NY	13413	(315) 736-1815	GL	Delaware	46,698	34,715
571	7521	SBS	Nashua	272 Daniel Webster Highway		Nashua	NH	03060	(603) 888-9444	Owned	Propco I	45,453	35,020
572	7527	SBS	Leominster	Whitney Field Mall	118 Commercial Road	Leominster	MA	01453	(978) 534-4300	Lease	Delaware	31,215	26,912
573	7528	SBS	Concord	310 Loudon Rd.		Concord	NH	03301	(603) 228-5508	Owned	Propco I	51,127	25,005
574	7530	SBS	Hyannis	1070 Lynnough Road	0	Hyannis	MA	02601	(508) 778-5653	Lease	Delaware	46,916	34,074
575	7534	SBS	North Dartmouth	482 State Rd.	Dartmouth Towne Ctr.	N. Dartmouth	MA	02747	(508) 982-6240	GL	Propco II	30,625	23,805
576	7537	SBS	Williston	244 Retail Way		Williston	VT	05495	(802) 872-8787	Lease	Propco I	31,000	25,183
577	7703	BRU	Metairie	6851 Veterans Blvd		Metairie	LA	70003	(504) 885-8242	Lease	Delaware	38,626	28,598
578	7705	BRU	South Austin	5207 Brodie Lane		Sunset Valley	TX	78745	(512) 358-0191	Lease	Delaware	30,000	23,418
579	7707	BRU	Jackson	260 Ridge Way Rd		Flowood	MS	39232	(601) 919-8242	No	GL	25,000	18,516
580	7711	BRU	San Antonio	17610 La Cantera Pkwy		San Antonio	TX	78257	(210) 694-2087	Lease	Delaware	30,000	24,308
581	7713	BRU	McAllen	3300 W. Expressway 83	Suite 500	McAllen	TX	78501	(956) 618-0383	Lease	Delaware	30,623	24,101
582	7803	SBS	Frisco	2871 Preston Rd.		Frisco	TX	75034	(972) 712-0054	No	GL	50,000	37,608
583	7808	SBS	Cedar Hill Plaza	428 East FM 1382		Cedar Hill	TX	75104	(972) 291-6405	Lease	Delaware	34,521	27,264
584	7812	SBS	Allen	170 E. Stacy Road	2220	Suite 2220 Allen	TX	75002	(972) 678-4958	No	Lease	64,028	49,667
585	7815	SBS	Amarillo	2403 S. Soncy Road		Amarillo	TX	79124	(806) 355-1135	Owned	Propco I	45,783	33,714
586	7816	SBS	Lubbock	6104 Slide Road		Lubbock	TX	79414	(806) 799-8327	Owned	Propco I	42,500	33,658
587	7819	SBS	Midland	3109 W. Loop 250 N.		Midland	TX	79705	(432) 520-9821	Owned	Propco I	45,183	34,229
588	7820	SBS	Dallas, North Park	9358 N Central Expressway		Dallas	TX	75231	(214) 363-8732	Lease	Delaware	73,112	56,020
589	7825	SBS	Tyler	414 E.S.E. Loop 323		Tyler	TX	75701	(903) 534-8697	Owned	Propco I	45,953	34,837
590	7831	SBS	Bossier City	1918 E. Texas St.	Pierre-Bossier Mall	Bossier City	LA	71111	(318) 746-6023	Owned	Propco I	30,000	25,033
591	8002	SBS	Tukwila	17501 Southcenter Parkway		Tukwila	WA	98188	(206) 575-7446	Lease	Delaware	58,860	46,090
592	8004	SBS	Janzen Beach	12305 N. Starlight Drive.		Portland	OR	97217	(503) 286-7558	Lease	Delaware	65,881	51,481
593	8010	SBS	Salem	1200 Lancaster Drive NE		Salem	OR	97301	(503) 363-4328	Owned	Propco I	46,700	35,024
594	8011	SBS	Bellevue	103 110th Avenue NE		Bellevue	WA	98004	(425) 453-1901	Lease	Delaware	45,235	35,510
595	8014	SBS	Meridian	2070 N Eagle Road		Meridian	ID	83646	(208) 887-3828	Lease	Delaware	49,670	39,129
596	8015	SBS	Olympia	1000 Cooper Point Rd.		Olympia	WA	98502	(360) 357-8697	Owned	Propco I	44,000	34,410
597	8017	SBS	Anchorage	8600 King St.		Anchorage	AK	99515	(907) 344-8697	Owned	Propco I	57,457	37,093
598	8245	SBS	Thornton	16511 N. Washington Street		Thornton	CO	80023	(303) 451-1277	Lease	Delaware	46,683	35,250
599	8303	SBS	King of Prussia	250 Mall Blvd.		King of Prussia	PA	19406	(610) 962-7820	Owned	Propco II	38,156	48,585
600	8305	SBS	Aramingo	3401 Aramingo Ave.		Philadelphia	PA	19134	(215) 423-2680	Owned	Propco I	39,954	33,227
601	8307	SBS	Cherry Hill	500 Rt. 38		Cherry Hill	NJ	08034	(856) 665-8339	GL	Propco I	50,625	37,769
602	8310	SBS	York	1410 Kenneth Rd.		York	PA	17408	(717) 764-1300	Owned	Propco II	38,125	33,965
603	8312	SBS	Media	1154 West Baltimore Pike		Media	PA	19063	(610) 566-0100	Owned	Propco II	43,000	34,123
604	8315	SBS	West Harrisburg	6391 Carlisle Pike		Mechanicsburg	PA	17050	(717) 697-5087	Lease	Delaware	46,737	36,292
605	8322	SBS	Horsham	100 Welsh Road		Horsham	PA	19044	(215) 784-1900	Lease	Delaware	64,815	45,964
606	8330	SBS	Vineland	100 Cumberland Mall		Vineland	NJ	08360	(856) 327-0800	GL	Delaware	30,000	24,396
607	8332	SBS	Owings Mills	10200 Reisterstown Rd.		Owings Mills	MD	21117	(410) 356-4824	Owned	Propco I	55,000	33,781
608	8336	SBS	Annapolis	2115 West Street		Annapolis	MD	21401	(410) 573-0440	Owned	Propco II	50,215	33,108
609	8338	SBS	Charlottesville	590 Branchland Ave.		Charlottesville	VA	22901	(434) 973-4406	Owned	Propco I	41,314	35,479
610	8342	SBS	Fredericksburg	3101 Plank Rd.		Fredericksburg	VA	22404	(540) 785-7377	Owned	Propco II	30,000	25,030
611	8345	SBS	Hagerstown	17301 Valley Mall Road		Hagerstown	MD	21740	(301) 582-9741	Lease	Delaware	34,200	27,671
612	8348	SBS	Bel Air	660 Market Place Dr.		Bel Air	MD	21014	(410) 838-0010	GL	Delaware	30,000	24,881
613	8353	SBS	Richmond	11861 W. Broad Street		Richmond	VA	23238	(804) 364-2520	Lease	Delaware	58,075	46,935
614	8356	SBS	Kingstowne	6001 Kingstowne Village Pkwy.		Alexandria	VA	22315	(703) 922-4968	GL	Propco I	50,000	37,845
615	8357	SBS	Virginia Beach	2701 N.Mall Dr.	Suite 101	Virginia Beach	VA	23452	(757) 498-8271	GL	Delaware	45,233	34,303
616	8358	SBS	Roanoke	4943 Valley View Blvd.		Roanoke	VA	24012	(540) 563-9800	GL	Delaware	45,483	34,684
617	8363	SBS	Columbia	6100 Dobbin Road		Columbia	MD	21045	(410) 290-4490	Lease	Delaware	63,062	49,262
618	8367	SBS	Parkersburg	113 Grand Central Ave.		Vienna	WV	26105	(304) 428-2885	Lease	Delaware	38,000	30,603
619	8371	SBS	Johnson City	1910 No. Roan Blvd.		Johnson City	TN	37601	(423) 283-4219	Owned	Propco II	47,000	34,847
620	8374	SBS	Fayetteville	1736 Skibo Road		Fayetteville	NC	28303	(910) 864-2300	Lease	Delaware	45,176	33,748

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Store List

Count	Store #	Chain	Name	Address	Address2	City	State	Zip	Phone	Lease Type	Entity	Gross Sq. Ft.	Selling Sq. Ft.
621	8378	SBS	Greenville	228 Southwest Greenville Blvd.		Greenville	NC	27834	(252) 355-1700	Owned	Propco I	45,563	34,831
622	8379	SBS	Cary	201 Crossroads Blvd.		Cary	NC	27511	(919) 859-1971	Owned	Propco II	45,580	34,514
623	8385	SBS	Salisbury	500 E. Naylor Mill Road		Salisbury	MD	21804	(443) 260-2388	Owned	Propco I	39,580	36,492
624	8703	SBS	Dadeband	8325 South Dixie Highway		Miami	FL	33143	(305) 662-1911	Owned	Propco II	39,580	33,646
625	8707	SBS	Miami Int'l Mail	1645 NW 107th Ave.		Miami	FL	33172	(305) 593-1517	Lease	Propco I	43,183	46,667
626	8708	SBS	Cutter Ridge	19525 So. Dixie Highway		Cutter Ridge	FL	33157	(305) 233-6122	Owned	Propco I	38,000	30,154
627	8718	SBS	Daytona Beach	2455 International Speedway Blvd.		Daytona Beach	FL	32114	(386) 255-9828	Owned	Propco I	46,700	34,390
628	8722	SBS	Plaza Las Americas	Calaf Street 555	Plaza Las Americas	San Juan	PR	00918	(787) 250-8697	GL	Delaware	58,907	35,696
629	8725	SBS	Waterford Lakes	1250 N Alafaya Trail		Orlando	FL	32828	(407) 736-8089	Lease	Delaware	58,907	35,696
630	8726	SBS	Florida Mall	1631 Florida Mall Ave.		Orlando	FL	32809	(407) 859-4831	Owned	Propco II	40,763	35,576
631	8727	SBS	Wesley Chapel	6105 Wesley Grove Blvd		Wesley Chapel	FL	33544	(813) 929-6230	Lease	Delaware	64,000	51,050
632	8729	SBS	Jacksonville	4875 Town Center Pkway		Jacksonville	FL	32246	(904) 997-6291	Lease	Delaware	74,018	58,297
633	8751	SBS	Millenia	4607 Millenia Plaza Way		Orlando	FL	32839	(407) 226-0139	Lease	Delaware	62,039	46,908
634	8754	SBS	Savannah	7400 Abercorn St.		Savannah	GA	31406	(912) 354-5222	Owned	Propco I	45,176	33,549
635	8803	SBS	McDonough	209 South Point Blvd.		McDonough	GA	30252	(770) 288-2218	Lease	Delaware	57,847	46,903
636	8805	SBS	Smyrna	2955 Cobb Parkway	Suite 510	Atlanta	GA	30339	(770) 956-9224	Lease	Delaware	58,907	46,803
637	8809	SBS	Huntsville	6884 Governors West		Huntsville	AL	35806	(256) 971-1216	No	Lease	58,830	46,677
638	8818	SBS	Columbus	5555 Whittlesley Blvd.	Suite 2300	Columbus	GA	31907	(706) 257-9843	No	GL	50,000	35,807
639	8819	SBS	Pensacola	7171 North Davis Highway		Pensacola	FL	32504	(850) 484-4170	Lease	Delaware	46,829	35,774
640	8822	SBS	Greenville	1025 Woodruff Road		Greenville	SC	29607	(864) 213-2022	Lease	Delaware	58,907	46,678
641	8823	SBS	Spartanburg	1508 W.O. Ezell Blvd.		Spartanburg	SC	29301	(864) 574-9525	Lease	Delaware	45,627	34,134
642	8826	BRU	Coral Way	8755 SW 24th St		Miami	FL	33165	(305) 226-8334	Lease	Delaware	40,214	31,612
643	8828	BRU	Mobile	3658-A Airport Blvd		Mobile	AL	36608	(251) 304-0950	Lease	Delaware	26,393	22,739
644	8831	SBS	Hoover	1715 Montgomery Highway		Hoover	AL	35226	(205) 733-1551	Owned	Propco II	45,653	34,325
645	8832	SBS	Clarksville	2821 Wilma Rudolph Blvd.		Clarksville	TN	37040	(931) 647-0667	GL	Propco I	45,453	35,257
646	8834	SBS	Gastonia	2830 East Franklin Blvd		Gastonia	NC	28056	(704) 833-0084	Lease	Delaware	56,099	40,710
647	8838	SBS	Dorhan	201 Buyers Drive		Dorhan	AL	36303	(334) 794-0888	GL	Propco I	45,451	34,970
648	8850	SBS	Tupelo	969 Barnes Crossing Rd.		Tupelo	MS	38803	(662) 841-8697	Owned	Propco I	30,000	24,982
649	8854	BRU	Kennesaw	1875 Greens Chapel Road		Kennesaw	GA	30144	(770) 919-2229	Lease	Delaware	42,296	36,150
650	8855	BRU	Evans	4225 Washington Rd.		Evans	GA	30809	(706) 210-7858	GL	Delaware	32,000	24,075
651	8857	BRU	Kendall	15625 SW 88th Street		Miami (Kendall)	FL	33196	(305) 382-4060	Lease	Delaware	42,341	33,871
652	8861	BRU	Pembroke Pines	11930 Pines Blvd.		Pembroke Pines	FL	33026	(954) 441-8600	Lease	Delaware	42,296	36,406
653	8863	BRU	Knoxville	9626 Kingston Pike		Knoxville	TN	37922	(865) 769-9911	Lease	Delaware	42,296	34,425
654	8865	BRU	Lauderhill	7350 W Commercial Blvd.		Lauderhill	FL	33319	(954) 749-2229	Lease	Delaware	44,000	34,831
655	8867	SBS	Germantown	8060 Giacosa Pl.		Memphis	TN	38133	(901) 937-4139	Owned	Propco II	45,000	34,278
656	8870	SBS	Mall of Georgia	3480 Financial Center Way		Buford	GA	30519	(678) 714-6146	Lease	Delaware	70,000	51,570
657	8872	SBS	Murfreesboro	2075 Old Fort Parkway		Murfreesboro	TN	37129	(615) 217-3306	Owned	Propco I	30,000	25,539
658	8875	BRU	Pasadena	8040 Ritchie Hwy.		Pasadena	MD	21122	(410) 863-8840	No	Lease	45,286	36,124
659	8878	BRU	Pineville	9575 South Boulevard		Charlotte	NC	28273	(704) 643-2229	Lease	Delaware	42,296	35,256
660	8880	BRU	Chattanooga	2020 Gunbarrel Rd	Suite 400	Chattanooga	TN	37421	(423) 894-7277	Lease	Delaware	21,000	16,752
661	8881	BRU	Concord	8062 Concord Mills Blvd		Concord	NC	28027	(704) 979-0840	GL	Delaware	30,000	24,079
662	8882	BRU	Chesapeake	1336 Greenbrier Parkway		Chesapeake	VA	23320	(757) 548-2255	Lease	Delaware	42,296	35,451
663	8884	BRU	Chantilly	13954 Metrotech Drive		Chantilly	VA	20151	(703) 502-9200	Lease	Delaware	30,400	25,484
664	8888	BRU	N. Charleston	7250 Rivers Avenue		N. Charleston	SC	29406	(843) 824-9493	GL	Propco I	31,280	24,075
665	8889	SBS	North Raleigh	7810 Poyner Pond Circle		Raleigh	NC	27616	(919) 713-4334	Lease	Delaware	59,929	47,288
666	8894	BRU	Greensboro	1214 Bridford Parkway		Greensboro	NC	27407	(336) 547-9050	Lease	Delaware	44,487	30,786
667	8902	SBS	Castleton	8250 Castleton Corner		Indianapolis	IN	46250	(317) 841-9334	Owned	Propco II	39,323	33,840
668	8911	SBS	Polaris	1400 Gemini Place Rd.		Columbus	OH	43240	(614) 785-0874	Lease	Delaware	64,028	50,812
669	8917	SBS	Lexington	3220 Nicholasville Rd.		Lexington	KY	40503	(859) 271-6374	Lease	Propco I	41,900	32,119
670	8919	SBS	Lima	2292 Elda Road		Lima	OH	45805	(419) 229-1014	Lease	Propco I	46,020	33,248
671	8923	SBS	Bowling Green	3000 Scottsville Rd.		Bowling Green	KY	42101	(270) 843-9936	Owned	Propco I	45,000	34,483
672	8925	SBS	Terre Haute	50 W. Honeycreek Pkwy.		Terre Haute	IN	47802	(812) 234-2197	Owned	Propco I	46,213	35,232
673	8928	SBS	Paducah	3411 James Sanders Blvd.		Paducah	KY	42001	(270) 575-3336	Lease	Delaware	29,398	24,102
674	8930	SBS	Kenwood	7800 Montgomery Road		Cincinnati	OH	45236	(513) 791-8697	Lease	Propco I	46,000	33,565
675	8931	SBS	Beaver Creek	2500 N. Fairfield Rd.		Beaver Creek	OH	45431	(937) 429-4415	Lease	Delaware	49,000	36,973
676	8933	SBS	Charleston	2846 Mountaineer Blvd.		Charleston	WV	25309	(304) 744-8696	GL	Propco I	30,000	24,474
677	9007	SBS	Southlake	250 N. Kimball Avenue		Southlake	TX	76092	(817) 488-3178	Lease	Delaware	33,812	26,256
678	9009	SBS	Birmingham	335 Summit Blvd.		Birmingham	AL	35243	(205) 977-2624	No	Lease	56,737	44,871
679	9062	SBS	Rossmore, CA	12347 Seal Beach Blvd.		Seal Beach	CA	90740	(562) 493-9848	GL	Delaware	44,902	37,001
680	9063	SBS	Vallejo, CA	105 Plaza Drive		Vallejo	CA	94591	(707) 557-5552	Lease	Delaware	44,902	34,361
681	9203	SBS	Akron/Chapel Hill	590 Howe Ave.		Cuyahoga Falls	OH	44221	(330) 923-8697	Owned	Propco II	40,763	34,334
682	9204	SBS	Mayfield	1385 SOM Center Road		Mayfield	OH	44124	(440) 473-0310	GL	Delaware	47,559	36,852

Toys "R" Us
Exhibit A

Store List

Count	Store #	Chain	Name	Address	City	State	Zip	Phone	Lease Type	Entity	Gross Sq. Ft.	Selling Sq. Ft.
683	9205	SBS	Panna	8515 Day Drive	Panna	OH	44129	(440) 888-8697	Lease	Delaware	45,865	35,621
684	9214	SBS	West Milford	275 Clairton Blvd.	West Milford	PA	15122	(412) 655-0677	GL	Propco I	46,700	34,208
685	9223	SBS	Aniherst	3030 Sheridan Dr.	Aniherst	NY	14226	(716) 837-4350	GL	Delaware	46,717	35,280
686	9226	SBS	Hamburg	3464 McKinley Pkwy.	Blasdel	NY	14219	(716) 825-7227	Owned	Propco I	41,484	24,462
687	9232	SBS	Monroe	52 Rothrock Road	Copley	OH	44321	(330) 666-8697	GL	Propco II	30,000	24,462
688	9239	BRU	Columbus	2686 Taylor Road	Reynoldsburg	OH	43068	(614) 759-7744	GL	Propco II	37,415	29,809
689	9241	BRU	N. Canton	6655 Strip Avenue NW	N. Canton	OH	44720	(330) 305-1750	No	Lease	42,296	34,147
690	9244	BRU	Forest Park	925 Cincinnati Mills Dr.	Cincinnati	OH	45240	(513) 671-2430	Lease	Delaware	38,500	30,189
691	9245	BRU	Forest Park	4623 Shelbyville Road	Louisville	KY	40207	(502) 896-9994	GL	Propco I	37,414	29,672
692	9246	BRU	Burbank	7750 South Cicero Avenue	Burbank	IL	60459	(708) 424-8755	Lease	Delaware	42,296	34,983
693	9247	BRU	Sterling Heights	12050 Hall Road	Sterling Heights	MI	48313	(586) 987-2929	Lease	Delaware	54,575	41,533
694	9248	BRU	Orland Park	15820 94th Avenue	Orland Park	IL	60462	(708) 873-9634	Owned	Propco II	38,000	30,578
695	9249	BRU	Northville	20111 Haggerty Road	Northville	MI	48167	(248) 735-0365	Owned	Propco II	38,000	30,592
696	9250	BRU	Roseville	32471 Gratiot Avenue	Roseville	MI	48066	(586) 296-5615	GL	Propco I	37,216	29,631
697	9254	BRU	Boardman	1240 Dorla Drive	Boardman	OH	44514	(330) 965-0412	GL	Propco I	33,000	23,641
698	9255	BRU	Flint	G-3274 South Linden Road	Flint	MI	48507	(810) 732-8021	Owned	Propco II	29,397	23,641
699	9263	SBS	Madison Heights	32700 John R. Rd.	Madison Heights	MI	48071	(248) 585-5700	Owned	Propco II	42,724	35,660
700	9279	BRU	Toledo	1360 S. Holland-Sylvania Road	Holland	MI	48528	(419) 861-7015	GL	Propco II	30,600	23,969
701	9280	BRU	Auburn Hills	4936 Baldwin Road	Orion Township	MI	48359	(248) 391-3367	Owned	Propco II	29,500	24,366
702	9284	BRU	North Olmsted	26520 Lorain Road	North Olmsted	OH	44070	(440) 716-8614	Lease	Propco I	43,935	32,675
703	9290	BRU	Fort Wayne	4140 Goldwater Road	Fort Wayne	IN	46805	(260) 482-5254	Owned	Propco II	30,000	23,914
704	9291	BRU	Syracuse	2027 Park Street	Syracuse	NY	13208	(315) 424-3998	Owned	Propco II	30,000	23,927
705	9294	BRU	Merrillville	1335 East 79th Street	Merrillville	IN	46410	(219) 736-1028	Owned	Propco II	30,000	23,914
706	9504	SBS	Topeka	2190 Wanamaker Rd.	Topeka	KS	66614	(785) 272-1188	GL	Delaware	45,780	34,178
707	9512	SBS	Springfield	1425 E. Battlefield	Springfield	MO	65804	(417) 882-6097	GL	Delaware	46,000	34,263
708	9514	SBS	E. Wichita	8011 E. Kellogg	Wichita	KS	67207	(316) 684-8697	Owned	Propco I	45,453	35,342
709	9518	SBS	Joplin	6305. Rangeline	Joplin	MO	64802	(417) 781-8697	Owned	Propco I	45,453	34,945
710	9528	SBS	Aurora	1150 S. Ironton	Aurora	CO	80012	(303) 751-7425	GL	Delaware	46,936	35,660
711	9533	SBS	Fort Collins	4250 Corbett Drive	Fort Collins	CO	80525	(970) 223-1020	Lease	Delaware	64,991	50,799
712	9537	SBS	Sioux Falls	4401 W. Empire	Sioux Falls	SD	57106	(605) 361-9277	GL	Delaware	30,514	24,552
713	9541	BRU	St. Louis	4441 Lemay Ferry Rd	St. Louis	MO	63129	(314) 894-8055	Lease	Delaware	44,680	33,644
714	9544	BRU	Sugar Land	15555 S.W. Freeway	Sugar Land	TX	77479	(281) 980-9595	Lease	Delaware	41,462	31,052
715	9545	SBS	LITTLETON	5142 S. Wadsworth Blvd	Littleton	CO	80123	(303) 932-2229	Lease	Delaware	42,296	33,852
716	9546	BRU	Katy	20280 Katy Freeway	Katy	TX	77449	(281) 829-1000	GL	Propco I	37,285	29,756
717	9547	BRU	Cypress	380 FM 1960 W.	Houston	TX	77090	(281) 586-9993	Lease	Delaware	40,000	32,856
718	9548	BRU	Tulsa	10010 E 71st Street S.	Tulsa	OK	74133	(918) 250-6444	Lease	Delaware	42,296	33,958
719	9549	SBS	Ingram	8327 Hwy 151	San Antonio	TX	78245	(210) 521-2018	Lease	Delaware	42,296	39,602
720	9552	BRU	Arlington	1501 W. Atbrook Blvd	Arlington	TX	76015	(817) 784-2229	Lease	Delaware	40,000	33,685
721	9553	BRU	Westminster	9330 Sheridan Blvd	Westminster	CO	80031	(303) 650-2229	Lease	Delaware	42,900	34,627
722	9562	BRU	Mesquite	1220 Town E. Blvd	Mesquite	TX	75150	(972) 682-1450	Lease	Delaware	38,726	30,721
723	9566	BRU	Pleasanton	4990 Dublin Boulevard	Dublin	CA	94568	(925) 875-0350	Owned	Propco II	37,000	29,615
724	9571	BRU	Clackamas	9650 S.E. 82nd Avenue	Portland	OR	97266	(503) 777-3006	GL	Propco I	37,314	29,687
725	9572	BRU	Lynnwood	19500 Alderwood Mall Parkway	Lynnwood	WA	98036	(425) 672-3220	Lease	Delaware	39,480	29,967
726	9573	BRU	Modesto	3500 Sisk Road	Modesto	CA	95356	(209) 543-6803	Owned	Propco II	45,554	34,509
727	9574	BRU	Tigard	7805 S.W. Dartmouth Rd.	Tigard	OR	97223	(503) 670-7539	Owned	Propco II	37,000	29,683
728	9575	BRU	Colorado Springs	3555 Cladel Dr S.	Colorado Springs	CO	80909	(719) 574-7737	Owned	Propco I	29,000	25,726
729	9576	SBS	MAPLE GROVE	12750 Elm Creek Blvd. North	Maple Grove	MIN	55369	(763) 494-5747	GL	Propco I	36,826	29,629
730	9577	BRU	Oklahoma City	1731 Belle Isle Ave	Oklahoma City	OK	73118	(405) 840-2820	GL	Delaware	37,300	29,729
731	9579	BRU	Highlands Ranch	7155 Business Center Dr	Highlands Ranch	CO	80130	(303) 346-6266	Owned	Propco II	37,000	29,719
732	9580	BRU	Roseville-CA	1248 Galleria Boulevard	Roseville	CA	95678	(916) 784-9741	No	GL	37,212	29,810
733	9583	BRU	Kansas City	8640 N. Madison Ave	Kansas City	MO	64155	(816) 420-8808	GL	Delaware	30,884	23,917
734	9588	BRU	Baybrook	18182 Gulf Freeway	Friendswood	TX	77546	(281) 990-9390	GL	Propco I	27,500	23,917
735	9591	SBS	Jacksonville	1370 Western Blvd.	Jacksonville	NC	28546	(910) 347-9839	Owned	Propco I	42,850	32,397
735											37,413	28,666

Exhibit B

Distribution Centers and Corporate Offices

**Toys "R" Us
Exhibit B**

Distribution Centers and Corporate Office
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Store #	Name	Address	City	State	Zip	Selling Sq. Ft.
Corporate Office						
	Corporate Office	1 Geoffrey Way	Wayne	NJ	07470	
Distribution Centers						
	1301 CALCARTAGE					
	2001 MERCHANDISE IN TRANS					
	5001 FRIEGHT FORWARDER					
5601	RI - RIALTO	1110 W. Merrill Avenue	Rialto	CA	92376	1,107,000
5801	STK - STOCKTON	1624 Army Court	Stockton	CA	95206	635,000
6001	CHI - CHICAGO	2695 Plainfield Road	Joliet	IL	60435	671,040
6201	OH2					
6207						
6301	NY - NEW YORK/NEW J	703 Bartley Chester Road	Flanders	NJ	07836	1,364,215
7701	MID - MIDLOTHIAN	3800 Railport Pkwy	Midlothian	TX	76065	835,000
8301	FRK - FREDERICK	7106 Geoffrey Way	Frederick	MD	21704	680,000
8401	RUS.COM DROP SHIP					
8801	ATL - ATLANTA	H38 Highway 42 South	McDonough	GA	30252	972,000
9501	KC - KANSAS CITY	420 S.E. Thompson Road	Lee Summit	MO	64082	691,000

Exhibit C

Consultant Controlled Expenses

**Toys "R" Us
Exhibit C**

Expense Budget

Advertising

Media	2,940,000
Signs	2,388,750
Sign Walkers	10,206,000
Subtotal Advertising	<u>15,534,750</u>

Supervision

Fees / Wages / Expenses (1)	20,373,209
Subtotal Supervision	<u>20,373,209</u>

Legal

Legal	250,000
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Total Expenses	<u><u>36,157,959</u></u>
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Note(s):

1. Includes Deferred Compensation and Insurance.
2. This Expense Budget contemplates a sale term through June 30, 2018. The Expense Budget remains subject to modification in the event that this term is extended, or as otherwise agreed to by the parties.

Exhibit C

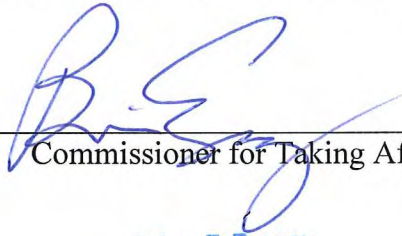
Canadian Going Concern Budget

Toys "R" Us (Canada) Ltd.
Cash Flow Forecast
For the thirteen-week period ending June 9, 2018
(Unaudited, in \$'000s CAD)

	Week 26 17-Mar-18	Week 27 24-Mar-18	Week 28 31-Mar-18	Week 29 7-Apr-18	Week 30 14-Apr-18	Week 31 21-Apr-18	Week 32 28-Apr-18	Week 33 5-May-18	Week 34 12-May-18	Week 35 19-May-18	Week 36 26-May-18	Week 37 2-Jun-18	Week 38 9-Jun-18	13 - Week Total
Receipts	15,129	15,070	17,106	17,278	14,461	15,286	15,472	15,338	15,527	15,544	15,372	15,663	15,451	202,698
Disbursements														
Merchandise vendors	11,600	14,471	17,706	14,723	10,104	12,488	8,820	7,543	8,369	7,357	7,251	7,210	7,044	134,687
Non-merchandise vendors	4,533	4,283	3,533	3,948	3,398	6,032	3,048	3,093	2,962	3,111	3,361	3,361	3,995	48,659
Rent	-	-	5,305	-	-	-	-	5,305	-	-	-	5,301	-	15,912
Payroll	2,844	1,204	3,086	1,167	2,862	1,282	2,934	1,185	2,816	1,190	2,833	1,210	2,918	27,530
Capital expenditures	308	308	308	308	308	308	308	231	231	231	231	231	231	3,538
Tax	-	25	973	-	-	-	(176)	(831)	-	-	(40)	1,386	-	1,337
Total Disbursements	19,285	20,290	30,912	20,146	16,672	20,110	14,934	16,526	14,378	11,889	13,636	18,699	14,188	231,664
Operating Net Cash Flow	(4,155)	(5,220)	(13,805)	(2,868)	(2,211)	(4,823)	537	(1,188)	1,150	3,655	1,736	(3,036)	1,263	(28,966)
Restructuring professional fees	606	520	325	350	300	300	325	350	300	225	225	275	225	4,326
DIP fees, interest & payments	-	-	2,652	-	-	-	-	2,652	-	-	-	2,741	-	8,046
Net Cash Flow	(4,762)	(5,740)	(16,783)	(3,218)	(2,511)	(5,123)	212	(4,191)	850	3,430	1,511	(6,052)	1,038	(41,338)
Beginning Cash	54,273	49,512	43,772	26,989	23,771	21,260	16,137	16,349	12,159	13,008	16,438	17,950	11,897	54,273
Net Cash Flow	(4,762)	(5,740)	(16,783)	(3,218)	(2,511)	(5,123)	212	(4,191)	850	3,430	1,511	(6,052)	1,038	(41,338)
Ending Cash	49,512	43,772	26,989	23,771	21,260	16,137	16,349	12,159	13,008	16,438	17,950	11,897	12,936	12,936

B

THIS IS EXHIBIT "B"
TO THE AFFIDAVIT OF MELANIE TEED-MURCH
SWORN BEFORE ME THIS 23RD DAY OF MARCH, 2018



Commissioner for Taking Affidavits

Brian F. Empey

Edward O. Sassower, P.C.
Joshua A. Sussberg, P.C. (admitted *pro hac vice*)
KIRKLAND & ELLIS LLP
KIRKLAND & ELLIS INTERNATIONAL LLP
601 Lexington Avenue
New York, New York 10022
Telephone: (212) 446-4800
Facsimile: (212) 446-4900

-and-

James H.M. Sprayregen, P.C.
Anup Sathy, P.C.
Chad J. Husnick, P.C. (admitted *pro hac vice*)
Emily E. Geier (admitted *pro hac vice*)
KIRKLAND & ELLIS LLP
KIRKLAND & ELLIS INTERNATIONAL LLP
300 North LaSalle
Chicago, Illinois 60654
Telephone: (312) 862-2000
Facsimile: (312) 862-2200

Michael A. Condyles (VA 27807)
Peter J. Barrett (VA 46179)
Jeremy S. Williams (VA 77469)
KUTAK ROCK LLP
901 East Byrd Street, Suite 1000
Richmond, Virginia 23219-4071
Telephone: (804) 644-1700
Facsimile: (804) 783-6192

Co-Counsel to the Debtors and Debtors in Possession

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION**

In re:)	
	)	Chapter 11
TOYS "R" US, INC., <i>et al.</i> , ¹)	
	)	Case No. 17-34665 (KLP)
Debtors.)	
	)	(Jointly Administered)

**DEBTORS' OMNIBUS MOTION FOR ENTRY OF
ORDERS: (I) AUTHORIZING THE DEBTORS TO WIND-DOWN
U.S. OPERATIONS, (II) AUTHORIZING THE DEBTORS TO CONDUCT U.S.
STORE CLOSINGS, (III) ESTABLISHING BIDDING PROCEDURES FOR THE
SALE OF THE DEBTORS' CANADIAN EQUITY, (IV) ENFORCING
AN ADMINISTRATIVE STAY, AND (V) GRANTING RELATED RELIEF**

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are set forth in the *Order (I) Directing Joint Administration of Chapter 11 Cases and (II) Granting Related Relief* [Docket No. 78]. The location of the Debtors' service address is One Geoffrey Way, Wayne, New Jersey 07470.

1. The above-captioned debtors and debtors in possession (collectively, the “Debtors”)² respectfully state as follows in support of this motion (this “Motion”):³

Preliminary Statement

2. At the first day hearing in these chapter 11 cases, the Debtors announced they had secured over \$3.1 billion in three separate debtor-in-possession financing facilities (collectively, the “DIP Facilities”) after a highly competitive process.⁴ This financing allowed the Debtors to reopen their global supply chain and best position the company for a successful holiday season—a season that has historically contributed approximately 40% of the Debtors’ annual revenue. The DIP budget and associated covenants were developed based on what the Debtors thought at the time were conservative performance estimates, taking into account the potential adverse effects of the timing of the Debtors’ chapter 11 filing (immediately ahead of the all-important holiday season), the distressed retail operating environment, and the competitive marketplace. With no milestones and limited immediate performance-based covenants, the DIP Facilities and related budget afforded the Debtors flexibility to get through the holiday season. Consistent with that budget, and with relief provided by this Court on a fully-consensual basis, the Debtors made substantial payments to to many of their key vendors—including more than \$300 million in critical

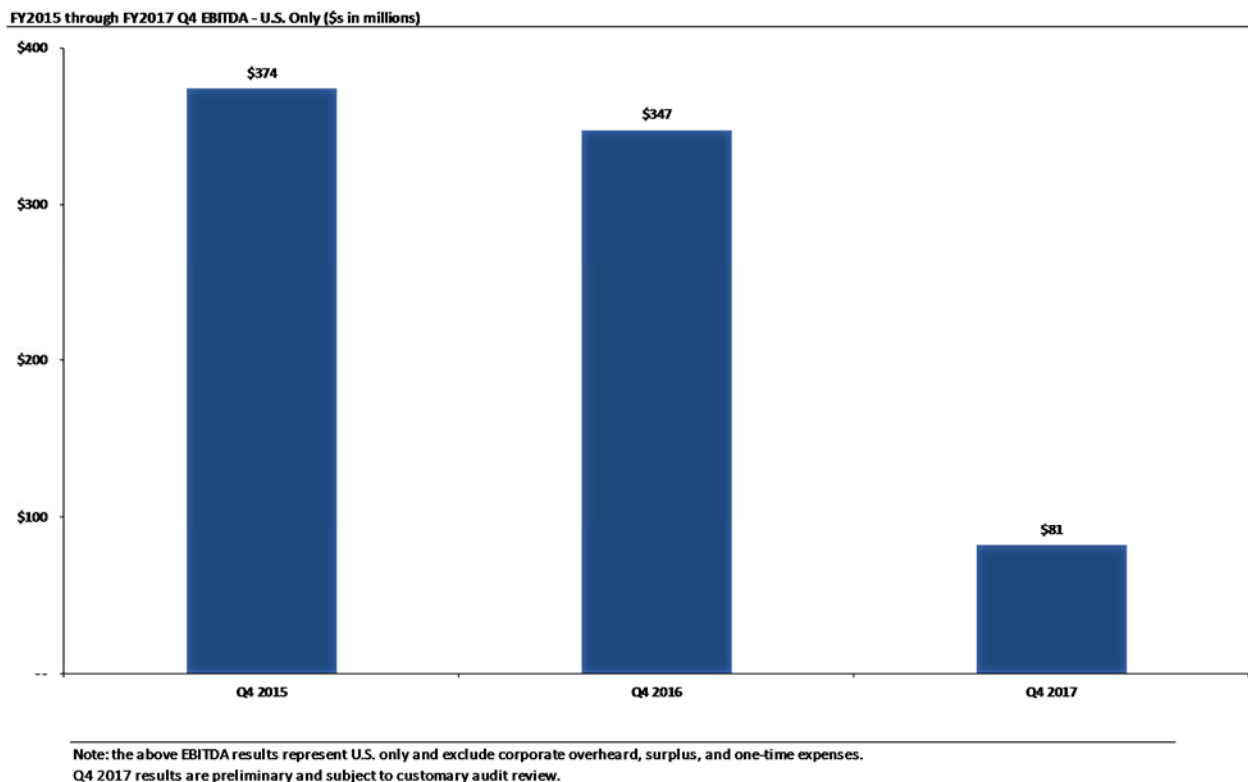
² A detailed description of the Debtors and their business, and the facts and circumstances supporting the Debtors’ chapter 11 cases, are set forth in greater detail in (i) the *Declaration of David A. Brandon, Chief Executive Officer of Toys “R” Us, Inc., in Support of Chapter 11 Petitions and First Day Motions* (the “Brandon Declaration”) and (ii) the *Declaration of Michael J. Short, Chief Financial Officer of Toys “R” Us, Inc., in Support of First Day Motions* (the “Short Declaration”) and together with the Brandon Declaration, the “First Day Declarations”), filed contemporaneously with the Debtors’ voluntary petitions for relief filed under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”), on September 18, 2017 (the “Petition Date”). Capitalized terms used but not otherwise defined in this Motion shall have the meanings ascribed to them in the First Day Declarations.

³ The Debtors will file declarations in support of this Motion prior to the March 20, 2018 hearing.

⁴ See the Declaration of David Kurtz in support of Debtors’ DIP Financings [Docket No. 33] at ¶ 19.

vendor and early 503(b)(9) payments. [Docket Nos. 708, 723]. In the early months of these cases, the Debtors also executed on a plan to close their least profitable stores and improve the cost structure of the business. [Docket No. 1716] (the “Initial Store Closing Order”).

3. Notwithstanding around-the-clock attention from the Debtors’ management and employees both before, during, and after the holidays, the many obstacles facing the Debtors proved insurmountable; 2017 U.S. holiday sales came in well below worst case projections, producing EBITDA approximately \$250 million below DIP budget projections and over \$260 million below 2015 and 2016 holiday season EBITDA, as set forth on the following chart:



4. A combination of factors contributed to the Debtors’ performance, including: (i) delays and disruption associated with reopening the supply chain in chapter 11 and during the holiday season, (ii) diversified competitors including Target, Walmart, and Amazon pricing toys at low-margins or as loss-leaders; prices at which the Debtors could not compete because they rely

exclusively on toys for profit, (iii) a greater than expected decline in toy and gift card sales following the chapter 11 filing, and (iv) the Debtors' inability to offer online prices or shipping on more attractive terms than their competitors.

5. Believing this confluence of events was a perfect storm not likely to recur, in early January the Debtors worked toward developing a modified U.S. business plan with a significantly smaller brick-and-mortar footprint (having to effectively start over from business plan initiatives started in the fall). But with projected cash-burn expected to reach approximately \$50-\$100 million per month, it became clear that a significant investment of several hundred million dollars would be needed just to keep 400 stores operating before the 2018 holiday season. And this estimate is before any additional investment for operating cash and store improvement capital expenditures. Notwithstanding the Debtors' thorough process (conducted in coordination with all stakeholders) to find a potential investor or financial or strategic buyer for all or any subset of the Debtors' U.S. operations, the Debtors' efforts have yet to result in a viable transaction.

6. The FY 2017 earnings shortfall also triggered a series of reactions and covenant defaults that frustrated prospects for reorganizing the U.S. business as a going-concern. To protect their interests in inventory values, certain of the Debtors' lenders imposed reserve restrictions, which further constrained liquidity. And, most importantly, the Debtors could not satisfy the obligation under one of their DIP credit agreements to deliver a reasonable, good-faith budget that projects liquidity levels no lower than the original, conservative DIP budget. The stark reality is that the Debtors are projected to run out of cash in the U.S. in May 2018.

7. In the face of these extraordinary circumstances, further waivers of covenant defaults are unobtainable. The B-4 lenders—the primary economic stakeholders with respect to the U.S. collateral—have determined that the best way to maximize their recoveries is to liquidate

the existing inventory in all of the Debtors' 735 remaining U.S. stores and begin an orderly wind-down of the U.S. operations. To be clear, the Debtors are not precluding the prospect of any going concern option for U.S. stores. In fact, the Debtors have developed a potentially value-maximizing transaction that would combine up to 200 of the top-performing U.S. stores (primarily those operating under the side-by-side format similar to the stores operating in Canada) with a going-concern transaction for their Canadian operations. The Debtors are currently engaged with certain interested parties, including the B-4 Lenders, regarding this transaction and are hopeful that such a transaction can develop as part of the sale of their Canadian operations.⁵ But because time is of the essence to mitigate losses and maximize recoveries to U.S. stakeholders, the Debtors regrettably must move forward with implementing a wind-down while simultaneously pursuing a going-concern transaction tied to Canadian operations.

8. Accordingly, by this Motion, the Debtors are taking the prudent and responsible step of seeking authority to begin an immediate and orderly liquidation of their U.S. business and to sell the Debtors' equity interest in the Canadian operations.⁶ To effectuate the U.S. wind-down, the Debtors seek to enter into an agreement with a consortium of liquidators that has been negotiated among the Debtors, the Creditors' Committee, the agents to the Debtors' secured DIP facilities, and the B-4 Lenders, and to obtain broad relief for store closing procedures that will maximize the value of the inventory in the Debtors' stores and distribution centers. Concurrent

⁵ The Debtors reserve the right to pull certain store locations out of the liquidation process to the extent a transaction develops, and have negotiated the right to do so as part of the Full-Chain Liquidation Agreement (as defined herein).

⁶ The Debtors are not seeking to sell their intellectual property, real property, or certain other U.S. assets pursuant to this Motion. The Debtors will seek such relief at the appropriate juncture. The Debtors do intend to pursue a sale of those certain unexpired leases with an April 16, 2018 365(d)(4) lease assumption deadline pursuant to the Real Estate Bidding Procedures Motion (as defined below), as supplemented by a motion filed contemporaneously herewith, which will be heard on March 20, 2018.

with the filing of this Motion, the Debtors have issued notices of termination to U.S. employees consistent with state and federal WARN statutes, which generally require a 60-day notice period. The Debtors have worked with their lenders to develop a budget that ensures that all employees will continue to be paid in the ordinary course for no fewer than 60 days. Moreover, the B-4 Lenders have agreed that the Debtors may pay for all goods received (and accepted by the Debtors) on and after March 5, 2018 (subject to review and reconciliation of invoices and purchase orders).

9. Importantly, many of the Debtors' operations throughout Canada, Europe, and Asia (the "International Operations") remain strong, viable businesses with active prospects for a successful going-concern reorganization or sale processes. In addition to moving forward now with a sale process of Toys-Delaware's equity in the Canadian business (and potentially including up to 200 U.S. stores), the Debtors are focused on limiting any negative effect the U.S. liquidation may have on the International Operations. Specifically, the Debtors have worked with their lenders to develop a wind-down budget that maintains, for at least 60-days, the shared services function the International Operations receive from the U.S. headquarters consistent with pre-wind-down cost allocations. During this time, the Debtors will consult with potential plan sponsors or buyers for the International Operations to develop a "shared services center" that can be relied upon and supported on a go-forward basis for the International Operations.

Relief Requested

10. By this Motion, the Debtors respectfully seek the Court's approval of the following orders:⁷

- **U.S. Wind-Down Order**: Entry of an order substantially in the form attached hereto as **Exhibit A** (the "U.S. Wind-Down Order") to:

⁷ The Debtors will file proposed forms of order

- authorize the Debtors to enter into a full chain Consulting Agreement (the “Full Chain Consulting Agreement”), dated as of March 14, 2018 by and between Toys “R” Us - Delaware, Inc. (“Toys - Delaware” or the “Merchant”) and a joint venture comprised of Tiger Capital Group, LLC, Great American Group, LLC, Hilco Merchant Resources, LLC, and Gordon Brothers Retail Partners, LLC (the “Consultants”) attached to the U.S. Wind-Down Order as Schedule 1;⁸
- authorize the Debtors to utilize the sale guidelines attached to the U.S. Wind-Down Order as Schedule 2 (the “Amended Sale Guidelines”), which Amended Sale Guidelines amend the sale guidelines approved by this Court at Docket No. 1716 (the “Original Sale Guidelines”),⁹ to expand the relief applicable to existing store closures and provide additional authority to conduct store closing, “going out of business,” or similarly-themed sales across all remaining 735 U.S. stores, in accordance with the terms of the Full Chain Consulting Agreement, with such sales to be free and clear of all liens, claims, and encumbrances (the “Liquidation Sales”);
- approve non-insider incentive programs for the Debtors’ remaining store and headquarters employees as necessary to manage an orderly and efficient Wind-Down, consistent with the approved budget¹⁰ and with previously approved store level retention programs (the “Wind-Down Incentive Program”);
- order an administrative stay preventing the enforcement or collection of any claim that is not authorized by the Wind-Down Budget; and
- grant related relief.
- Canadian Equity Bidding Procedures Order: Entry of an order substantially in the form attached hereto as Exhibit B (the “Canadian Equity Bidding Procedures Order”) to:
 - approve the proposed sale and related bidding procedures (the “Bidding Procedures”) by which the Debtors will receive and select the highest or otherwise best offer(s) for the sale of 100% of the equity interest in Toys “R” Us (Canada) Ltd. Toys “R” Us (Canada) Ltee, (“Toys Canada”), the operating company of the Canadian business, and, if applicable, a subset of the U.S. stores that will continue as a going-concern (the “Canadian Equity Sale”);

⁸ The Consulting Agreement is attached as Schedule 1 to Exhibit A.

⁹ A redline of the Amended Sale Guidelines to the Original Sale Guidelines is attached as Schedule 3 to Exhibit A.

¹⁰ The Debtors will seek approval of a wind-down budget (the “Wind-Down Budget”) by separate motion.

- approve the timeline for the Canadian Equity Sale and scheduling an auction to sell the Canadian equity as detailed in the Bidding Procedures (the “Auction”) and a hearing to approve the Canadian Equity Sale (the “Sale Hearing”);
- approve the form and manner of notice of the Auction and Sale Hearing, substantially in the form attached to the Canadian Equity Bidding Procedures Order as **Schedule 1** (the “Auction and Hearing Notice”); and
- grant related relief; and
- Canadian Equity Sale Order: Entry of an order (the “Canadian Equity Sale Order”) after the Sale Hearing to:
 - authorize the Canadian Equity Sale; and
 - authorize assumption and assignment of certain executory contracts and unexpired leases.

Jurisdiction and Venue

11. The United States Bankruptcy Court for the Eastern District of Virginia (the “Court”) has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Standing Order of Reference from the United States District Court for the Eastern District of Virginia*, dated July 10, 1984. The Debtors confirm their consent, pursuant to Rule 7008 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), to the entry of a final order by the Court in connection with this Motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

12. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

13. The bases for the relief requested herein are sections 105, 363, 364, 503, and 507 of the Bankruptcy Code, Bankruptcy Rules 2002, 6004, 6006, and rule 9013-1 of the Local Rules of the United States Bankruptcy Court for the Eastern District of Virginia (the “Local Bankruptcy Rules”).

Background

I. The Debtors' Restructuring Efforts

14. The Debtors have been consistent since the first day hearing that they believe the best way to maximize value is to negotiate a going-concern reorganization of the global Toys “R” Us enterprise. The DIP Financing and vendor relief were squarely focused on reopening the supply channels and stabilizing operations before the holiday season, with the goal of negotiating a de-leveraging transaction in 2018 ahead of the next holiday season. Importantly, the DIP Facilities provided hundreds of millions of dollars of new money the Debtors planned to invest directly in their U.S. stores and operations, largely beginning in 2018 after executing on the holiday season.

15. The timing of the filing put tremendous strain on operations as the Debtors were in the midst of their holiday inventory build-up when trade shut down ahead of the chapter 11 filing. On the heels of reestablishing operations following the Petition Date, the Debtors began constructing their go-forward business plan in the fall of 2017. But early in the holiday season, the Debtors recognized that their competitors were selling product with nearly no margins, directly impacting forecasts and U.S. same-store sales. So, as in holidays past, the Debtors geared up for the push between Thanksgiving and Christmas, where historically the Debtors have fared well against the competition because of significant inventory offerings (and a strategy of selling late at high margins after competitors sell out of “hot” inventory) and attracting last-minute shoppers who fear that on-line deliveries will not be made in time. This year, however, was different. As a result of a general decline in toy sales, competitors had full product offerings through the end of the holiday season and same-day and two-day delivery guarantees eased customer fears regarding online shopping.

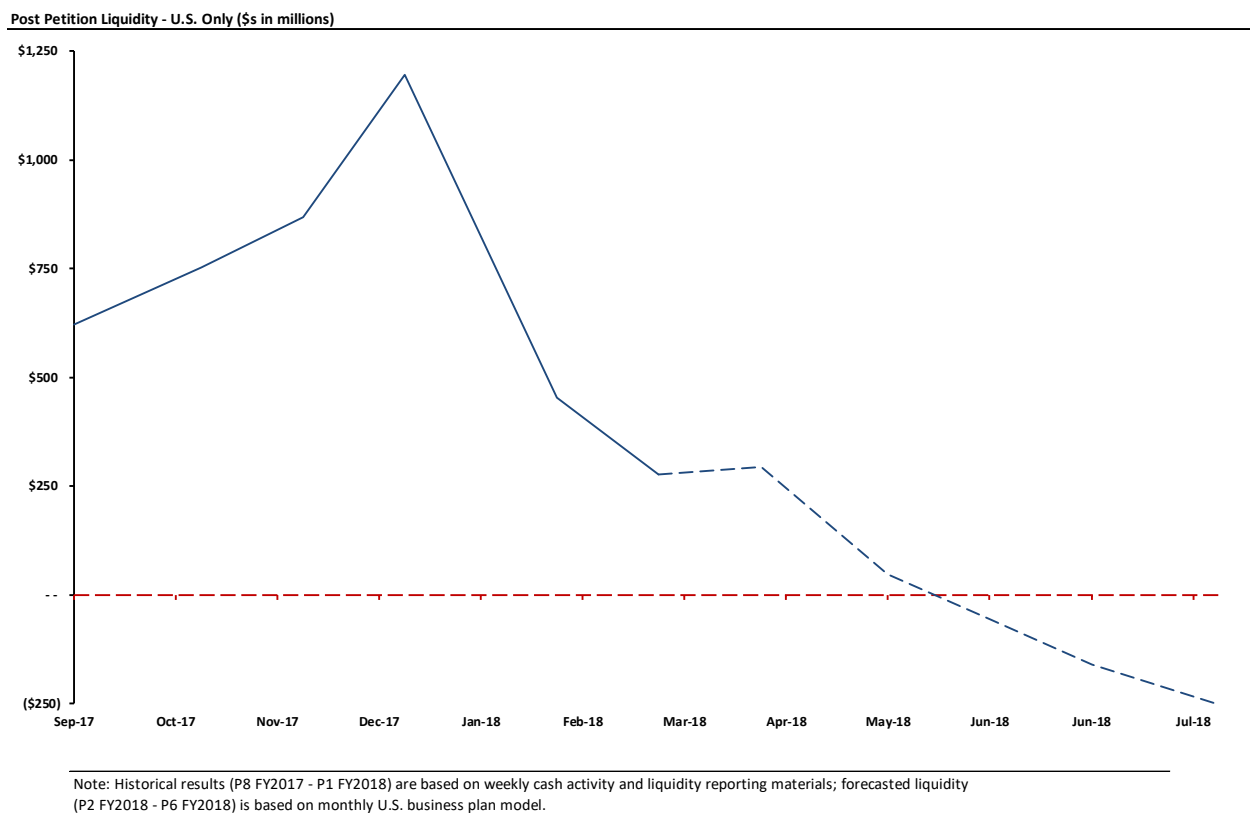
16. As the Debtors' holiday performance came into perspective, liquidity concerns and covenant pressure quickly needed to be considered and addressed. In early January, the Debtors

approached their lenders to initiate discussions regarding holiday performance, the need for covenant relief, and the actions the Debtors intended to take to improve performance going forward.

17. As the Debtors worked with their lenders to address upcoming covenant issues, they re-started the business plan and pro-forma budget exercise to take into account holiday performance and dramatic liquidity changes. This necessitated that the Debtors shift focus and consider further store closures, resulting in the development of a 400-store footprint plan (to compare against the previously envisioned approximately 640-store chain). For either of these models to be viable, the Debtors needed to incorporate significant overhead cuts and dramatic operational changes to eliminate hundreds of millions of dollars in annual costs. And in any case, the Debtors would need to pay these costs as they transitioned to a new model. Given the Debtors' dwindling liquidity and the amount of money needed to fund any transition period (to the extent the Debtors would have been able to make such steep cuts without negatively impacting operations), the B-4 Lenders indicated that they were unlikely to support these business plans through a new investment.

18. As the Debtors were evaluating holiday performance and reviewing their go-forward business plan, the Debtors and their advisors began reaching out in late January to certain parties with the financial capacity and sophistication to act as a plan sponsor for the U.S. business. The Debtors, with the assistance of their advisors, facilitated diligence and shared their 400-store business plan with these parties over the course of a number of weeks. As the Debtors' financial circumstances evolved, the Debtors and their advisors began reaching out in mid-February to additional parties who may have an interest in some or all of the Debtors' U.S. assets or operations. As of the date hereof, the Debtors have contacted over 40 parties regarding

potentially financing or purchasing any or all assets of the Debtors' U.S. business, over 10 of whom have signed NDAs and received access to an electronic data room with substantial documentation regarding the Debtors' U.S. business and assets. During this time, the Debtors also engaged in conversation with their key creditor constituencies, including the B-4 Lenders, the Taj Noteholders, and the Creditors' Committee regarding waivers of defaults and options for the Debtors' restructuring. But any investment in the Debtors' U.S. business as a going concern, either from the B 4 Lenders or any third-party, would require a commitment of over \$250 million just to cover cash-burn until the 2018 holiday season as indicated on the chart below.



19. Put simply, in these circumstance, no parties were prepared to underwrite the U.S. operations as a going-concern.

II. DIP Covenants

20. The 16-month DIP Facilities included no plan-related milestones and limited covenants. This was important for the Debtors because they believed time would be necessary to execute on a holistic restructuring following the holiday season. Rather than setting certain milestones, the DIP Facility covenants related more generally to satisfying certain liquidity requirements and complying with the DIP budget for the duration of the chapter 11 cases. Because of the lack of milestones and the Debtors' plan to invest in certain operational improvements in early 2018, the parties negotiated a covenant in the DIP Term Facility which required the Debtors to propose a revised budget with modifications "together with a revised projections of receipts in light of results since the Petition Date, [are] reasonably calculated in good faith to achieve, over a reasonable timeframe, go-forward liquidity not less than that contemplated by the [original DIP] Budget." Delaware DIP Credit Agreement at section 6.16.

21. The Debtors' performance during the holiday season put substantial stress on their ability to satisfy covenants under the DIP Facilities, including this section 6.16, its minimum liquidity covenants (Section 7.18 of the DIP Term Facility and Section 6.10 of the DIP ABL/FILO Facility), and its covenant limiting the maximum cash flow variance as compared to the original DIP Budget (Section 7.17 of the DIP Term Loan Facility and Section 6.15 of the DIP/ABL FILO Facility). Specifically, FY 2017 EBITDA was so far below projections that substantially any budget "reasonably calculated in good-faith" showed the Debtors' running out of money around May and the Debtors anticipated that they would fail their variance test under the ABL DIP Documents as soon as March and their liquidity test under the Term Loan DIP Documents by April. Because of the poor holiday earnings performance, what the Debtors had viewed as conservative covenants that they could reasonably satisfy became, within months of the holiday

season, a major road block to continued operations. The Debtors' pending default under these covenants put additional pressure on their reorganization efforts.

22. The Debtors determined that absent a significant cash infusion, their revised budget could not reasonably provide for liquidity levels as high as those in the original DIP Budget without a significant cash infusion. This covenant, which was originally to have been satisfied by January 31, 2018, was initially extended by the B-4 Lenders under the DIP Term Facility to March 3, 2018, and subsequently extended to March 5, March 12, and March 15. As part of the extension to March 12, the B-4 Lenders agreed that any new merchandise delivered on and after March 5 would be paid for in full (subject to review and reconciliation of invoices / purchase orders).

III. Initiating Wind-Down Efforts

23. On March 14, 2018, the Debtors sent notices by over-night mail to substantially all of their U.S. employees informing them that they may be terminated 60 calendar-days after receiving the notice, in compliance with the Worker Adjustment and Retraining Notification Act of 1988 and applicable state laws. The Debtors and their secured lenders are finalizing a wind-down budget and wind-down staffing plan, each as more fully discussed below, to facilitate the orderly liquidation of U.S. inventory and run the Canadian Equity Sale process.

24. Accordingly, by this Motion, the Debtors seek approval to begin the liquidation of their U.S. stores and to enter into the Full Chain Consulting Agreement. To effectuate these store closings, the Debtors intend to use the Original Sale Guidelines already approved by this Court, with certain modifications as set forth herein. Additionally, the Debtors propose to sell as quickly as possible any leases that need to be assumed or rejected by April 16, 2018, as set forth in a supplement to the real estate bidding procedures motion [Docket No. 1880] (the "Real Estate

Bidding Procedures Motion”) filed contemporaneously herewith.¹¹ The Debtors are not seeking to sell any of their other assets, such as real property or intellectual property, at this time. Rather, the Debtors will seek supplemental relief when they are prepared to sell such assets as part of a value-maximizing sale process.

IV. Efforts to Build Consensus

25. During the ongoing negotiations regarding DIP covenants and a going-concern reorganization with lenders, the Debtors stressed that any potential U.S. wind-down was a problem that all stakeholders needed to work together to resolve because of the interconnectedness of the Debtors’ global operations. Specifically, the Debtors noted that any U.S. wind-down may have negative implications on global trade terms, may impair the value of intellectual property, may diminish the value of the private label business, and may increase costs to the International Operations as a result of the loss of shared services. Although creditor consensus has not been achieved, the Debtors are working with their stakeholders to mitigate any contagion risks, including by negotiating incremental liquidity for certain of the International Operations and by working with stakeholders regarding an orderly transition of shared services during and following the Wind-Down.

V. Effect of Wind-Down on International Operations

(a) Canadian Sale Efforts and the “Reverse Merger” Option

26. The Debtors intend to implement a going-concern sale of their Canadian operations through a sale of the equity of Toys Canada, which is owned by Toys “R” Us - Delaware, Inc. (“Toys-Delaware”). Over the last several weeks, the Debtors have conducted a marketing process

¹¹ The Debtors believe it is prudent to authorize by a separate Court order the sale of leases that must be assumed or rejected to ensure that the timeline can be met to monetize those assets. Accordingly, the Debtors intend to proceed with their Real Estate Bidding Procedures Motion at the March 20, 2018 hearing, as supplemented by the supplemental motion filed contemporaneously herewith.

for Toys-Delaware's equity interests in Toys Canada (the "Canadian Equity"). The Debtors and their advisors have reached out to more than 20 interested parties, a number of whom executed NDAs and received access to an electronic data room with substantial diligence information. As of the date hereof, the Debtors have received multiple non-binding offers. The Debtors are actively negotiating with certain parties.

27. To effectuate the sale of the Canadian Equity in a value-maximizing manner, the Debtors propose the Bidding Procedures set forth below. As negotiations with interested parties continue and the Debtors ascertain the true interest of each party, if the Debtors determine that an auction is the best way to maximize the value of the Canadian Equity, they seek authorization to, in their business judgment, (a) select no more than one Qualified Bidder to act as a stalking horse bidder (a "Stalking Horse Bidder") in connection with the Canadian Equity Sale, and (b) in connection with any stalking horse agreement with a Stalking Horse Bidder, provide a Breakup Fee, Expense Reimbursement, or Work Fee (each as defined and described below) in an amount not to exceed three percent (3%) of the proposed purchase price. Accordingly, the Debtors request the approval of certain Bid Protections for a Stalking Horse Bidder, as set forth below. Should the Debtors determine that an auction is not necessary to maximize the value of the Canadian Equity, the Debtors will separately seek Court approval of any transaction.

28. The Debtors have developed a potentially value-maximizing transaction that would combine up to 200 of the best-performing U.S. stores (primarily those operating under the side-by-side format similar to the stores operating in Canada) with a going-concern transaction for their Canadian operations. The Debtors and interested parties have initiated conversations regarding this "reverse merger" construct whereby a purchaser of the Canadian Equity would also purchase these best performing U.S. stores. The Debtors will continue to discuss this option with

interested parties in an effort to complete a value-maximizing sale. Any U.S. stores involved in a “reverse merger” Canadian transaction would be withdrawn from the wind-down process.

(b) **Asian, Australian, and European Operations Marketing Processes and Additional Funding**

29. Shortly after the holiday season, the Debtors and their advisors began to explore a sale of the Company’s European businesses, contacting over 80 potential buyers. Over 20 parties signed NDAs and were provided access to an electronic data room containing additional information on the businesses in the various European markets. Interested parties were asked to submit non-binding offers by the end of February. The Debtors received several non-binding offers for all or certain of the European businesses. As part of a second round process, the Debtors and their advisors have facilitated bidders’ diligence and are in the process of negotiating definitive documentation and related agreements.

30. As it relates to the Debtors’ Asian-Pacific businesses, the Debtors and their advisors have begun to solicit interest, contacting over 100 potential investors to date. Over 10 parties have signed NDAs and received access to an electronics data room, and several other parties are in the process of signing NDAs. The Company is requesting non-binding offers in early April.

(c) **Mitigating Risks of U.S. Liquidation on International Operations and Temporary Transition Services**

31. The Debtors recognize the potential risks to their International Operations resulting from the U.S. wind-down. Specifically, all of the entities operate under the same brand name, benefit from economies of scale on private label production and exclusive products, share costs related to certain services, share overall strategy and support from the Global Resource Center in Wayne, New Jersey, and benefit from goodwill across their global operations. The Debtors are focused on preserving these value-maximizing synergies. In discussions with their lenders

regarding a global restructuring and covenant relief, the Debtors warned that minimizing contagion from the U.S. liquidation is paramount.

32. Specifically, the Debtors have discussed the following potential risks to the overall enterprise from the U.S. liquidation:

- **Negative impact on global trade.** Vendors may cease shipping to the International Operations or attempt to modify trade terms on account of volume modifications. Additionally, Vendors may cease providing exclusive products, which account for up to 10% of sales.
- **The value of the Company's intellectual property may be impaired.** The Debtors believe that the value of the IP is supported by the value of a U.S. brand in the international market. Additionally, to the extent there is a reduction in international sales or margins on exclusive products, the IP royalty stream may be reduced.
- **The International Operations may not be able to continue the private label business.** The private label business is managed from the Global Resource Center and benefits from economies of scale for minimum order requirements and margins. The loss of the U.S. business will limit production volume and render some product uneconomical.
- **The International Operations may lose the benefit of shared services and global teams.** The global entity benefits from shared IT infrastructure services, a global communications team, a global branding team, and many other shared resources in the Global Resource Center.

33. The Debtors are actively working to mitigate the negative impact the U.S. Wind-Down could have on the International Operations. Specifically, the Wind-Down Budget contemplates 60-days of funding¹² on terms consistent with pre-wind-down allocations to continue the important functions of the Global Resource Center, including private label support and development, IT infrastructure and services, and other shared services, in order to provide the International Operations with consistency during the Wind-Down. During this 60-day period, the Debtors will continue to coordinate and strategize regarding how to best mitigate the risks of a

¹² The B-4 Lenders agreed to include funding in the Wind-Down Budget but reserve their right to seek reimbursement for such services from the International Operations at a later time.

U.S. liquidation and will assist the parties in developing a go-forward cost allocation for these services. At that time, the interested stakeholders will determine how best to continue these services. The Debtors believe that this will maximize value for all stakeholders.

Summary of Relief Requested

I. The Proposed Liquidation and Related Relief

34. The Debtors, in consultation with their advisors and lenders, are planning to wind down their U.S. operations in a manner that maximizes the value of their liquidating U.S. assets. Specifically, the Wind-Down contemplates, among other things: (a) the completion of tasks and implementation of procedures to preserve, maintain, and protect the Debtors' assets pending ultimate liquidation, including the option to reorganize a subset of U.S. stores as a going-concern, (b) approval of the Full Chain Consulting Agreement for advisors to assist in the store liquidations, (c) approval of sale guidelines pursuant to which the Debtors will conduct the wind-down sales, (d) the continued employment of certain employees¹³ in their Global Resource Center (to oversee the Wind-Down) and stores and distribution centers (to assist with the liquidation) (collectively, the "Remaining Employees") and the provision of the Wind-Down Incentive Program (as applicable, and only to the extent approved by the B-4 Lenders in the Wind-Down Budget) to non-insider Remaining Employees to incentivize those employees to complete the liquidation on an expedited timeline; and (e) the implementation of an administrative stay to prevent the collection and enforcement of any claim that is not authorized by the Wind-Down Budget.

¹³ The Global Resource Center currently has over 1,100 employees; the Debtors anticipate this number will decrease to 280 employees in the next 60 days, and further decrease to zero as wind-down tasks are completed. The stores and distribution centers currently employ approximately 30,000 employees; the Debtors anticipate that all such stores and distribution will be closed by the end of 2018.

35. Due to the size and complexity of the U.S. operations, no single firm is capable of liquidating the inventory at all of the Debtors' remaining 735 stores. As set forth in the "Initial Store Closing Motion" [Docket No. 1595] and Initial Store Closing Order,¹⁴ the Debtors are already in the process of liquidating 144 stores, using the Consultants' services. Because they are already involved with the Initial Store Closings, they are familiar with the Debtors' businesses and processes. The Debtors endeavored to solicit separate bids from each of the Consultants for the U.S. Wind-Down, but due to the size of this particular liquidation, the Consultants only submitted a joint bid. The Debtors, certain lenders, and the Creditors Committee negotiated with the Consultants to improve their proposal and believe that they have obtained the best available proposal to conduct the U.S. Wind-Down.

36. Accordingly, the Debtors request that the Court approve the Full Chain Consulting Agreement. The Full Chain Consulting Agreement is substantially similar to the initial Consulting Agreement, with certain modifications, including to the fee structure, to reflect the full-chain sale process for all of the Debtors' remaining stores. A summary of the material terms of the Full Chain Consulting Agreement that differ from the initial consulting Agreement are set forth below.¹⁵

TERM	MATERIAL REVISIONS FROM STORE CLOSING CONSULTING AGREEMENTS
Services Provided by Consultants	<ul style="list-style-type: none"> • Eliminates paragraphs 1(A)(vii) and 1(A)(viii) which provide for transitioning Merchant's customers to other stores and e-commerce platform. • Eliminates paragraph 1(A)(xi) which provides that Consultant would advise Merchant regarding compliance with state and local laws. • Adds paragraph 1(A)(ix) which provides that Consultant will assist Merchant with scheduling and allocation of Merchandise delivery to Stores from the Distribution Centers.

¹⁴ Capitalized terms used in this section but not otherwise defined in this Motion have the meaning ascribed to such term in the Initial Store Closing Motion or Initial Store Closing Order, as applicable.

¹⁵ The following summary chart is for the convenience of the Bankruptcy Court and parties. To the extent this summary conflicts with the applicable Consulting Agreement, the Consulting Agreement shall govern.

TERM	MATERIAL REVISIONS FROM STORE CLOSING CONSULTING AGREEMENTS										
Term of Sale	<ul style="list-style-type: none"> Eliminates a portion of paragraph 2(A) which provides that Merchant may appoint Consultant to assist with additional store closing sales. Adds paragraph 2(B) which provides that Merchant may eliminate Stores from the Sale, in which case the parties will negotiate a mutually agreeable adjustment to the Gross Recovery thresholds upon which Consultant's Merchandise Fee is calculated. 										
Compensation for Consultants	<p>Changes the compensation structure from 1.10% of Gross Proceeds plus a discretionary 0.3% Incentive Fee to the following:</p> <ul style="list-style-type: none"> In consideration of its services hereunder, Merchant shall pay Consultant, a fee (the "<u>Merchandise Fee</u>") based upon one of the following thresholds of Gross Recovery as set forth below (e.g., back to first dollar): <table data-bbox="631 724 1250 900"> <tr> <th>Gross Recovery</th><th>Consultant's Merchandise Fee</th></tr> <tr> <td>Below 57.0%</td><td>1.8% of Gross Proceeds</td></tr> <tr> <td>57.0% to 58.49%</td><td>2.5% of Gross Proceeds</td></tr> <tr> <td>58.5% to 59.99%</td><td>3.0% of Gross Proceeds</td></tr> <tr> <td>60.0% or Above</td><td>3.5% of Gross Proceeds</td></tr> </table> Notwithstanding the foregoing, if, according to the above table, the Merchandise Fee increases as a result of the Gross Recovery equaling or exceeding a threshold, and (x) the Gross Proceeds, net of such applicable increased Merchandise Fee, are less than (y) the Gross Proceeds, net of the immediately preceding Merchandise Fee according to the table, the Merchandise Fee shall not be increased until such time as the Gross Proceeds calculation in (x) is equal to or greater than the Gross Proceeds calculation in (y). For the avoidance of doubt, it is the intention of the parties that Gross Proceeds to the Merchant net of the Merchandise Fee not decrease to the extent Gross Proceeds increase above a Gross Recovery threshold. In addition to the Merchandise Fee and Non-Merchandise Fee, if the aggregate amount of Operating Expenses is less than the total amount set forth in the budget attached hereto as <u>Exhibit C</u>, as an additional fee hereunder, Consultant shall be entitled to payment of an amount equal to ten percent (10%) of the difference between (x) the total amount of Operating Expenses set forth in such budget, and (y) the actual total Operating Expenses attributable to the Sale Term (the "<u>Expense Savings Fee</u>"). For purposes of calculating Gross Proceeds, Gross Recovery and the Consultant's Merchandise Fee and Non-Merchandise Fee, the parties shall use the "Gross Rings" method, wherein Consultant and Merchant shall jointly keep (i) a strict count of gross register receipts less applicable sales taxes, and (ii) cash reports of sales within each Store. Register receipts shall show for each item sold the retail price (as reflected on Merchant's books and records) for such item, and the markdown or other discount granted in connection with such sale. All such records and reports shall be made available to Consultant and Merchant during regular business hours upon reasonable notice. 	Gross Recovery	Consultant's Merchandise Fee	Below 57.0%	1.8% of Gross Proceeds	57.0% to 58.49%	2.5% of Gross Proceeds	58.5% to 59.99%	3.0% of Gross Proceeds	60.0% or Above	3.5% of Gross Proceeds
Gross Recovery	Consultant's Merchandise Fee										
Below 57.0%	1.8% of Gross Proceeds										
57.0% to 58.49%	2.5% of Gross Proceeds										
58.5% to 59.99%	3.0% of Gross Proceeds										
60.0% or Above	3.5% of Gross Proceeds										
Additional Consultant Goods	Adds a new "Additional Consultant Goods" provision in paragraph 7.										

TERM	MATERIAL REVISIONS FROM STORE CLOSING CONSULTING AGREEMENTS
	<ul style="list-style-type: none"> • In connection with the Sale, Consultant shall have the right, at Consultant's sole cost and expense, to supplement the Merchandise in the Sale with additional goods procured by Consultant which are of like kind, and no lesser quality to the Merchandise in the Sale ("<u>Additional Consultant Goods</u>"). The Additional Consultant Goods shall be purchased by Consultant as part of the Sale, and delivered to the Stores at Consultant's sole expense (including labor, freight and insurance relative to shipping such Additional Consultant Goods to the Stores). Sales of Additional Consultant Goods shall be run through Merchant's cash register systems; <i>provided</i>, however, that Consultant shall mark the Additional Consultant Goods using either a "dummy" SKU or department number, or in such other manner so as to distinguish the sale of Additional Consultant Goods from the sale of Merchandise. Consultant and Merchant shall also cooperate so as to ensure that the Additional Consultant Goods are marked in such a way that a reasonable consumer could identify the Additional Consultant Goods as non-Merchant goods. Additionally, Consultant shall provide signage in the Stores notifying customers that the Additional Consultant Goods have been included in the Sale. Absent Merchant's written consent, and Consultant's agreement to reimburse Merchant for any associated expenses, Consultant shall not use Merchant's Distribution Centers for any Additional Consultant Goods. • Consultant shall pay to Merchant an amount equal to five percent (5.0%) of the gross proceeds (excluding sales taxes) from the sale of the Additional Consultant Goods (the "<u>Additional Consultant Goods Fee</u>"), and Consultant shall retain all remaining amounts from the sale of the Additional Consultant Goods. Consultant shall pay Merchant its Additional Consultant Goods Fee in connection with each weekly sale reconciliation with respect to sales of Additional Consultant Goods sold by Consultant during each then prior week (or at such other mutually agreed upon time).
Insurance Obligations	<ul style="list-style-type: none"> • Adds Distribution Centers and Corporate Offices to the Merchant's insurance obligations listed in paragraph 8.
Indemnification by Merchant	<p>Merchant shall indemnify and hold Consultant, its affiliates and their respective officers, directors, employees, consultants, and independent contractors (collectively, "Consultant Indemnified Parties") harmless from and against all third-party claims, demands, penalties, losses, liabilities and damages, including, without limitation, reasonable attorneys' fees and expenses, directly or indirectly asserted against, resulting from or related to: (i) Merchant's material breach of or failure to comply with any of its agreements, covenants, representations or warranties contained herein or in any written agreement entered into in connection herewith; (ii) any claims by any party engaged by Merchant as an employee or independent contractor arising out of such engagement; (iii) any consumer warranty or products liability claims relating to any Merchandise; and/or (iv) the negligence, willful misconduct or unlawful acts of Merchant, its affiliates or their respective officers, directors, employees, agents, independent contractors or representatives, <i>provided that</i> Merchant shall not be obligated to indemnify any Consultant Indemnified Party from or against any claims, demands, penalties, losses, liabilities or damages arising primarily from any Consultant Indemnified Party's gross negligence, willful misconduct, or unlawful act.</p>

37. Additionally, the Debtors respectfully request that the Court approve the Amended Sale Guidelines, which are substantially similar to the Original Sale Guidelines pursuant to which

the Debtors are conducting the Initial Store Closings. The material distinctions between the Original Sale Guidelines and the Amended Sale Guidelines are to: (i) allow the Liquidation Sales at the Additional Closing Stores to be advertised as “going out of business” or similarly-themed sales and (ii) remove the carve-outs related to compliance with the PropCo I master lease.

38. The Debtors believe that each of these modifications are appropriate in these circumstances. Because the Wind-Down sales are part of a full chain liquidation (as opposed to the Initial Store Closings which were intended merely to close part of the Debtors’ U.S. Stores) it is appropriate and accurate that the closings be advertised as “going-out-of-business” sales (or similarly themed). Additionally, after conversations with the Consultants, the Debtors understand that the carve-out provided to PropCo entities in the Initial Store Closing Order was unduly burdensome and hindered the liquidation process. Accordingly, the Debtors believe that removing these restrictions is in the best interest of all stakeholders in these instances. Further, the Debtors seek approval of the Amended Sale Guidelines to sell the Store Closure Assets free and clear of liens, claims, and encumbrances. For the avoidance of doubt, the Amended Store Closing Guidelines and Dispute Resolution Procedures (as set forth in the Initial Store Closing Order) shall apply to such Liquidation Sales.

39. Additionally, the Debtors seek approval of non-insider incentive programs for the Remaining Employees that are needed to ensure an orderly and efficient Wind-Down. The Debtors will notify all of their employees of the liquidation of the U.S. stores and (to the extent required by applicable law) have sent their employees WARN notices by overnight mail providing such employees notice that their employment may be terminated in sixty days. But the Debtors will need help from a subset of employees in both their stores and headquarters to complete the Wind-Down effectively and efficiently, in some cases beyond the 60-day window. Remaining

Employees will assist the Consultants with the liquidation, complete financial and legal reporting requirements, and assist with the transition of shared services to the International Operations. The Debtors, the ABL Agent, and the B-4 Lenders recognize that absent a financial incentive to meet certain goals, the Remaining Employees may not be sufficiently motivated to wind down the business efficiently. Accordingly, the Debtors, the ABL Agent, and the B-4 Lenders (who hold the economic interest in any residual value of the Debtors' estates) agreed to the incentive payment as set forth in the Wind-Down Budget. Their agreement to these incentive payments thus demonstrates the importance of these payments to an efficient Wind-Down.¹⁶

40. The Debtors also believe it is appropriate for the Court to approve procedures pursuant to which the Debtors can inform service providers that their services will be paid in full pursuant to the Wind-Down Budget. In the days to come, the Debtors will file a motion to amend the DIP Documents and DIP Order and seek approval of the Wind-Down Budget and authority to make all payments contemplated therein in full, without further order of the Court. But, the Debtors worry that the announcement of the Wind-Down will cause confusion regarding which vendors will and will not be paid during the Wind-Down period and certain vendors that provide critical services, such as IT or security, may immediately cease providing necessary services. It is imperative that the Debtors are able to quickly notify vendors for services covered by the Wind-Down Budget that such services will be paid in full so as to not harm the Debtors assets. Accordingly, the Debtors propose that a subset of Remaining Employees be designated as authorized approvers (the "Authorized Approvers") of expenses contemplated by the Wind-Down Budget. The initial list of Authorized Approvers is attached to the U.S. Wind-Down Order as

¹⁶ The Debtors reserve their right to seek court approval of an incentive plan over the objections of the B-4 Lenders, if necessary, to maximize value.

Schedule 4. To minimize the cost and expense of formal noticing procedures, the Debtors propose that any Authorized Approver may confirm in writing or by e-mail authorization for any such expense (a “Critical Third-Party Notice”), and that any third-party is entitled to rely on that communication in seeking payment.

41. Additionally, the Debtors request that the Court establish an administrative stay barring the enforcement and collection of any claim that is not authorized by the Wind-Down Budget (each, a “Stayed Administrative Claim”) against the U.S. Debtors.¹⁷ To efficiently administer the estate, any party that believes it has a Stayed Administrative Claim will be required to file a proof of claim, as the Debtors will set forth in a timely-noticed motion. Absent such relief, creditors may individually file and pursue administrative claims that are not approved by the Wind-Down Budget, which would result in a free-for-all as opposed to an orderly distribution of the Debtors’ estates as is contemplated by the Bankruptcy Code. The Debtors believe that such relief is necessary to ensure that they have the stability required to effectuate an orderly liquidation.

II. Summary of the Sale and Auction Notice Procedures

42. The Debtors intend to initiate a sale for the Canadian Equity, using the procedures set forth below.

A. Notice of Sale, Auction, and Sale Hearing for the Canadian Equity

43. Pursuant to Bankruptcy Rule 2002(a), the Debtors are required to provide their creditors with 21 days’ notice of the Sale Hearing. Pursuant to Bankruptcy Rule 2002(c), the notice must include the date, time, and place of the Auction and the Sale Hearing, and the deadline

¹⁷ Notwithstanding the foregoing, the B-4 Lenders have agreed that any new merchandise delivered (and accepted by the Debtors) on and after March 5, 2018 would be paid for in full (subject to review and reconciliation of invoices / purchase orders).

for objecting. The Debtors propose that objections to the proposed Canadian Equity Sale should be due seven days prior to the Sale Hearing.

44. Within three business days of the entry of the Canadian Equity Bidding Procedures Order or as soon thereafter as practicable, the Debtors shall serve the Auction and Hearing Notice on the Notice Parties (as defined herein). The Auction and Hearing Notice will state that copies of this Motion and any future sale documents, if applicable, can be obtained on the website of the Debtors' claims and noticing agent, Prime Clerk, <http://www.cases.primeclerk.com/toysrus> (the "Case Website").

45. Similarly, within three business days after entry of the Canadian Equity Bidding Procedures Order, or as soon as practicable thereafter, the Debtors will advertise the Auction and Hearing Notice for one day in the *USA Today (National Edition)* and the *Richmond Times-Dispatch*, and post it on the Case Website.

46. The Auction and Hearing Notice will include, among other things, the proposed date, time, and place of the Auction and the Sale Hearing and the objection deadline, all in compliance with Bankruptcy Rule 2002(c). The Debtors submit that these notices comply fully with Bankruptcy Rule 2002 and constitute good and adequate notice of the proposed sale of the Domestic Asset.

47. The Debtors also ask that the Court deem the proposed notice sufficient and proper as to all known interested parties.

B. Sale Objections

48. Parties objecting to approval of the proposed Sale must file a written objection (each, a "Sale Objection") so that such Sale Objection is filed with the Court by **April 5, 2018, at 5:00 p.m. (prevailing Eastern Time)** and serve such Sale Objection on: (a) Kirkland & Ellis LLP, 601 Lexington Avenue, New York, New York 10022, Attn: Joshua A. Sussberg, P.C., and

Kirkland & Ellis LLP, 300 North LaSalle Street, Chicago, Illinois 60654, Attn: Chad Husnick, P.C. and Emily Geier, and Kutak Rock LLP, 901 East Byrd Street, Suite 1000, Richmond, Virginia 23218, Attn: Michael A. Condyles, Peter J. Barrett, and Jeremy S. Williams, co-counsel to the Debtors; (b) the Office of the United States Trustee for the Eastern District of Virginia, Attn: Robert B. Van Arsdale and Lynn A. Kohen; (c) Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, New York 10036, Attn: Adam C. Rogoff, Esq. and Rachael Ringer, Esq., counsel to the Official Committee of Unsecured Creditors; (d) Davis, Polk & Wardwell LLP, 450 Lexington Avenue, New York, New York 11017, Attn: Marshall Huebner and Kenneth Steinberg, counsel to the DIP ABL Agent; (e) if the applicable Debtor Contract counterparty is an obligor on the Taj Notes, then to (1) counsel to the Taj DIP Notes Trustee; (2) counsel to the Taj Notes Trustee; and (3) Paul, Weiss, Rifkind, Wharton & Garrison, LLP, 1285 Avenue of the Americas, New York, New York 10019-6064, Attn: Brian S. Hermann, Samuel E. Lovett, and Kellie A. Cairns, counsel to the Ad Hoc Group of Taj Noteholders; and (f) Wachtell, Lipton, Rosen, and Katz, 51 West 52nd Street, New York, New York 10019, Attn: Joshua A. Feltman, counsel to the DIP Delaware Term Loan Agent.

C. Sale and Auction Dates and Deadlines

49. The Debtors propose that the Bidding Procedures include the following dates and deadlines.

- (a) **Bid Deadline: March 26, 2018, at 5:00 p.m., prevailing Eastern Time**, as the deadline by which all bids must be actually received pursuant to the Bidding Procedures (the “Bid Deadline”).
- (b) **Notice of Qualified Bids: March 27, 2018, at 5:00 p.m., prevailing Eastern Time**, as the date and time by which the Debtors shall notify the bidders whether their bids are Qualified Bids.
- (c) **The Auction: March 29, 2018, at 10:00 a.m., prevailing Eastern Time**, as the date and time by which the Auction, if needed, would be held at the

offices of Kirkland & Ellis LLP, located at: 601 Lexington Avenue, New York, NY 10022.

- (d) **Sale Objection Deadline:** if applicable, **April 5 2018, at 5:00 p.m., prevailing Eastern Time**, as the deadline to object to the Canadian Equity Sale on any grounds.
- (e) **Hearing to Designate Successful Bidder(s) (the “Sale Hearing”):** **April 12, 2018**, (or such other date as the Court may determine) is the date set for a hearing at which the Debtors shall seek approval from the Court to designate the Successful Bidders in connection with the Canadian Equity Sale. The Sale Hearing shall be an evidentiary hearing on matters relating to the Canadian Equity Sale and there will be no further bidding at the Sale Hearing. In the event that the Successful Bidder cannot or refuses to consummate the Canadian Equity Sale, the Debtors may, in accordance with the Bidding Procedures, and after consultation with the Consultation Parties, designate the Backup Bid to be the new Successful Bid and the Backup Bidder to be the new Successful Bidder, and the Debtors shall be authorized, but not required, to consummate the transaction with the Backup Bidder without further order of the Court.

D. Notice of Successful Bidder.

50. As soon as reasonably practicable after the conclusion of the Auction, the Debtors will file on the docket, but not serve, a notice identifying the Successful Bidder(s) (the “Post-Auction Notice”), identifying the applicable Successful Bidder of the Canadian Equity and key terms of the agreement, substantially in the form attached to the Canadian Equity Bidding Procedures Order as **Schedule 2**.

III. The Bidding Procedures.

51. To solicit, receive, and evaluate bids for the Canadian Equity fairly and competitively, the Debtors propose the Bidding Procedures, which, are designed to encourage all bidders to make their best and highest bids, while retaining enough flexibility to accommodate the Debtors’ sale process.

- (a) **Qualified Bidders:** The term “Qualified Bidder” shall mean a bidder who submits a bid in accordance with this paragraph 45(a). Only a Qualified Bidder may participate in and make subsequent Bids at the Auction. The Debtors shall have the sole right to determine, in the exercise of their

reasonable business judgment, in consultation with the Consultation Parties (as defined herein), whether a bidder is a Qualified Bidder. To qualify as a Qualified Bidder, a party must: (i) deliver to the Debtors or their advisors by the Bid Deadline an irrevocable, good faith, and bona fide offer (a “Bid”) to purchase the Canadian Equity which offer is a Qualified Bid; (ii) demonstrate to the sole satisfaction of the Debtors the financial wherewithal to enter into the proposed transaction; (iii) demonstrate the legal capacity to consummate the proposed transaction, (iv) submit with its Bid, a completed bidder registration form as attached to the Canadian Equity Bidding Procedures Order as **Schedule 3**, and (iv) provide at the Debtors request adequate assurance of future performance, which the Qualified Bidder agrees may be disseminated to affected landlords if such Qualified Bidders’ Bid is determined to be a Qualified Bid, and which may include, without limitation, information regarding the Qualified Bidders’ financial condition such as tax returns, current financial statements, or bank accounts.

- (b) **Qualified Bids:** The term “Qualified Bid” shall mean a bid submitted by a Qualified Bidder in accordance with the terms herein.
- (c) **Bids for Canadian Equity:** A Qualified Bid must offer to purchase at least the Canadian Equity, and may also identify which, if any, subset of the Debtors’ U.S. stores it proposes to purchase. A single bidder or group of bidders may submit a Bid.
- (d) **Due Diligence:** Any Qualified Bidder may request information from the Debtors, and the Debtors may grant or deny any such request. The Debtors may require such Qualified Bidder to execute a non-disclosure agreement prior to providing diligence to such Qualified Bidder.
- (e) **No Contingencies:** The validity, effectiveness, and/or binding nature of a Qualified Bid cannot be contingent, including without limitation, contingencies for due diligence and inspection or financing of any kind.
- (f) **Irrevocability and Deposits:** All Qualified Bids shall be irrevocable until seven (7) days after the Sale Hearing. All Bids shall be accompanied by an earnest money deposit (the “Earnest Money Down Payment”) equal to 2.5% of the total proposed purchase price in the form of a certified check or wire transfer payable to Toys “R” Us, Inc. Within 24 hours after the Auction, any successful bidder and any party submitting the second highest or otherwise best bid must supplement the initial Earnest Money Down Payment (through certified check or wire transfer), so that the total deposit equals 5% of their winning or second highest Bid. Such deposit will be held by the Debtors, without interest, until the earlier to occur of (i) the time such Bid is officially rejected by the Debtors and (ii) seven (7) days after the Sale Hearing. Such deposit will be forfeited in the event that any bidder for an accepted Bid defaults.

- (g) **As-Is, Where-Is:** All bidders must acknowledge and agree that upon closing the Debtors shall sell and transfer the assets to the Successful Bidder and the Successful Bidder shall accept the assets: “AS IS, WHERE IS, WITH ALL FAULTS.”
- (h) **Initial and Successive Overbids:** Any Qualified Bidder may submit successive bids. Any initial overbid must exceed the sum of: (i) the highest or otherwise best Qualified Bid or Stalking Horse Bid, as applicable, (ii) the value of any Bid Protections, and (iii) \$1.0 million. Any Successive overbid must be in minimum increments of \$1.0 million.
- (i) **Auction:** The Auction will take place at the offices of Kirkland & Ellis LLP, 601 Lexington Avenue, New York, NY 10022. The Auction will be conducted on March 29, 2018 at 10:00 a.m., prevailing Eastern Time. Unless otherwise ordered or directed by the Bankruptcy Court, only representatives of the Debtors, any other parties invited specifically by the Debtors, and any Qualified Bidders (and the professionals for each of the foregoing) shall be entitled to attend the Auction; provided that, only Qualified Bidders shall be entitled to bid at the Auction. Bidding at the Auction will continue until such time as the highest or otherwise best offer is determined. The Debtors will adopt rules for the conduct of the auction, in consultation with the Consultation Parties.
- (j) **No Collusion:** Each Qualified Bidder participating at the Auction will be required to confirm on the record at the Auction that (i) it has not engaged in any collusion with respect to the bidding, and (ii) its Qualified Bid is a good faith bona fide offer and it intends to consummate the proposed transaction if selected as the Successful Bidder.
- (k) **Selection of Successful Bid:** The Auction shall continue until there remains only one bid to purchase the Canadian Equity (and a subset of U.S. stores, as applicable)¹⁸ that the Debtors determine in their sole discretion, subject to Bankruptcy Court approval, is the highest and/or otherwise best Qualified Bid (such bid, the “Successful Bid” and such bidder, the “Successful Bidder”). The Debtors reserve the right to select the Successful Bid, even if it is not the highest bid. The Debtors reserve the right to not select any Successful Bid or Successful Bidder.
- (l) **Backup Bid:** If for any reason the Successful Bidder(s) fails to consummate the purchase of the Canadian Equity, or any part thereof, the offeror of the second highest or otherwise best Bid will automatically be deemed to have submitted the highest or otherwise best Bid and to the extent such offeror and the Debtors consent, the Debtors and such offeror are

¹⁸ If the Debtors determine to sell any U.S. stores in conjunction with a Successful Bid, they reserve the right to supplement the relief requested herein to include procedures for the efficient assumption and assignment of such leases, as applicable.

authorized to effect the sale of the Canadian Equity, or any part thereof, to such offeror(s) as soon as is commercially reasonable without further order of the Bankruptcy Court.

- (m) **Closing:** The closing of the sale of the Canadian equity will occur no later than April 16, 2018.
- (n) **Consultation Parties:** The term “Consultation Parties” shall mean: (i) the official committee of unsecured creditors (the “Committee”); (ii) counsel and financial advisor to the group of term B-4 lenders (the “B-4 Lenders”); (iii) the prepetition administrative agent for the Propco I Unsecured Term Loan Facility and the advisors and counsel thereto; (iv) the agent for the Propco II Mortgage Loan and the advisors and counsel thereto; and (v) counsel to the Ad Hoc Group of Taj Noteholders.¹⁹ In the event that any Consultation Party, any member of the Committee, or any affiliate of any of the foregoing participates as a bidder in the Auction under these Bidding Procedures, any obligation of the Debtors to consult with such bidding party pursuant to these Bidding Procedures will be suspended without further action until such party advises the Debtors and the other Consultation Parties that they have irrevocably withdrawn as a potential bidder, at which time such party’s consultation privileges will be reinstated. If a member of the Committee submits a Qualifying Bid, counsel and financial advisors to the Committee will continue to have consultation rights as set forth in these Bidding Procedures; *provided* that the such advisors shall exclude such member from any discussions of deliberations regarding the sale of the Canadian Equity and shall not provide any information regarding the sale of the Canadian Equity to such member.
- (o) **Reservation of Rights.** The Debtors reserve their rights to modify these Bidding Procedures in their business judgment, after consultation with the Consultation Parties, in any manner that will best promote the goals of these Bidding Procedures, or impose, at or prior to the Auction, additional customary terms and conditions on Canadian Equity Sale, including, without limitation: (a) extending the deadlines set forth in these Bidding Procedures; (b) adjourning the Auction at the Sale Hearing; (c) adding procedural rules that are reasonably necessary or advisable under the circumstances for conducting the Auction; (d) canceling the Auction; and (e) rejecting any or all Bids or Qualified Bids

52. Most importantly, the Bidding Procedures recognize the Debtors’ fiduciary obligations to maximize value for the benefit of their estates, and, as such, do not impair the

¹⁹ As defined in the *Amended Verified Statement of the Ad Hoc Group of Taj Noteholders Pursuant to Bankruptcy Rule 2019* [Docket No. 919].

Debtors' ability to consider all potential bids, and preserve the Debtors' right to modify the Bidding Procedures as necessary or appropriate to maximize value for the Debtors' estates.

53. Nothing in these Bidding Procedures shall require the Debtors' management or board of directors to take any action, or to refrain from taking any action, with respect to these Bidding Procedures, to the extent the Debtors' management or board of directors determines, or based on the advice of counsel, that taking such action, or refraining from taking such action, as applicable, is required to comply with applicable law or its fiduciary obligations under applicable law.

IV. Bid Protections

54. The Bidding Procedures contemplate that the Debtors, in consultation with the Consultation Parties, would be authorized, but not obligated, in an exercise of their business judgment, to agree to reimburse the reasonable and documented out-of-pocket fees and expenses of a Stalking Horse Bidder (each, an "Expense Reimbursement") and/or agree to pay one or more Qualified Bidders a "work fee" or other similar cash fee (each, a "Work Fee") if the Debtors reasonably determine in their business judgment that any such Expense Reimbursement or Work Fee will encourage one or more parties to submit a Qualified Bid or result in a competitive bidding and Auction process. The aggregate amount of the Expense Reimbursements and Work Fees may not exceed \$500,000 and the Debtors shall consult with the Consultation Parties prior to agreeing to any specific Expense Reimbursement or Work Fee.

55. The Bidding Procedures also contemplate that the Debtors, in consultation with the Consultation Parties, will be authorized, but not obligated, to, in their business judgment, (a) select no more than one Stalking Horse Bidder and (b) in connection therewith, provide a breakup fee in an amount not to exceed three percent (3%) of the proposed purchase price (the "Breakup Fee") and collectively with the Expense Reimbursement and the Work Fee, the "Bid Protections"). The

amount of any Expense Reimbursement and/or Work Fee paid to the Stalking Horse Bidder shall be deducted from the Breakup Fee, if payable. The Debtors submit that the opportunity to enter into a Stalking Horse Agreement that provides these Bid Protections will encourage bidders to submit bids and participate at the Auction, thereby maximizing value for the Debtors' estates. The Debtors intend to only enter into a Stalking Horse Agreement with Bid Protections after consultation with the Debtors' various advisors and the Consultation Parties.

56. Upon entry of a Stalking Horse Agreement, the Debtors will file and serve notice of the proposed Stalking Horse Agreement on the master service list maintained in these cases no later than two business days after execution of the Stalking Horse Agreement. The notice will include the type and amount of Bid Protections, if any, any modifications or amendments to the Bidding Procedures, a summary of the Stalking Horse Agreement, a copy of the Stalking Horse Agreement, and a copy of the relevant Sale Order. The Stalking Horse Bidder will be deemed to be a Qualified Bidder and the Stalking Horse Bidder's bid will be deemed a Qualified Bid

Basis for Relief

I. Business Justifications Exist for the Wind-Down

57. Section 363(b) of the Bankruptcy Code provides that a debtors "after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate." 11 U.S.C. § 363(b). Although section 363(b) does not specify a standard for determining when it is appropriate for a court to authorize the use, sale, or lease of property of the estate, courts have required that such use, sale, or lease be based upon the sound business judgment of the debtor. *See, e.g., In re On-Site Sourcing, Inc.*, 412 B.R. 817, 824 (Bankr. E.D. Va. 2009) (noting that the movant must establish "a business justification for the transaction and the bankruptcy court must conclude, from the evidence, that the movant satisfied its fiduciary obligations and established a valid business justification.") (citing *In re Gulf Coast Oil Corp.*, 404 B.R. 407, 415 (Bankr. S.D.

Tex. 2009)); *In re U.S. Airways Grp., Inc.*, 2002 WL 31829093, at *1 (Bankr. E.D. Va. Dec. 16, 2002) (holding that the debtors' sound business judgment was a sufficient basis to allow the debtors to terminate applicable mortgages).

58. “The business judgment rule ‘is a presumption that in making a business decision the directors of a corporation acted on an informed basis, in good faith and in the honest belief that the action taken was in the best interest of the company.’” *In re Integrated Res., Inc.*, 147 B.R. 650, 656 (S.D.N.Y. 1992) (quoting *Smith v. Van Gorkom*, 488 A.2d 858, 872 (Del. 1985)). Specifically, to determine whether the business judgment standard is met, a court need only “examine whether a reasonable business person would make a similar decision under similar circumstances.” *In re Exide Techs.*, 340 B.R. 222, 239 (Bankr. D. Del. 2006), vacated on other grounds 607 F.3d 957 (3d Cir. 2010); see also *In re Curlew Valley Assocs.*, 14 B.R. 506, 513–14 (Bankr. D. Utah 1981) (noting that courts should not second guess a debtor's business decision when that decision involves “a business judgment made in good faith, upon a reasonable basis, and within the scope of [the debtor's] authority under the [Bankruptcy] Code”).

59. The Wind-Down Plan is supported by sound business justifications and should be approved by the Court. Despite months of pursuing options that would allow the Debtors to continue operating globally as a going concern, they have been unable to find support from stakeholders or third-party investors. They also have been unable to obtain additional waivers, new investment, or added financial support that would allow U.S. operations to meet their monthly financial needs and continue in the near-term. While the Debtors remain committed to pursuing the last available option that includes a Canadian sale with approximately 150 U.S. stores, the lack of financial support from third-parties coupled with the decision by the Debtors' domestic creditors that liquidation will enhance their recoveries, the Wind-Down is now the **only** value maximizing

alternative available to the Debtors. Under these circumstances, executing the Wind-Down is a sound exercise of the Debtors' business judgment.

II. Business Justification Exists Under Section 363(b) of the Bankruptcy Code for the Debtors to Enter into the Full Chain Consulting Agreement

60. The Initial Store Closing Order²⁰ contemplated closing approximately 150 stores. In order for the Debtors to procure the services of liquidation professionals and appropriately expand the scope of the relief retained to effectuate the Wind-Down of all 735 stores, they needed to negotiate a new agreement to account for the full U.S. liquidation. Accordingly, the Debtors seek to enter into the Full Chain Consulting Agreement pursuant to section 363(b)(1) of the Bankruptcy Code. As described above, 363(b)(1) of the Bankruptcy Code authorizes transactions outside of the ordinary course so long as the debtor has a sound business purpose.

61. Here, the Debtors have exercised their sound business judgment in determining to enter into the Full Chain Consulting Agreement. After engaging in arm's length negotiations with nationally-recognized liquidators regarding the Store Closings and Liquidation Sales at the Additional Closing Stores, the Debtors determined that entering into the Full Chain Consulting Agreement would provide the greatest and most expeditious return for their inventory. The Consultants have already been conducting Liquidation Sales at the Initial Closing Stores. By continuing to use these Consultants, the Debtors can capitalize on their knowledge and familiarity with the Debtors' business.

62. The terms set forth in the Full Chain Consulting Agreement are fair and reasonable and present the best path for the Consultants. Moreover, the Consultants have extensive expertise

²⁰ Capitalized terms used in this section but not otherwise defined in the Motion have the meaning ascribed to them in the Initial Store Closing Motion and Initial Store Closing Order, as applicable.

in conducting liquidation sales and will be able effectively to oversee and implement the Liquidation Sales in an efficient and cost-effective manner.

63. Courts hearing chapter 11 cases filed by retailers have recently approved the assumption and/or approval of similar consulting agreements. See, e.g., *In re Toys “R” Us, Inc.* No. 17-34665 (KLP) (Bankr. E.D. Va. Feb. 6, 2018) (authorizing entry into the Consulting Agreements); *In re The Gymboree Corporation*, No. 17 32986 (KLP) (Bankr. E.D. Va. July 11, 2017) (authorizing the assumption of consulting agreement on a final basis); *In re Vitamin World, Inc.*, No. 17-11933 (KJC) (Bankr. D. Del. Nov. 21, 2017) (authorizing entry into consulting agreement); *In re rue21, Inc.*, No. 17 22045 (GLT) (Bankr. W.D. Pa. June 12, 2017) (authorizing the assumption of consulting agreement on a final basis); *In re BCBG Max Azria Glob. Holdings, LLC*, No. 17 10466 (SCC) (Bankr. S.D.N.Y. Mar. 2, 2017) (same); *In re Aéropostale, Inc.*, No. 16 11275 (SHL) (Bankr. S.D.N.Y. May 6, 2016) (same); *In re Sports Authority Holdings, Inc.*, No. 16 10527 (MFW) (Bankr. D. Del. Mar. 3, 2016) (same).

III. The Court Should Approve the Amended Sale Guidelines for the Reasons Set Forth in the Initial Store Closing Motion

64. As set forth in the Initial Store Closing Motion, the Court may authorize the Debtors to consummate the Store Closings pursuant to sections 105(a) and 363(b) of the Bankruptcy Code and may grant all other relief requested herein, which relief this Court granted in the Initial Store Closing Order. The Debtors hereby incorporate by reference the Basis for Relief section of the Initial Store Closing Motion and assert that all relief requested in the Amended Sale Guidelines should be approved for the same reasons set forth in the Initial Store Closing Motion.

65. The relief requested by this Motion represents a sound exercise of the Debtors’ business judgment, is necessary to avoid immediate and irreparable harm to the Debtors’ estates, and is justified under sections 105(a) and 363(b) of the Bankruptcy Code. The Debtors and their

advisors believe that the Amended Sale Guidelines represent the most efficient and appropriate means of maximizing the value of the Store Closure Assets, while balancing the potentially competing concerns of landlords and other parties in interest. Additionally, the Amended Sale Guidelines represent only a minor change from the Original Sale Guidelines, which the Court has already approved. Furthermore, ample business justification exists to conduct the Store Closings. The Debtors' financial and operating performance in the past month has laid bare that a Wind-Down of most or all of the U.S. operations is now their only option. Delaying the Store Closings may cause the Debtors to pay postpetition rent at many of these stores; over the last twelve months the aggregate rent at the Additional Closing Stores totaled over \$175 million. Additionally, given the Debtors' current section 365(d)(4) deadline, there is a finite number of days that the Liquidation Sales can run without obtaining further consents from landlords.

IV. The Requested Administrative Relief is Necessary and Appropriate

66. Courts have granted injunctive relief to prevent administrative claimants from attempting to trump the Bankruptcy Code's priority status in certain cases by demanding payment of their existing claims, which, if permitted, would result in substantial detriment to the debtors' estates during a wind-down process. *See e.g. In re Blockbuster Inc.*, No. 10-14997 (Bankr. S.D.N.Y. Mar. 17, 2011); *In re Caldor's, Inc.*, No. 95 B 44080 (Bankr. S.D.N.Y. Jan. 22, 1999) (affirmed 266 B.R. 575 (S.D.N.Y. 2001)); *In re The Lionel Corporation, et al.*, Nos. 91 B 12704 and 91 B 12705 (Bankr. D. N.J. June 28, 1993).

67. In light of the Debtors' current circumstances and the limited financial resources available to them, the proposed Wind-Down is the Debtors' only viable path forward. But creditors with postpetition claims may not recover in full on account of such claims. In order to avoid undue disruption of the Wind-Down processes and a rush to the courthouse by creditors holding Stayed Administrative Claim, the Debtors submit that it is

necessary and appropriate for the Court to impose a stay against any effort to collect on or otherwise enforce any claim that is not authorized by the Wind-Down Budget. This will assure that the Canadian Equity Sale and store liquidations can be proceed without any creditors seeking to obtain an advantage over others. To the extent creditors receive recovery on account of their claims, it will be pursuant to an orderly distribution at a later point in these cases.

68. Given the Debtors' financial uncertainty, the Debtors believe that their critical operational support vendors may cease providing services absent assurance that they will be paid during this critical period. Without such assurances, there is a substantial risk that the flow of goods and services required for the Wind-Down will stop, and significant value that could otherwise be preserved may be destroyed. Accordingly, while the Debtors will seek approval of the Wind-Down Budget pursuant to a separate motion, by this Motion the Debtors seek to institute a process to easily notify vendors whose services are covered by the Wind-Down Budget of such fact so they will provide services. Additionally, the Debtors' foresee circumstances, particularly in the first couple of days of the Wind-Down, where they may need to be able to provide immediate approval of Wind-Down costs, such as with regard to critical transportation, warehouse, or security services. Accordingly, the Debtors believe that allowing the Authorized Approvers to provide confirmation of an expense through e-mail is appropriate under these circumstances.

V. The Wind-Down Incentive Program Satisfies the Applicable Standards

69. The Debtors' implementation of the Wind-Down Incentive Program is authorized under section 503 of the Bankruptcy Code. *See* 11 U.S.C. § 503(c)(3). Section 503(c)(3) prohibits certain transfers made to officers, managers, consultants, and others that are both outside the ordinary course of business and not justified by the facts and circumstances of the case. *Id.*

Payments characterized as “incentive plans” have received approval under section 503(c)(3) from courts even where the key employees are officers. *In re Alpha Nat. Res., Inc.*, 546 B.R. 348, 359 (Bankr. E.D. Va. 2016) (approving an incentive based plan and noting that “every dollar earned under the KEIP is earned based on the financial and operational performance of the Debtors”); *In re Fieldstone Mortg. Co.*, 427 B.R. 357, 363 (Bankr. D. Md. 2010) (distinguishing incentive and retention plans). Because the Wind-Down Incentive Program is designed to incentivize the Remaining Employees to maximize the Debtors’ value while managing the Wind-Down, not to induce insiders to stay, this Motion does not implicate section 503(c)(1) of the Bankruptcy Code. *See id.* (holding that incentive pay to senior managers is not governed by the provisions in section 503(c)(1) prohibiting retentive pay to insiders).

70. Section 503(c)(3) of the Bankruptcy Code provides, in relevant part, that “there shall be neither allowed nor paid . . . other transfers or obligations that are outside the ordinary course of business and not justified by the facts and circumstances of the case...” 11 U.S.C. § 503(c)(3).

71. A majority of courts agree that the requirement of section 503(c)(3) of the Bankruptcy Code that a transaction be “justified by the facts and circumstances of the case” is the same as the business judgment standard under section 363(b) of the Bankruptcy Code. *See, e.g., Alpha Nat.*, 546 B.R. at 356 (collecting cases applying the business judgment standard to approve an insider compensation program); *In re Dana Corp.*, 358 B.R. 567, 576 (Bankr. S.D.N.Y. 2006) (“[S]ection 503(c)(3) gives the court discretion as to bonus and incentive plans, which are not primarily motivated by retention or in the nature of severance.”); *In re Global Home Prods., LLC*, 369 B.R. 778, 783 (Bankr. D. Del. 2007) (“If [the proposed plans are] intended to incentivize management, the analysis utilizes the more liberal business judgment review under § 363.”).

72. Courts have found that a debtor's use of reasonable performance-based payments and other employee incentives is a valid exercise of a debtor's business judgment. *See, e.g., Alpha Nat.*, 546 B.R. at 363 (approving the KEIP as a valid exercise of business judgment); *In re Am. W. Airlines, Inc.*, 171 B.R. 674, 678 (Bankr. D. Ariz. 1994) (noting that it is the proper use of a debtor's business judgment to propose payments for employees who helped propel the debtor successfully through the bankruptcy process); *In re Interco Inc.*, 128 B.R. 229, 234 (Bankr. E.D. Mo. 1991) (stating that a debtor's business judgment was controlling in the approval of a "performance/retention program"). Many courts have approved employee payment programs as valid exercises of business judgment. *See, e.g., In re Velo Holdings, Inc.*, 472 B.R. 201, 209 (Bankr. S.D.N.Y. 2012) (noting that Bankruptcy Code section 503(c) does not "foreclose a chapter 11 debtor from *reasonably* compensating employees, including 'insiders,' for their contribution to the debtors' reorganization"); *Global Home Prods. LLC*, 369 B.R. at 778 (approving management incentive program for benefit of nine employees of the debtors provided that such employees fulfilled their obligations to the debtors through the closing of a sale of substantially all of the Debtors' assets). While predominantly or purely retentive payments to insiders are expressly prohibited by the terms of section 503(c)(1), incentive payments that may have some retentive effect are permissible so long as they motivate senior management "to produce and increase the value of the estate." *Dana Corp.*, 358 B.R. at 571.

73. The Wind-Down Incentive Program amply satisfies these standards. Given the uncertain and demanding circumstances, it is absolutely critical that the Debtors incentivize the Remaining Employees to implement the Wind-Down on the contemplated timeline. Without the tireless efforts of the Remaining Employees to execute the Wind-Down and meet the Milestones,

the Debtors may fail to realize significant value that would otherwise be distributable to their estates.

VI. The Debtors Exercised Reasonable Business Judgment in Approving Fair, Value-Maximizing Bidding Procedures

74. Courts repeatedly have held that a debtor's business judgment is entitled to substantial deference with respect to the procedures to be used in disposing of an estate's assets. *See, e.g., In re Trilogy Dev. Co., LLC*, 2010 Bankr. LEXIS 5636, at *3–4 (Bankr. W.D. Mo. 2010) (holding that section 363 of the Bankruptcy Code permits the debtor to sell their assets if a sound business purpose exists); *In re Channel One Commc'ns, Inc.*, 117 BR 493 (Bankr. E.D. Mo. 1990) (same); *In re Schipper*, 933 F.2d 513, 515 (7th Cir. 1991) (“Under Section 363, the debtor in possession can sell property of the estate . . . if he has an ‘articulated business justification.’”) (citations omitted); *see also In re Farmland Indus., Inc.*, 294 B.R. 855, 881 (Bankr. W.D. Mo. 2003) (holding that courts in this district are reluctant to interfere with corporate decisions unless “it is made clear that those decisions are, inter alia, clearly erroneous, made arbitrarily, are in breach of the officers’ and directors’ fiduciary duty to the corporation, are made on the basis of inadequate information or study, are made in bad faith, or are in violation of the Bankruptcy Code”); *In re Integrated Res., Inc.*, 147 B.R. 650, 656–57 (S.D.N.Y. 1992) (noting that bidding procedures that have been negotiated by a trustee are to be reviewed according to the deferential “business judgment” standard, under which such procedures and arrangements are “presumptively valid”).

75. The paramount goal of any proposed disposition of property of the estate is to maximize the proceeds received by the estate. *See In re Edwards*, 228 B.R. 552, 561 (Bankr. E.D. Pa. 1998) (“The purpose of procedural bidding orders is to facilitate an open and fair public sale designed to maximize value for the estate.”); *In re Food Barn Stores, Inc.*, 107 F.3d 558, 564–65

(8th Cir. 1997) (in bankruptcy sales, “a primary objective of the Code [is] to enhance the value of the estate at hand”); *In re Integrated Res., Inc.*, 147 B.R. at 659 (“[I]t is a well-established principle of bankruptcy law that the objective of the bankruptcy rules and the trustee’s duty with respect to such sales is to obtain the highest price or greatest overall benefit possible for the estate.”) (citations omitted).

76. To that end, courts uniformly recognize that procedures intended to enhance competitive bidding are consistent with the goal of maximizing the value received by the estate and therefore are appropriate in the context of bankruptcy transactions. *See, e.g., In re Integrated Res., Inc.*, 147 B.R. at 659 (bidding procedures “are important tools to encourage bidding and to maximize the value of the debtor’s assets”); *In re Fin. News Network, Inc.*, 126 B.R. 152, 156 (Bankr. S.D.N.Y. 1991) (“court-imposed rules for the disposition of assets . . . [should] provide an adequate basis for comparison of offers, and [should] provide for a fair and efficient resolution of bankrupt estates”).

77. Given the compressed timeline under which the Debtors find themselves, the Debtors believe that the Bidding Procedures will encourage seriously interested parties to submit the highest or otherwise best offers for the Canadian Equity. The Bidding Procedures will allow the Debtors to sell assets in a controlled, fair, and open fashion. The procedures also will encourage participation by financially capable bidders who can demonstrate the ability to close the transaction. The procedures will ensure an open auction process with minimum barriers to entry and will give potential bidders sufficient time to perform due diligence and acquire the information necessary to submit a timely and well-informed bid.

78. At the same time, the Bidding Procedures give the Debtors time to consider competing bids and select the highest or otherwise best offers, while preserving their right to not

sell any particular asset if they determine the proposed terms do not maximize value. Also, on March 15, 2018, the Debtors may provide notice of an initial bid, if any, to serve as the floor a Successful Bidder must exceed. As such, creditors can be assured that the consideration obtained will be fair and reasonable under the circumstances.

79. The Debtors submit that the Bidding Procedures will encourage competitive bidding as much as possible given the circumstances, are appropriate under the relevant standards governing auction proceedings and bidding incentives in bankruptcy proceedings, and are consistent with other procedures previously approved by this Court. This Court has approved similar procedures in complex chapter 11 cases. *See, e.g., In re RoomStore, Inc.*, No. 11–37790 (DOT) (Bankr. E.D. Va. Jan. 3, 2012); *In re Movie Gallery, Inc.*, No. 10–30696 (DOT) (Bankr. E.D. Va. Oct. 27, 2010); *In re LandAmerica Fin. Grp., Inc.*, No. 08–35994 (KRH) (Bankr. E.D. Va. April 16, 2009); *In re Circuit City Stores, Inc.*, No. 08–35653 (KRH) (Bankr. E.D. Va. Mar. 3, 2009); *In re S & K Famous Brands, Inc.*, No. 09–30805 (KRH) (Bankr. E.D. Va. Feb. 9, 2009); *In re Chesapeake Corp.*, No. 08–36642 (DOT) (Bankr. E.D. Va. Jan. 20, 2009).

80. Accordingly, for all of the foregoing reasons, the Debtors believe that the Bidding Procedures: (a) will encourage bidding for the Canadian Equity; (b) are consistent with other procedures previously approved by courts in this and other districts; and (c) are appropriate under the relevant standards governing auction proceedings and bidding incentives in bankruptcy proceedings and should be approved.

VII. The Canadian Equity Sale Should Be Approved as an Exercise of Sound Business Judgment

81. Section 363(b)(1) of the Bankruptcy Code authorizes a bankruptcy court, after notice and a hearing, to authorize a debtor to “use, sell, or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C. § 363(b)(1). To approve a use, sale or lease of

property other than in the ordinary course of business, the court must find “some sound business purpose” that satisfies the business judgment test. *See In re W.A. Mallory Co.*, 214 B.R. 834, 836 (Bankr. E.D. Va. 1997); *see also In re Glover*, No. 09-74787 at *4 (SCS) (Bankr. E.D. Va. Mar. 31, 2010) (“The standard in this Circuit is whether the debtor in possession has exercised sound business judgment”) (citing *Lubrizol Enterprises, Inc. v. Richmond Metal Finishers, Inc.*, 756 F.2d 1043, 1046 (4th Cir. 1985)). Courts generally show great deference to a debtor’s decisions when applying the business judgment standard. *See In re Alpha Nat. Res., Inc.*, 546 B.R. 348, 356 (Bankr. E.D. Va. 2016) (“Courts apply the deferential business judgment test when analyzing transactions under § 363(b)(1)”). Deference to a debtor’s business judgment is inappropriate only if such business judgment is “so manifestly unreasonable that it could not be based on sound business judgment, but only on bad faith, or whim or caprice.” *Lubrizol Enters., Inc. v. Richmond Metal Finishers, Inc.*, 756 F.2d 1043, 1047 (4th Cir. 1985).

82. Once the Debtors articulate a valid business justification, “[t]he business judgment rule is a presumption that in making the business decision the directors of a corporation acted on an informed basis, in good faith, and in the honest belief that the action was in the best interests of the company.” *In re S.N.A. Nut Co.*, 186 B.R. 98, 102 (Bankr. N.D. Ill. 1995) (citations omitted); *In re Filene’s Basement, LLC*, 11-13511 (KJC), 2014 WL 1713416, at *12 (Bankr. D. Del. Apr. 29, 2014) (“If a valid business justification exists, then a strong presumption follows that the agreement at issue was negotiated in good faith and is in the best interests of the estate”) (citations omitted); *Integrated Resources*, 147 B.R. at 656; *In re Johns-Manville Corp.*, 60 B.R. 612, 615–16 (Bankr. S.D.N.Y. 1986) (“a presumption of reasonableness attaches to a Debtor’s management decisions.”).

A. A Sound Business Purpose Exists for the Canadian Equity Sale

83. The Debtors believe that selling the Canadian Equity in a competitive auction will maximize its value as much as possible through a competitive and open marketing process. It is well settled that, where there is a court-approved auction process, a full and fair price is presumed to have been obtained for the assets sold. *See Bank of Am. Nat'l Trust & Sav. Ass'n. v. 203 N. LaSalle St. P'ship*, 526 U.S. 434, 457 (1999) (explaining that the “best way to determine value is exposure to a market”); *see also In re Wintz Cos.*, 219 F.3d 807, 813 (8th Cir. 2000) (holding that an auction procedure for the disposition of the debtor’s property can be structured to “maximize the value of estate property”).

84. The Debtors’ proposed procedures are designed to obtain the best and highest bids. The Canadian Equity will be subject to competing bids, enhancing the Debtors’ ability to receive the best value. Because the auction process is a “market check” on all bids, successful bids will be the highest or otherwise best offers, providing greater recovery for the Debtors’ estates than any known or practicably available alternative. *See, e.g., In re Trans World Airlines, Inc.*, No. 01-00056, 2001 WL 1820326, at *4 (Bankr. D. Del. 2001) (while a “section 363(b) sale transaction does not require an auction procedure . . . the auction procedure has developed over the years as an effective means for producing an arm’s length fair value transaction.”); *see also In re Wintz Cos.*, 219 F.3d 807, 813 (8th Cir. 2000) (holding that an auction procedure for the disposition of the debtor’s property can be structured to “maximize the value of estate property”). Further, the Debtors are reserving their rights to not enter into a Canadian Equity Sale if the Debtors believe in their reasonable business judgment that entry into any such sale will not maximize the value of the Domestic Asset(s) being considered.

85. Therefore, the Debtors request that the Court make a finding that the proposed Sale is a proper exercise of the Debtors’ business judgment and are rightly authorized.

B. The Canadian Equity Sale and Purchase Prices Will Reflect a Fair Market Value Sale

86. It is well settled that, where there is a court-approved auction process, a full and fair price is presumed to have been obtained for the assets sold, as the best way to determine value is exposure to the market. *See Bank of Am. Nat'l Trust & Sav. Ass'n. v. 203 N. LaSalle St. P'ship*, 526 U.S. 434, 457 (1999) (explaining that the “best way to determine value is exposure to a market”); *see also In re Wintz Cos.*, 219 F.3d 807, 813 (8th Cir. 2000) (holding that an auction procedure for the disposition of the debtor’s property can be structured to “maximize the value of estate property”). The process proposed here will allow the market to set a value for any Sale(s).

C. The Canadian Equity Sale is Proposed in Good Faith and Without Collusion, and Any Successful Bidder Will Be a Good-Faith Purchaser

87. The Debtors request that the Court find that the Successful Bidder will be entitled to the benefits and protections provided by section 363(m) of the Bankruptcy Code in connection with the Sale(s).

88. Section 363(m) of the Bankruptcy Code provides in pertinent part:

[t]he reversal or modification on appeal of an authorization under subsection (b) or (c) of this section of a sale or lease of property does not affect the validity of a sale or lease under such authorization to an entity that purchased or leased such property in good faith, whether or not such entity knew of the pendency of the appeal, unless such authorization and such sale or lease were stayed pending appeal.

11 U.S.C. § 363(m).

89. Section 363(m) of the Bankruptcy Code thus protects the purchaser of assets sold pursuant to section 363 of the Bankruptcy Code from the risk that it will lose its interest in the purchased assets if the order allowing the sale is reversed on appeal, as long as such purchaser leased or purchased the assets in “good faith.” While the Bankruptcy Code does not define “good faith,” courts have held that a purchaser shows its good faith by acting with integrity during the

sale proceedings; absent that, courts may find a lack of good-faith. *See, e.g., In re Abbotts Dairies of Pa., Inc.*, 788 F.2d 143, 147 (3d Cir. 1986) (“Typically, the misconduct that would destroy a [buyer’s] good faith status at a judicial sale involves fraud, collusion between the [proposed buyer] and other bidders or the trustee, or an attempt to take grossly unfair advantage of other bidders.”); *In re Paulson*, 276 F.3d 389, 392 (8th Cir. 2002); *In re Trism, Inc.*, 328 F.3d 1003, 1006 (8th Cir. 2003); *In re Sasson Jeans, Inc.*, 90 B.R. 608, 610 (S.D.N.Y. 1988) (same). The Debtors submit that the Successful Bidder will be deemed a “good faith purchaser” within the meaning of section 363(m) of the Bankruptcy Code, and any purchase agreement is a good-faith agreement on arm’s-length terms entitled to the protections of section 363(m) of the Bankruptcy Code.²¹

90. First, the consideration to be received by the Debtors pursuant to the Domestic Asset Sales will be substantial, fair, and reasonable. Second, any agreement with the Successful Bidder will be the culmination of a competitive auction in which the parties presumably will be represented by counsel, and all negotiations will be at arm’s-length. Third, the procedures are designed to eliminate any “fraud, collusion between the purchaser and other bidders or the trustee, or an attempt to take grossly unfair advantage of other bidders” or similar conduct that would cause or permit the Domestic Asset Sales to be avoided under section 363(n) of the Bankruptcy Code. *In re Abbotts Dairies of Pa., Inc.*, *supra* at 147. And, with respect to potential bidders, the Bidding Procedures are designed to ensure that no party is able to exert undue influence over the process. Fourth, any Successful Bidder’s offer will have been evaluated and approved by the Debtors in

²¹ The Debtors believe that a finding of good faith within the meaning of section 363(m) of the Bankruptcy Code is appropriate for the Successful Bidder. Pursuant to the Bidding Procedures, the Successful Bidder will have had to present a proposal in accordance with the Bidding Procedures. In addition, the Debtors will not choose as the Successful Bidder or Backup Bidder any entity whose good faith under section 363(m) of the Bankruptcy Code can reasonably be doubted, and will be prepared to present the Court with sufficient evidence to allow the Court to find that the “good faith” standard of section 363(m) of the Bankruptcy Code has been satisfied.

consultation with their advisors. Accordingly, the Debtors believe that the Successful Bidder and purchase agreement should receive the full protections of section 363(m) of the Bankruptcy Code.

D. The Canadian Equity Sale Should be Approved “Free and Clear” Under Section 363(f)

91. Section 363(f) of the Bankruptcy Code permits a debtor to sell property free and clear of another party’s interest in the property if: (a) applicable non-bankruptcy law permits such a free and clear sale; (b) the holder of the interest consents; (c) the interest is a lien and the sale price of the property exceeds the value of all liens on the property; (d) the interest is the subject of a bona fide dispute; or (e) the holder of the interest could be compelled in a legal or equitable proceeding to accept a monetary satisfaction of its interest. *See* 11 U.S.C. § 363(f).

92. The factors in Section 363(f) are disjunctive. Satisfying any one of them is sufficient to authorize an asset sale free and clear of all liens, claims, rights, interests, charges, or encumbrances, except for liabilities or obligations a Successful Bidder agrees to assume. *See In re Kellstrom Indus., Inc.*, 282 B.R. 787, 793 (Bankr. D. Del. 2002) (“[I]f any of the five conditions are met, the debtor has the authority to conduct the sale free and clear of all liens.”).

93. The Debtors submit that any interest that will not be an assumed liability satisfies or will satisfy at least one of the five conditions of section 363(f) of the Bankruptcy Code, and that any such Interest will be adequately protected by either being paid in full at the time of closing, or by having it attach to the net proceeds of the Canadian Equity Sale, subject to any claims and defenses the Debtors may possess with respect thereto. The Debtors accordingly request authority to convey the Canadian Equity free and clear of all Interests, with any such interests to attach to the proceeds of the Canadian Equity Sale.²²

²² The Debtors do not seek authority to sell any non-Debtor property free and clear pursuant to section 363(f) of the Bankruptcy Code, but rather will assign such interests consistent with their underlying property documents.

94. As noted above, within three days of entry of the Canadian Equity Bidding Procedures Order or as soon as reasonably practicable thereafter, the Debtors will serve the Auction and Hearing Notice upon the Notice Parties, and also publish an abbreviated version of the Auction and Hearing Notice in the *USA Today (National Edition)* and the *Richmond Times-Dispatch*, and the Case Website.

VIII. Relief Under Bankruptcy Rules 6004(h) and 6006(d) Is Appropriate.

95. Bankruptcy Rule 6004(h) provides that an “order authorizing the use, sale, or lease of property . . . is stayed until the expiration of fourteen days after the entry of the order, unless the court orders otherwise.” Fed. R. Bankr. P. 6004(h). Additionally, Bankruptcy Rule 6006(d) provides that an “order authorizing the trustee to assign an executory contract or unexpired lease . . . is stayed until the expiration of fourteen days after the entry of the order, unless the court orders otherwise.” Fed. R. Bankr. P. 6006(d). The Debtors request that the Canadian Equity Bidding Procedures Order, Wind-Down Order, and Canadian Equity Sale Order be effective immediately upon its entry by providing that the fourteen-day stays under Bankruptcy Rules 6004(h) and 6006(d) are waived.

96. The purpose of Bankruptcy Rules 6004(h) and 6006(d) is to provide sufficient time for an objecting party to appeal before an order can be implemented. See Advisory Committee Notes to Fed. R. Bankr. P. 6004(h) and 6006(d). Although Bankruptcy Rules 6004(h) and 6006(d) and the Advisory Committee Notes are silent as to when a court should “order otherwise” and eliminate or reduce the fourteen-day stay period, the leading treatise on bankruptcy suggests that the fourteen-day stay should be eliminated to allow a sale or other transaction to close immediately “where there has been no objection to procedure.” 10 Collier on Bankr. ¶ 6004.10 (15th rev. ed. 2006). Furthermore, if an objection is filed and overruled, and the objecting party informs the

court of its intent to appeal, the stay may be reduced to the amount of time actually necessary to file such appeal. *Id.*

97. To maximize the value received for the Canadian Equity under this very tight timeline, the Debtors seek to close the Canadian Equity Sale as soon as possible after the Sale Hearing. Accordingly, the Debtors hereby request that the Court waive the 14-day stay period under Bankruptcy Rules 6004(h) and 6006(d).

Waiver of Memorandum of Law

98. The Debtors respectfully request that this Court treat this Motion as a written memorandum of law or waive any requirement that this Motion be accompanied by a written memorandum of law as described in Local Bankruptcy Rule 9013-1(b).

Reservation of Rights

99. Nothing contained herein is intended or shall be construed as: (a) an admission as to the amount of, basis for, or validity of any claim against the Debtors under the Bankruptcy Code, any foreign bankruptcy or insolvency law, including the CCAA, or other applicable non-bankruptcy law; (b) a waiver of the Debtors' or any other party in interest's right to dispute any claim, (c) a promise or requirement to pay any particular claim; (d) an implication or admission that any particular claim is of a type specified or defined in this motion; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code or pursuant to the CCAA; (f) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; or (g) a waiver of any claims or causes of action which may exist against any entity under the Bankruptcy Code, the CCAA, or any other applicable law.

Notice

100. The Debtors will provide notice of this Motion via first class mail and email (where available) to: (a) the Office of the United States Trustee for the Eastern District of Virginia, Attn: Robert B. Van Arsdale and Lynn A. Kohen; (b) counsel to the committee of unsecured creditors; (c) DIP ABL Agent and the advisors and counsel thereto; (d) DIP Taj Term Loan Agent and the advisors and counsel thereto; (e) DIP Delaware Term Loan Agent and the advisors and counsel thereto; (f) the indenture trustee for the TRU Taj 12.00% Senior Notes and the advisors and counsel thereto; (g) the administrative agent for the prepetition Secured Revolving Credit Facility and the advisors and counsel thereto; (h) the administrative agent for the prepetition Secured Term Loan B Facility and the advisors and counsel thereto; (i) the prepetition administrative agent for the Propco I Unsecured Term Loan Facility and the advisors and counsel thereto; (j) the agent for the Propco II Mortgage Loan and the advisors and counsel thereto; (k) the agent for the Giraffe Junior Mezzanine Loan and the advisors and counsel thereto; (l) the administrative agent for the prepetition European and Australian Domestic Asset-Based Revolving Credit Facility and the advisors and counsel thereto; (m) the administrative agent for the Senior Unsecured Term Loan Facility and the advisors and counsel thereto; (n) the indenture trustee for the Debtors' 7.375% Senior Notes and the advisors and counsel thereto; (o) the indenture trustee for the Debtors' 8.75% Unsecured Notes and the advisors and counsel thereto; (p) counsel to the ad hoc group of the Term B-4 Holders; (q) counsel to the Ad Hoc Committee of Taj Noteholders; (r) the monitor in the CCAA proceeding and counsel thereto; (s) the Debtors' Canadian Counsel; (t) the Internal Revenue Service; (u) the office of the attorneys general for the states in which the Debtors operate; (v) the Securities and Exchange Commission; and (w) any party that has requested notice pursuant to Bankruptcy Rule 2002 (collectively, the "Notice Parties"). The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

No Prior Request

101. No prior motion for the relief requested herein has been made to this or any other court.

[Remainder of page intentionally left blank]

Richmond, Virginia
Dated: March 14, 2018

/s/ Jeremy S. Williams

KUTAK ROCK LLP

Michael A. Condyles (VA 27807)
Peter J. Barrett (VA 46179)
Jeremy S. Williams (VA 77469)
901 East Byrd Street, Suite 1000
Richmond, Virginia 23219-4071
Telephone: (804) 644-1700
Facsimile: (804) 783-6192
Email: Michael.Condyles@KutakRock.com
Peter.Barrett@KutakRock.com
Jeremy.Williams@KutakRock.com

*Co-Counsel to the Debtors
and Debtors in Possession*

KIRKLAND & ELLIS LLP

KIRKLAND & ELLIS INTERNATIONAL LLP

Edward O. Sassower, P.C.
Joshua A. Sussberg, P.C. (admitted *pro hac vice*)
601 Lexington Avenue
New York, New York 10022
Telephone: (212) 446-4800
Facsimile: (212) 446-4900
Email: edward.sassower@kirkland.com
joshua.sussberg@kirkland.com


-and-

James H.M. Sprayregen, P.C.
Anup Sathy, P.C.
Chad J. Husnick, P.C. (admitted *pro hac vice*)
Emily E. Geier (admitted *pro hac vice*)
300 North LaSalle
Chicago, Illinois 60654
Telephone: (312) 862-2000
Facsimile: (312) 862-2200
Email: james.sprayregen@kirkland.com
anup.sathy@kirkland.com
chad.husnick@kirkland.com
emily.geier@kirkland.com

*Co-Counsel to the Debtors
and Debtors in Possession*

C

THIS IS EXHIBIT "C"
TO THE AFFIDAVIT OF MELANIE TEED-MURCH
SWORN BEFORE ME THIS 23RD DAY OF MARCH, 2018



Commissioner for Taking Affidavits

Brian F. Empey

Edward O. Sassower, P.C.
Joshua A. Sussberg, P.C. (admitted *pro hac vice*)
KIRKLAND & ELLIS LLP
KIRKLAND & ELLIS INTERNATIONAL LLP
601 Lexington Avenue
New York, New York 10022
Telephone: (212) 446-4800
Facsimile: (212) 446-4900

-and-

Michael A. Condyles (VA 27807)
Peter J. Barrett (VA 46179)
Jeremy S. Williams (VA 77469)
KUTAK ROCK LLP
901 East Byrd Street, Suite 1000
Richmond, Virginia 23219-4071
Telephone: (804) 644-1700
Facsimile: (804) 783-6192

James H.M. Sprayregen, P.C.
Anup Sathy, P.C.
Chad J. Husnick, P.C. (admitted *pro hac vice*)
Emily E. Geier (admitted *pro hac vice*)
KIRKLAND & ELLIS LLP
KIRKLAND & ELLIS INTERNATIONAL LLP
300 North LaSalle
Chicago, Illinois 60654
Telephone: (312) 862-2000
Facsimile: (312) 862-2200

Co-Counsel to the Debtors and Debtors in Possession

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION**

In re:)	
	)	Chapter 11
)	
TOYS "R" US, INC., <i>et al.</i> , ¹	)	Case No. 17-34665 (KLP)
)	
Debtors.	)	(Jointly Administered)
)	
	)	Re: Docket No. 711

INTERIM ORDER (A) AUTHORIZING THE NORTH AMERICAN DEBTORS' ENTRY INTO WAIVERS WITH RESPECT TO ABL/FILO DIP DOCUMENTS AND THE TERM DIP DOCUMENTS AND (B) AMENDING FINAL ORDER (I) AUTHORIZING THE NORTH AMERICAN DEBTORS TO OBTAIN POSTPETITION FINANCING, (II) AUTHORIZING THE NORTH AMERICAN DEBTORS TO USE CASH COLLATERAL, (III) GRANTING LIENS AND PROVIDING SUPERPRIORITY ADMINISTRATIVE EXPENSE STATUS, (IV) GRANTING ADEQUATE PROTECTION TO THE PREPETITION LENDERS, (V) MODIFYING THE AUTOMATIC STAY AND (VI) GRANTING RELATED RELIEF

¹ The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor's federal tax identification number, are set forth in the *Debtors' Motion for Entry of an Order (I) Directing Joint Administration of Chapter 11 Cases and (II) Granting Related Relief* filed contemporaneously herewith. The location of the Debtors' service address is One Geoffrey Way, Wayne, NJ 07470

Upon the Motion (the “Motion”) of the Debtors seeking an order (this “Order”) (A) authorizing the North American Debtors to enter into that certain Waiver substantially in the form attached hereto as **Exhibit 1** (the “ABL/FILO Waiver”) and that certain Waiver substantially in the form attached hereto as **Exhibit 2** (the “Term DIP Waiver” and together with the ABL/FILO Waiver, the “Waivers”) and (B) amending the *Final Order (I) Authorizing The North American Debtors To Obtain Postpetition Financing, (II) Authorizing The North American Debtors To Use Cash Collateral, (III) Granting Liens And Providing Superpriority Administrative Expense Status, (IV) Granting Adequate Protection To The Prepetition Lenders, (V) Modifying The Automatic Stay And (VI) Granting Related Relief* [Docket No. 711] (the “Final DIP Order” and the amendments thereto, the “DIP Order Amendments”)²; and the Motion, and opportunity for a hearing, being consistent with paragraph 6 of the Final DIP Order and the *Order (I) Establishing Certain Notice, Case Management, And Administrative Procedures And (II) Granting Related Relief* [Docket No. 129], and appropriate under the circumstances; and the hearing having been held by this Court on March 20, 2018 (the “Hearing”); and the Waivers having been negotiated in good faith (as that term is used in section 364(e) of the Bankruptcy Code) and at arm’s length among the Debtors and the ABL/FILO DIP Secured Parties and the Term DIP Secured Parties; and all of the Debtors’ obligations in respect of the Waivers having been incurred in good faith (as that term is used in section 364(e) of the Bankruptcy Code); and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon the record made in the Motion and at the Hearing, and after due deliberation and good and sufficient cause having been shown;

² All capitalized terms used but not otherwise defined herein have the meaning ascribed to them in the Final DIP Order and the Motion, as applicable.

IT IS ORDERED AND ADJUDGED THAT:

1. *Disposition.* The Motion is GRANTED in accordance with the terms of this Order. Any objections to the Motion that have not been withdrawn, waived or settled, and all reservations of rights included therein, are hereby DENIED and OVERRULED on the merits.

2. *Jurisdiction, Venue.* This Court has core jurisdiction over the Chapter 11 Cases, the Motion, and the parties and property affected hereby pursuant to 28 U.S.C. §§ 157(b) and 1334 and the *Standing Order of Reference from the United States District Court for the Eastern District of Virginia*, dated August 15, 1984. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409. This Court may enter a final order consistent with Article III of the United States Constitution.

3. *Notice.* The notice given by the Debtors of the Motion, the relief requested therein and the Hearing thereon constitutes proper, timely, adequate and sufficient notice thereof and complies with the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules and any other applicable law, and no other or further notice thereof is required.

4. *Incorporation of Final DIP Order.* Except as modified herein, all of the terms of the Final DIP Order are incorporated herein and made part of this Order. The Final DIP Order shall remain unchanged and in full force and effect, including with respect to the Waivers, except to the extent modified by this Order and by the terms of the ABL/FILO Waiver or the Term DIP Waiver, and the budgets attached thereto and hereto as **Exhibit 3** (the “Wind-Down Budget”). All factual and other findings and conclusions of law contained in the Final DIP Order shall remain fully applicable, including with respect to the ABL/FILO Waiver or the Term DIP Waiver, except to the extent specifically modified herein, subject to the Committee’s challenge

rights preserved in the *Stipulation and Agreed Order Extending the Challenge Period Through March 30, 2018* [Docket No. 1772].

5. *Interim Relief.* The Waivers and DIP Order Amendments are approved on an interim basis. Pending entry of a final order approving the Waivers and DIP Order Amendments, the Debtors (other than the Canadian ABL/FILO Borrower) may only disburse amounts necessary to facilitate the wind down consistent with the Wind-Down Budget (as defined herein) through and including March 27, 2018. The rights of all parties to object to the relief sought in the Motion shall be preserved in all respects and none of the relief granted herein shall prejudice any parties' rights prior to entry of a final order.

6. *Final Hearing.* The Court shall consider final approval of the Waivers and DIP Order Amendments at a hearing on March 27, 2018 at 10:00 a.m. prevailing Eastern Time. Any objections to the Waivers and DIP Order Amendments shall be filed with the Court no later than Friday, March 23, 2018, at 4:00 p.m. prevailing Eastern Time. The Debtors and any other parties in interest may file reply papers no later than Monday, March 26, 2018, at 4:00 p.m. prevailing Eastern Time.

7. *Failure to Obtain Final Order.* The failure by the Debtors to obtain a final order approving the Waivers and DIP Order Amendments, in form and substance consistent with this interim Order acceptable to the DIP Agents, the ABL/FILO DIP Lenders party to the ABL/FILO Waiver, and the Term DIP Lenders party to the Term DIP Waiver, from this Court on or before March 28, 2018, shall constitute an event of default under the ABL/FILO DIP Credit Agreement and Term DIP Credit Agreement.

8. *Authority to Enter into the Waivers.* The Borrowers are authorized to enter into the ABL/FILO Waiver and the Term DIP Waiver, to make, execute, and deliver all instruments

and documents, and to perform all acts in connection therewith that may be reasonably required for the Borrowers' performance of their obligations under the ABL/FILO Waiver and the Term DIP Waiver.

9. *Waivers Valid and Binding.* The terms of both the ABL/FILO Waiver and the Term DIP Waiver are hereby approved. Upon execution and delivery of the ABL/FILO Waiver, and upon the satisfaction (or waiver) of the conditions to effectiveness set forth in the ABL/FILO Waiver, the ABL/FILO Waiver shall constitute (a) one of the ABL/FILO DIP Documents and (b) a valid and binding obligation of each of the parties thereto, enforceable against each party thereto in accordance with the terms thereof. Upon execution and delivery of the Term DIP Waiver, and upon the satisfaction of the conditions to effectiveness set forth in the Term DIP Waiver, the Term DIP Waiver shall constitute (a) one of the Term DIP Documents and (b) a valid and binding obligation of each of the parties thereto, enforceable against each party thereto in accordance with the terms thereof. Except as otherwise provided in this Order, the Final DIP Order, the ABL/FILO DIP Documents or the Term DIP Documents, no obligation or payment under the ABL/FILO Waiver, the Term DIP Waiver or this Order shall be stayed, restrained, voidable, avoidable, or recoverable under the Bankruptcy Code or under any applicable law, or subject to any defense, reduction, setoff, recoupment, or counterclaim.

10. *Wind-Down Budget.* The Wind-Down Budget (including its constituent Domestic Wind-Down Budget and Canadian Going Concern Budget (each as defined in the Waivers)) is hereby approved.

11. *Good Cause.* Good cause has been shown for the entry of this Order. The relief requested in the Motion is in the best interests of the Debtors, their creditors and their estates and all other parties-in-interest in these Chapter 11 Cases, and is necessary, essential, and appropriate

for the management and preservation of the Debtors' estates. The terms of each of the ABL/FILO Waiver and the Term DIP Waiver are fair and reasonable, reflect the Debtors' exercise of prudent business judgment, and are supported by reasonably equivalent value and fair consideration.

12. *Amendment of Final DIP Order.* The Final DIP Order is hereby amended as follows:

a. Paragraph 9(a)(iii) of the Final DIP Order is replaced with:

“to the extent allowed at any time, whether by interim order, procedural order, or otherwise, all unpaid fees and expenses (the “**Allowed Professional Fees**”) incurred by persons or firms retained by the Debtors pursuant to section 327, 328 or 363 of the Bankruptcy Code (the “**Debtor Professionals**”) and the creditors' committee (the “**Creditors' Committee**”) pursuant to section 328 or 1103 of the Bankruptcy Code (the “**Committee Professionals**”) and, together with the Debtor Professionals, the “**Professional Persons**”), allocable to the Borrowers and, with respect to each Professional Person, (i) accrued on or prior to March 15, 2018, plus (ii) not in excess of the aggregate amounts provided for such Professional Person pursuant to the Domestic Wind-Down Budget (as defined in the amendments to the ABL/FILO DIP Credit Agreement and the Term DIP Credit Agreement dated March 20, 2018)³ for the period from March 15, 2018 (prorated for the month of March 2018) through the date to which such allowed amounts accrued (in each case other than any restructuring, sale or other success fee of any investment bankers or financial advisors of the Debtors or any committee) (but excluding fees and expenses of third party professionals employed by Creditors' Committee members) at any time before or on the first business day following delivery by a DIP Agent of a Carve-Out Trigger Notice (as defined below), whether allowed by this Court prior to or after delivery of a Carve-Out Trigger Notice; and”

³ To the extent that the amounts accrued in a particular month for any Professional Person is less than the amount budgeted for such Professional Person under the Domestic Wind-Down Budget (any such amount, a “**Budget Surplus**”), such Professional Person may increase the amount budgeted under the Domestic Wind-Down Budget for such Professional Person in any subsequent month by the amount not in excess of the aggregate Budget Surplus.

b. Paragraph 9(a)(iv) of the Final DIP Order is replaced with:

“Allowed Professional Fees of Professional Persons in an aggregate amount not to exceed: \$2,500,000 incurred after the first business day following delivery by a DIP Agent of the Carve-Out Trigger Notice to the extent allowed at any time, whether by interim order, procedural order or otherwise, and allocable to the Borrowers pursuant to the DIP Budget (the amounts set forth in this clause (iv) being the “**Post-Carve-Out Trigger Notice Cap**”).”

c. Paragraph 9 of the Final DIP Order is supplemented by adding the following at the end thereof:

“Notwithstanding anything to the contrary in this Order or in any of the DIP Documents, all rights of the ABL/FILO DIP Secured Parties and the Term DIP Secured Parties with respect to the allocation of the Carve-Out as between the ABL Collateral (as defined in the DIP ICA) and the Term Collateral (as defined in the DIP ICA) are fully reserved.”

d. Paragraph 18(c) of the Final DIP Order is amended by replacing clause (ii) thereof with the following:

“(ii) the Ad Hoc Group of B-2 Term Lenders and B-3 Term Lenders, limited to an aggregate of \$50,000 per month of (A) the reasonable and documented hourly fees and expenses of Arnold & Porter Kaye Scholer LLP as counsel to the Ad Hoc Group of B-2 Term Lenders and B-3 Term Lenders, and (B) the reasonable and documented hourly fees and expenses of Huron Consulting Group Inc. as financial advisor to the Ad Hoc Group of B-2 Term Lenders and B-3 Term Lenders; which payments shall, in the case of both (i) and (ii) above, be made in the manner provided for in paragraph 19 below; *provided* that the members of such Ad Hoc Group of B-2/B-3 Lenders shall also have access to the work product of, and be entitled to consult with, Houlihan Lokey Capital Inc. with respect to matters not involving a conflict between the interests of Term B-2/B-3 Lenders, on the one hand, and Term B-4 Lenders, on the other hand; and *provided further* that the Ad Hoc Group of B-4 Term Lenders will be limited to an aggregate of \$50,000 per month in professional fee and expense reimbursements under this Paragraph with respect to matters involving a conflict between the interests of Term B-2/B-3 Lenders, on the one hand, and Term B-4 Lenders, on the other hand. Notwithstanding anything to the contrary in the Final DIP Order, the Debtors shall no longer be authorized or permitted to make any Adequate Protection

Payments (as defined in the Final DIP Order), except to the extent expressly made in accordance with the Wind-Down Budget.”

- e. Paragraph 37 of the Final DIP Order is supplemented⁴ by adding the following at the end thereof:⁵

“To the extent that any of the obligations of the Canadian ABL/FILO Borrower under the ABL/FILO DIP Documents are satisfied, as to any ABL/FILO DIP Secured Party, by or with funds of the US Borrower or any other North American Debtor, such obligations shall not be discharged (unless and until ultimately paid or reimbursed by the Canadian ABL/FILO Borrower), but rather the US Borrower or such North American Debtor, as the case may be (in such capacity, the “Subrogated Borrower”), shall (in addition to any other rights granted to sureties under applicable law) be subrogated to the rights of the applicable ABL/FILO DIP Lenders, shall stand in the position of the applicable ABL/FILO DIP Lenders, and shall be entitled to all the equities of the applicable ABL/FILO DIP Lenders, in each case with respect to such obligations of the Canadian ABL/FILO Borrower, and such rights of the applicable ABL/FILO DIP Lenders to which the Subrogated Borrower has been subrogated and such obligations of the Canadian ABL/FILO Borrower to the Subrogated Borrower shall constitute Collateral subject to all of the Liens securing the DIP Obligations and all of the Adequate Protection Liens including the Canadian DIP Charge granted by the Canadian Court, in each case without set off, counterclaim, or recoupment of any kind, until ultimately paid or reimbursed by the Canadian ABL/FILO Borrower. For the avoidance of doubt, any such subrogation rights shall be subject to Section 10.07 of the ABL/FILO DIP Credit Agreement, and any liens granted in such subrogation rights and any exercise thereof shall be subject to the DIP ICA. The U.S. Borrower is hereby authorized and directed to use proceeds of Prime Rate Loans issued (as defined in the ABL/FILO DIP Credit Agreement) on the effective date of the Waivers, in an amount equal to the U.S. dollar equivalent of CAD \$5,112,945.28, to cash collateralize the Canadian Letter of Credit Outstandings (as defined in the ABL/FILO DIP Credit Agreement) in accordance with the ABL/FILO Waiver; provided that the U.S. Borrower’s claims in respect thereof shall be subrogated to the claims of the ABL/FILO DIP Lenders in accordance with the terms of this Order.”

⁴ Except as expressly set forth this paragraph 9(e) of this Order, nothing in this Order shall amend, modify or limit in any way paragraph 37 of the Final DIP Order.

⁵ To clarify that the Collateral is released and the obligations terminated if the amount of the subrogated claim is subsequently reimbursed by the Canadian ABL/FILO Borrower.

13. Notwithstanding anything to the contrary in this Order, the Final DIP Order, the Interim DIP Order, the DIP Documents, or the *Order (I) Authorizing the Employment and Retention of Lazard Frères & Co. LLC as Investment Banker to the Debtors and Debtors in Possession, Effective Nunc Pro Tunc to the Petition Date, (II) Modifying Certain Time Keeping Requirements, and (III) Granting Related Relief* [Docket No. 732] (the “Lazard Retention Order”), any sale or transaction fees payable to Lazard Frères & Co (“Lazard”) pursuant to the Lazard Retention Order in connection with any asset sales shall be added to the Carve-Out and have priority over, and be paid before, any amounts included in the ABL Wind-Down Carve Out, or the Term Loan Wind-Down Carve Out, or any DIP Obligations, in each case from the proceeds of such asset sales at the closing of such asset sales, but subject to clawback for the account of a particular Debtor and/or adjustment or allocation across Debtors to the extent aggregate fees earned by Lazard exceed the cap set forth in paragraph 16 of the Lazard Retention Order.

14. Notwithstanding anything to the contrary in this Order, the Final DIP Order, the Interim DIP Order, or the DIP Documents, any and all fees, costs and/or expenses payable to the Consultants (as defined in the *Order (I) Authorizing the Debtors to Wind-Down U.S. Operations, (II) Authorizing the Debtors to Conduct U.S. Store Closings, (III) Enforcing and Administrative Stay, and (IV) Granting Related Relief* (the “Wind-Down Order”)), pursuant to the Wind-Down Order or the *Order (I) Authorizing the Debtors to Enter into the Consulting Agreements, (II) Authorizing and Approving the Conduct of Store Closing Sales, With Such Sales to Be Free and Clear of All Liens, Claims and Encumbrances, (III) Authorizing Customary Bonuses to Employees of Closing Stores, and (IV) Granting Related Relief* (the “Initial Store Closing Order”), shall be added to the Carve-Out and have priority over, and be paid before, any amounts

included in the ABL Wind-Down Carve Out, or the Term Loan Wind-Down Carve Out, or any DIP Obligations.

15. *Wind-Down Priorities.* The DIP Order is amended to reflect that amounts (i) payable to employees of the DIP Loan Parties (other than the Canadian ABL/FILO Borrower), (ii) payable to taxing authorities on account of trust fund taxes incurred by the DIP Loan Parties (other than the Canadian ABL/FILO Borrower), including payroll taxes and sales and use taxes, or (iii) payable to third party vendors, in each case, on account of goods or services actually provided to or trust fund taxes incurred by the DIP Loan Parties (other than the Canadian ABL/FILO Borrower), after March 15, 2018, solely to the extent provided for in the Wind-Down Budget (“Budgeted Employee and New Value Expenses”), shall have superpriority status under section 364 of the Bankruptcy Code solely to the extent set forth below:

- a. subject only to the Carve Out, Budgeted Employee and New Value Expenses set forth in the “Domestic Wind-Down Budget” attached to the ABL/FILO Waiver as Exhibit A thereto, for goods or services actually provided to or trust fund taxes incurred by the DIP Loan Parties after March 15, 2018 and before the earlier to occur of (i) the repayment in full in cash of all ABL/FILO DIP Obligations and (ii) any Event of Default under the ABL/FILO DIP Facility shall be senior to all liens and claims securing the ABL/FILO DIP Facility and the Term DIP Facility, the Canadian Intercompany DIP Facility, the Wayne DIP Facility, Adequate Protection Liens, and the 507(b) Claims, and any and all other forms of adequate protection, liens, or claims securing the DIP Obligations, or the obligations secured pursuant to any prepetition secured facilities (including the Prepetition

Term Loan Credit Facility and the Prepetition ABL/FILO Credit Facility) (the “ABL Wind-Down Carve Out”); and

- b. Budgeted Employee and New Value Expenses set forth in the “Domestic Wind-Down Budget” attached to the Term DIP Waiver as Exhibit A thereto for goods or services actually provided to or trust fund taxes incurred by the DIP Loan Parties after March 15, 2018 (as well as any expenses for goods received by the Debtors on and after March 5, subject to reconciliation of applicable allowances and discounts) and before the earlier to occur of (i) the repayment in full in cash of all Term DIP Obligations and the obligations under the Prepetition Term Loan and (ii) any Event of Default under the Term DIP Facility shall be (x) senior to all liens and claims securing the Term DIP Facility, the Canadian Intercompany DIP Facility, the Wayne DIP Facility, Prepetition Term Loan Adequate Protection Liens, and the 507(b) Claims, and any and all other forms of adequate protection, liens, or claims securing the Term DIP Obligations, or the obligations secured pursuant to the Prepetition Term Loan Credit Facility, and (y) junior only to the Carve Out, the ABL Wind-Down Carve Out, and, with respect to the Prepetition ABL/FILO Priority Collateral, the ABL/FILO DIP Liens, the Prepetition ABL/FILO Adequate Protection Liens, and the Contingent ABL/FILO Liens (the “Term Loan Wind-Down Carve Out”).
- c. For the avoidance of doubt, administrative expense claims that are not Budgeted Employee and New Value Expenses expressly described in the foregoing clauses (a) and (b), including any administrative expenses that are not covered in full by the Wind-Down Budget or that are incurred outside of the date ranges in the

foregoing clauses (a) and (b), are not affected by this section and are not granted superpriority status hereunder.

16. *Canadian ABL/FILO Borrower.* The Debtors are hereby authorized to seek relief in the Canadian Court, to the extent required, to enter into the ABL/FILO Waiver, to make, execute, and deliver all instruments and documents, and to perform all acts in connection therewith that may be reasonably required for performance of their obligations under the ABL/FILO Waiver.

17. *Binding Effect; Successors and Assigns.* The ABL/FILO Waiver, the Term DIP Waiver and the provisions of this Order, including all findings herein, shall be binding upon all parties in interest in these Chapter 11 Cases, including, without limitation, the DIP Agents, the DIP Lenders, the Creditors' Committee, any non-statutory committees appointed or formed in these Chapter 11 Cases, the Debtors and their respective successors and assigns (including any chapter 7 or chapter 11 trustee hereinafter appointed or elected for the estate of any of the Debtors, an examiner appointed pursuant to section 1104 of the Bankruptcy Code, or any other fiduciary appointed as a legal representative of any of the Debtors or with respect to the property of the estate of any of the Debtors) and shall inure to the benefit of the DIP Agents, the DIP Lenders, and the Debtors and their respective successors and assigns; *provided that* the DIP Agents and the DIP Lenders shall have no obligation to extend any financing to any chapter 7 trustee, chapter 11 trustee or similar responsible person appointed for the estates of the Debtors.

18. *Effectiveness.* This Order shall constitute findings of fact and conclusions of law and shall take effect and be fully enforceable nunc pro tunc to the Petition Date immediately upon entry hereof. Notwithstanding Bankruptcy Rules 4001 (a)(3), 6004(h), 6006(d), 7062, or 9014 of the Bankruptcy Rules, or any Local Bankruptcy Rule, or Rule 62(a) of the Federal Rules

of Civil Procedure, this Order shall be immediately effective and enforceable upon its entry and there shall be no stay of execution or effectiveness of this Order.

19. *Headings.* Section headings used herein are for convenience only and are not to affect the construction of or to be taken into consideration in interpreting this Order.

20. *Retention of Jurisdiction.* The Court shall retain jurisdiction to implement, interpret and enforce the provisions of this Order, and this retention of jurisdiction shall survive the confirmation and consummation of any chapter 11 plan for any one or more of the Debtors notwithstanding the terms or provisions of any such chapter 11 plan or any order confirming any such chapter 11 plan.

Mar 21 2018

Dated: _____, 2018.
Richmond, Virginia

/s/ Keith L. Phillips

THE HONORABLE JUDGE KEITH L. PHILLIPS
UNITED STATES BANKRUPTCY JUDGE

Entered on Docket: Mar 21 2018

WE ASK FOR THIS:

/s/ Jeremy S. Williams

Michael A. Condyles (VA 27807)
Peter J. Barrett (VA 46179)
Jeremy S. Williams (VA 77469)
KUTAK ROCK LLP
901 East Byrd Street, Suite 1000
Richmond, Virginia 23219-4071
Telephone: (804) 644-1700
Facsimile: (804) 783-6192

- and -

Edward O. Sassower, P.C.
Joshua A. Sussberg, P.C. (admitted *pro hac vice*)
KIRKLAND & ELLIS LLP
KIRKLAND & ELLIS INTERNATIONAL LLP
601 Lexington Avenue
New York, New York 10022
Telephone: (212) 446-4800
Facsimile: (212) 446-4900

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KIRKLAND & ELLIS LLP
KIRKLAND & ELLIS INTERNATIONAL LLP
300 North LaSalle
Chicago, Illinois 60654
Telephone: (312) 862-2000
Facsimile: (312) 862-2200

Co-Counsel to the Debtors and Debtors in Possession

CERTIFICATION OF ENDORSEMENT
UNDER LOCAL BANKRUPTCY RULE 9022-1(C)

Pursuant to Local Bankruptcy Rule 9022-1(C), I hereby certify that the foregoing proposed order has been endorsed by or served upon all necessary parties.

/s/ Jeremy S. Williams

Exhibit 1

ABL/FILO Waiver

EXECUTION VERSION

WAIVER, CONSENT AND AMENDMENT AGREEMENT

THIS WAIVER, CONSENT AND AMENDMENT AGREEMENT, dated as of March 20, 2018 (this “**Agreement**”) is entered into by and among Toys “R” Us-Delaware, Inc., as a debtor and debtor-in-possession under chapter 11 of the Bankruptcy Code (the “**Lead Borrower**”), Toys “R” Us (Canada) Ltd. Toys “R” Us (Canada) Ltee, as a debtor and debtor-in-possession under chapter 11 of the Bankruptcy Code and applicant under the CCAA (the “**Canadian Borrower**”), the Facility Guarantors under the DIP ABL/FILO Credit Agreement (as defined below), JPMorgan Chase Bank, N.A. as administrative agent (the “**Administrative Agent**”), JPMorgan Chase Bank, N.A., Toronto Branch, as Canadian administrative agent (the “**Canadian Agent**”), JPMorgan Chase Bank, N.A. and Wells Fargo Bank, National Association as co-collateral agents (the “**Co-Collateral Agents**”) and the lenders under the DIP ABL/FILO Credit Agreement party hereto, which lenders constitute the “Required Lenders” as defined in the DIP ABL/FILO Credit Agreement (such Lenders, the “**Consenting Lenders**”).

RECITALS:

WHEREAS, reference is made to that certain Superpriority Secured Debtor-in-Possession Credit Agreement dated as of September 22, 2017, by and among the Lead Borrower, the other Domestic Borrowers from time to time party thereto, the Canadian Borrower, the Facility Guarantors from time to time party thereto, the Administrative Agent, the Canadian Agent, the Co-Collateral Agents and the lenders from time to time party thereto (as amended by Amendment No. 1 thereto dated as of October 12, 2017 and as otherwise supplemented, restated or otherwise modified from time to time prior to the date hereof, the “**DIP ABL/FILO Credit Agreement**”; capitalized terms used and not otherwise defined herein have the meanings assigned to them in the DIP ABL/FILO Credit Agreement);

WHEREAS, the Domestic Loan Parties (i) are seeking from the Bankruptcy Court authority to close additional Stores and conduct bulk sales of inventory in connection therewith, by filing the Store Liquidation Motion (as defined in that certain Limited and Temporary Forbearance, dated as of March 14, 2018 (the “**Forbearance**”), among the Loan Parties and the lenders party thereto, the filing of which motion would have given rise to an Event of Default pursuant to Section 7.01(bb) of the DIP ABL/FILO Credit Agreement, (ii) have determined to suspend the operation of the Domestic Loan Parties’ business in the ordinary course, liquidate all or substantially all of the Loan Parties’ assets and Store locations, and employ an agent or other third party to conduct store closing, store liquidation and “Going-Out-Of-Business” sales for substantially all of the Domestic Loan Parties’ Stores, which would give rise to an Event of Default pursuant to Section 7.01(j) of the DIP ABL/FILO Credit Agreement and (iii) have informed the Administrative Agent of the Domestic Loan Parties’ intent to conduct bulk sales in connection with the closing of substantially all Stores of the Domestic Loan Parties, which sales would give rise to an Event of Default pursuant to Section 7.01(d) of the DIP ABL/FILO Credit Agreement resulting from the failure to observe the covenant set forth in Section 6.05 of the DIP ABL/FILO Credit Agreement (the Events of Default and potential Events of Defaults described in the foregoing clauses and any potential Default or Event of Default arising out of the

inaccuracy of any representation that may have resulted therefrom, the “**Specified Events of Default**”);

WHEREAS, the Domestic Loan Parties have the intention to wind-down their operations in the United States and to liquidate substantially all of their inventory in the United States (the “**Domestic Wind-Down**”), consistent with the weekly budget delivered to the Administrative Agent and attached hereto as Exhibit A (the “**Domestic Wind-Down Budget**”; provided, the Domestic Wind-Down Budget or (if applicable) the Canadian Wind-Down Budget shall be reduced by the Loan Parties as provided in Section 3(k) below (but not increased) to the extent the Loan Parties amend, modify or terminate contractual arrangements, including lease obligations, to provide for disbursements that are less than those contemplated by the existing Domestic Wind-Down Budget, the Canadian Going Concern Budget or (if applicable) the Canadian Wind-Down Budget) and pursuant to liquidation agreements attached hereto as Exhibit B;

WHEREAS, the Loan Parties have informed the Administrative Agent that they intend to sell or otherwise dispose of all of the Capital Stock of the Canadian Borrower or all or substantially all of the assets of the Canadian Borrower on a going concern basis (the “**TRU Canada Sale**”), which sale or other disposition would give rise to an Event of Default pursuant to Section 7.01(d) of the DIP ABL/FILO Credit Agreement resulting from the failure to observe the covenant set forth in Section 6.05 of the DIP ABL/FILO Credit Agreement;

WHEREAS, the Canadian Borrower intends to continue going concern business operations at all of the Stores of the Canadian Borrower consistent with the terms of the budget attached hereto as Exhibit C (the “**Canadian Going Concern Budget**”) while it pursues the TRU Canada Sale;

WHEREAS, the Loan Parties acknowledge and agree that upon the occurrence and during the continuance of an Event of Default, the Administrative Agent, the Canadian Agent and the Co-Collateral Agents are authorized to and shall at the direction of the Required Lenders proceed to protect and enforce certain rights and remedies under the DIP ABL/FILO Credit Agreement and the other Loan Documents, subject in all respects to (i) the Remedies Notice Period (as defined in the Final Order) and (ii) solely to the extent required in the Canadian Case, leave of the Canadian Court;

WHEREAS, the Loan Parties have requested that the Lenders waive the Specified Events of Default, amend certain provisions of the DIP ABL/FILO Credit Agreement and provide certain consents in connection with the TRU Canada Sale and (if applicable) the Canadian Wind-Down; and

WHEREAS, the Administrative Agent, the Canadian Agent, the Co-Collateral Agents and the Consenting Lenders have agreed to accommodate such requests of the Loan Parties on the terms and subject to the conditions herein set forth;

NOW, THEREFORE, in consideration of the foregoing, the covenants and conditions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Incorporation of Recitals.

Each of the Loan Parties acknowledges that the recitals set forth above are true and correct in all respects.

2. Limited Waiver; Consent.

(a) In reliance upon the representations, warranties and covenants of the Loan Parties contained in this Agreement, and upon the terms and subject to the conditions of this Agreement, the Consenting Lenders hereby, effective as of the Waiver Effective Date, waive each of the Specified Events of Default (the “**Waiver**”). Except as expressly set forth in this Agreement, no terms, covenants or other provisions of the DIP ABL/FILO Credit Agreement or any other Loan Document are intended pursuant to any provision of this Agreement to (or shall) be affected by any provision of this Agreement, all of which remain in full force and effect unaffected by any provision of this Agreement.

(b) The Waiver is limited to the extent specifically set forth herein and nothing contained herein is intended, or shall be deemed or construed, (i) to constitute a waiver of any Defaults or Events of Default or compliance with any term or provision of the Loan Documents (as amended hereby), in each case other than the Specified Events of Default, or (ii) to establish a custom or course of dealing between the Loan Parties, on the one hand, and the Administrative Agent, the Canadian Agent, the Co-Collateral Agents and/or any Lender, on the other hand.

(c) The Consenting Lenders hereby, effective as of the Waiver Effective Date, consent (i) to the TRU Canada Sale and (ii) to the entry of (and to the filing of any motion by the Loan Parties seeking) any order of the Bankruptcy Court or the Canadian Court permitting the TRU Canada Sale, and agree that no Default or Event of Default shall result from the foregoing (including pursuant to Section 7.01(w), (x), (bb) and (cc) of the DIP ABL/FILO Credit Agreement), so long as, in each case, the TRU Canada Sale is a Qualifying TRU Canada Sale. A “**Qualifying TRU Canada Sale**” shall mean a TRU Canada Sale that is made pursuant to an Approved TRU Canada Purchase Agreement (as defined below) (including the performance of any transition services by the Domestic Loan Parties as contemplated thereby) and notwithstanding any other provision of this Agreement (including, for greater certainty, any provision of the Domestic Wind-Down Budget) prior to or upon consummation thereof (and as a condition to the consummation thereof) (i) the Canadian Commitments shall have been terminated, all Canadian Liabilities and Other Liabilities of the Canadian Borrower shall have been indefeasibly and irrevocably paid and satisfied in full in cash (other than contingent indemnity obligations with respect to then unasserted claims), all Canadian Letters of Credit shall have expired or terminated (or been collateralized in a manner satisfactory to the Issuing Banks), all Canadian Letter of Credit Outstandings have been reduced to zero (or been collateralized in a manner satisfactory to the Issuing Banks) (and the Consenting Lenders hereby consent to the making of the foregoing payments and terminations) and the Canadian Borrower

shall have indefeasibly and irrevocably paid in full in cash to the Domestic Borrower all amounts owed under subrogation claims in respect of the cash collateralization by the Domestic Borrower of Canadian Letter of Credit Outstandings and (ii) a final order of the Bankruptcy Court and/or the Canadian Court, as applicable, satisfactory to the Administrative Agent and the Canadian Agent shall have been entered that ratifies such termination, payment and satisfaction or the Required Lenders shall otherwise be satisfied that such indefeasible and irrevocable termination, payment and satisfaction has occurred. The date on which the conditions set forth in clauses (i) and (ii) of the immediately preceding sentence are satisfied or waived is referred to as the **“Canadian Facility Termination Date”**.

(d) The Administrative Agent, the Canadian Agent and the Co-Collateral Agent are hereby authorized, (i) upon the consummation of the Qualifying TRU Canada Sale and the occurrence of the Canadian Facility Termination Date and consistent and pursuant to the provisions set forth in Section 8.18 of the DIP ABL/FILO Credit Agreement, to release the Canadian Borrower from all of its obligations and liabilities under the Loan Documents (other than such obligations and liabilities which by their terms expressly survive the termination of the Loan Documents) and release all Liens granted by the Canadian Borrower and (if such Qualifying TRU Canada Sale is in the form of a disposition of the Capital Stock of the Canadian Borrower) the Capital Stock of the Canadian Borrower as security therefor and (ii) upon the Canadian Facility Termination Date, (x) to deliver evidence of the release of such Liens granted by the Canadian Borrower and (if a Qualifying TRU Canada Sale is in the form of a disposition of the Capital Stock of the Canadian Borrower has been consummated) Liens on the Capital Stock of the Canadian Borrower and (y) consent to the granting of Liens to any third party lender (including on a “priming” basis) over the assets and property of the Canadian Loan Parties and (if a Qualifying TRU Canada Sale in the form of a disposition of the Capital Stock of the Canadian Borrower has been consummated) the Capital Stock of the Canadian Borrower to the extent requested.

3. Additional Covenants. From and after the Waiver Effective Date (as defined below), the Loan Parties shall comply with the following covenants:

(a) The Domestic Loan Parties shall (i) on Thursday of each week (beginning with the week starting on April 1, 2018) provide to the Administrative Agent a weekly report for the previous week in a form acceptable to the Administrative Agent summarizing the status of the Domestic Wind-Down, which report shall include (x) an inventory balance of the Domestic Loan Parties, (y) a variance comparison of actual results, disbursements and proceeds to the results, disbursements and proceeds set forth in the Domestic Wind-Down Budget on a line item basis, and the timing of the delivery of the Domestic Loan Parties’ portion of proceeds and a reconciliation with the liquidators’ portion of such proceeds and (z) an explanation for any variance between the Domestic Wind-Down Budget and actual results that is not immaterial and a summary status report of the implementation of the Domestic Wind-Down Budget, (ii) on Thursday of each second week (beginning with the week starting on April 1, 2018), provide to the Administrative Agent a bi-weekly report, with allocations on an estate-by-estate and loan-by-loan basis, of all paid and estimated accrued professional fees and expenses, (iii) on Thursday of each week (beginning with the week starting on April 1, 2018) provide to the Administrative Agent an updated schedule of store and distribution center closings during the previous week,

(iv) provide access to the Administrative Agent, the Canadian Agent, the Co-Collateral Agents and their respective advisors and representatives to financial records and properties of the Loan Parties relating to the Domestic Wind-Down and provide all information as may be requested by the Administrative Agent, the Canadian Agent, the Co-Collateral Agents and their respective advisors and representatives in connection with the status of the Domestic Wind-Down (other than such information that is subject to attorney-client privilege or could result in a breach of a confidentiality obligation or applicable law or otherwise constitutes attorney work product) promptly after request therefor, (v) on Thursday of each week (beginning with the week starting on April 1, 2018), provide to the Administrative Agent with an updated inventory report for the last day of the previous week in such form as has been agreed prior to the Waiver Effective Date or otherwise satisfactory to the Administrative Agent and (vi) prepay the Loans and collateralize the Letters of Credit in accordance with the Domestic Wind-Down Budget (subject in all respects to the Wind-Down Orders (as defined below)).

(b) Prior to the delivery of the Canadian Wind-Down Notice (as defined below), the Canadian Borrower shall (i) on Thursday of each week (beginning with the week starting on April 1, 2018) provide to the Administrative Agent and the Canadian Agent a weekly report for the previous week in a form acceptable to the Administrative Agent and the Canadian Agent summarizing the status of the Sale Process (as defined below), which report shall include (x) a comparison of actual results, disbursements and proceeds to the results, disbursements and proceeds set forth in the Canadian Going Concern Budget on a line item basis and (y) an explanation for any variance between the Canadian Going Concern Budget and actual results that is not immaterial and (ii) provide access to the Administrative Agent, the Canadian Agent, the Co-Collateral Agents and their respective advisors and representatives to financial records relating to the Sale Process and properties of the Canadian Borrower and provide all information as may be requested by the Administrative Agent, the Canadian Agent, the Co-Collateral Agents and their respective advisors and representatives in connection with the Sale Process promptly after request therefor, including for greater certainty copies of teaser letters, letters of intent, written expressions of interest, bid letters and draft purchase agreements promptly after request therefor (other than such information that is subject to attorney-client privilege or could result in a breach of a confidentiality obligation or applicable law or otherwise constitutes attorney work product).

(c) Following the delivery of the Canadian Wind-Down Notice, the Canadian Borrower shall (i) on Thursday of each week (beginning with the week starting after the Canadian Wind-Down Notice has been delivered) provide to the Administrative Agent and the Canadian Agent a weekly report for the previous week in a form acceptable to the Administrative Agent and the Canadian Agent summarizing the status of the Canadian Wind-Down, which report shall contain (w) an inventory balance of the Canadian Borrower, (x) a comparison of actual results, disbursements and proceeds to the results, disbursements and proceeds set forth in the Canadian Wind-Down Budget on a line item basis, and the timing of the delivery of the Canadian Loan Parties' portion of proceeds and a reconciliation with the liquidators' portion of such proceeds and (y) an explanation for any variance between the Canadian Wind-Down Budget and actual results that is not immaterial, (ii) on Thursday of each week (beginning with the week starting after the Canadian Wind-Down Notice has been delivered) provide to the Administrative Agent and the Canadian Agent an updated schedule of

store and distribution center closings during the previous week, (iii) provide access to the Administrative Agent, the Canadian Agent, the Co-Collateral Agents and their respective advisors and representatives to financial records relating to the Canadian Wind-Down and properties of the Canadian Borrower and provide all information as may be requested by the Administrative Agent, the Canadian Agent, the Co-Collateral Agents and their respective advisors and representatives in connection with the status of the Canadian Wind-Down promptly after request therefor (other than such information that is subject to attorney-client privilege or could result in a breach of a confidentiality obligation or applicable law or otherwise constitutes attorney work product), (iv) prepay the Canadian Loans and cash collateralize the Canadian Letters of Credit in accordance with the Canadian Wind-Down Budget (subject in all respects to the Wind-Down Orders) and (v) on Thursday of each week (beginning with the week starting after the Canadian Wind-Down Notice has been delivered), provide to the Administrative Agent with an updated inventory report for the last day of the previous week in such form as has been agreed prior to the Waiver Effective Date or otherwise satisfactory to the Administrative Agent.

(d) The Loan Parties shall not use proceeds of the ABL Collateral, directly or indirectly, to pay any interest, principal, fees, expenses, or other obligations owed with respect to the DIP Term Loan Facility or any Existing Debt until the Commitments have expired or been terminated, the principal of, and interest on, each Loan and all fees and other Obligations (other than contingent indemnity obligations with respect to then unasserted claims) shall have been indefeasibly and irrevocably paid and satisfied in full in cash, all Letters of Credit shall have expired or terminated (or been Cash Collateralized in a manner satisfactory to the Issuing Bank and all Letter of Credit Outstandings have been reduced to zero (or Cash Collateralized in a manner satisfactory to the Issuing Bank). The Loan Parties shall cause all proceeds of Term Collateral (as defined in the Intercreditor Agreement) to be held in a separate account pending application thereof consistent with the Intercreditor Agreement and the other Loan Documents.

(e) No Domestic Loan Party shall make any Investment in any Canadian Loan Party (or any Subsidiary of a Canadian Loan Party) and no Canadian Loan Party shall make any Investment in any Domestic Loan Party, in each case, except Investments to cash collateralize the Canadian Letter of Credit Outstandings as contemplated in Section 6(c) of this Agreement and Investments in the form of services provided in the ordinary course of business consistent with past practice (and reimbursed in the ordinary course of business consistent with past practice) to the extent consistent with the Domestic Wind-Down Budget.

(f) The Canadian Borrower and/or the Lead Borrower, as applicable, shall achieve the following milestones in connection with the TRU Canada Sale by the prescribed dates (the “**Sale Milestones**”) (in each case unless the Canadian Facility Termination Date shall have occurred):

(i) Not later than March 30, 2018, the Bankruptcy Court and, if required in the Canadian Case, the Canadian Court shall have entered an order, in form and substance satisfactory to the Administrative Agent and the Canadian Agent approving a sale process with respect to the TRU Canada Sale and/or ratifying and affirming a sale process with respect to the TRU Canada Sale (the “**Sale Process**”);

(ii) Not later than April 30, 2018, the Canadian Borrower shall have entered into an asset purchase agreement or the Lead Borrower shall have entered into a stock purchase agreement with respect to the Capital Stock of the Canadian Borrower, as applicable, in form and substance satisfactory to the Required Lenders, the Administrative Agent and the Canadian Agent, for the TRU Canada Sale, which agreement provides for a closing no later than May 31, 2018 and provides for indefeasible and irrevocable payment and satisfaction in full in cash at closing of all Canadian Liabilities and Other Liabilities of the Canadian Borrower outstanding at the time of such closing (other than contingent indemnity obligations with respect to then unasserted claims), the indefeasible and irrevocable payment in full in cash to the Domestic Borrower of all amounts owed under subrogation claims in respect of the cash collateralization of Canadian Letter of Credit Outstandings by the Domestic Borrower and the collateralization of any obligations in respect of Letters of Credit in a manner satisfactory to the Issuing Bank (any such agreement an “**Approved TRU Canada Purchase Agreement**”); provided, that neither the Administrative Agent, the Canadian Agent nor any Lender shall be deemed to waive any objection to the TRU Canada Sale on any terms;

(iii) Not later than May 15, 2018, the Bankruptcy Court and the Canadian Court shall have issued and entered an order approving the Approved TRU Canada Purchase Agreement or otherwise facilitating or permitting the TRU Canada Sale (each a “**Sale Approval Order**”) in form and substance satisfactory to the Administrative Agent and the Canadian Agent; the Sale Approval Order entered by the Canadian Court (and the US Court, if applicable) shall also authorize and direct the Canadian Borrower, or the Monitor on its behalf, to pay to the Administrative Agent or the Canadian Agent, as applicable, an amount sufficient to satisfy the then outstanding Canadian Liabilities and Other Liabilities of the Canadian Borrower (other than contingent indemnity obligations with respect to then unasserted claims) on the closing of the TRU Canada Sale; and

(iv) Not later than May 31, 2018 (the “**Anticipated Sale Closing Date**”), the Qualifying TRU Canada Sale shall have closed and the Canadian Facility Termination Date shall have occurred; provided that the Debtors may extend the Anticipated Sale Closing Date to July 15, 2018 so long as, as of May 31, 2018, (w) all Revolving Credit Loans shall have been indefeasibly and irrevocably paid and satisfied in full in cash, all Letters of Credit have been collateralized in a manner that is satisfactory to the Issuing Bank and all Commitments shall have been terminated, (x) the aggregate outstanding principal amount of Term Loans shall not exceed \$100,000,000, (y) the cash balance of the Loan Parties shall be at least \$36,200,000 and (z) the Loan Parties shall have paid to the Administrative Agent, for the ratable benefit of the Term Lenders, a fee in the amount of \$5,000,000 (which such extension payment shall be due and payable in dollars on May 31, 2018 and once paid, shall not be refundable or revocable);

provided that if the Lead Borrower or Canadian Borrower fails to meet any of the Sale Milestones, such failure shall not constitute a breach of this Section 3(f) if either (A)(x) the

Canadian Borrower, within 5 Business Days of the failure to meet the applicable Sale Milestone, delivers a written notice to the Administrative Agent and the Canadian Agent of its intent to commence a liquidation of its inventory (the “**Canadian Wind-Down Notice**”), (y) within 5 Business Days after the delivery of the Canadian Wind-Down Notice, delivers to the Canadian Agent and the Administrative Agent, in each case in form and substance satisfactory to the Canadian Agent and the Administrative Agent (I) a budget setting forth, in reasonable detail, a plan to liquidate substantially all of the Canadian Borrower’s inventory (the “**Canadian Wind-Down Budget**”) (which Canadian Wind-Down Budget shall also be in form and substance satisfactory to the Required Lenders) and (II) liquidation agreements reasonably satisfactory to the Canadian Agent pursuant to which such liquidation will occur, and (z) within 5 Business Days after the delivery of a Canadian Wind-Down Notice, seeks an order from the Canadian Court and the Bankruptcy Court (if required) (the “**Canadian Wind-Down Orders**”) in form and substance satisfactory to the Canadian Agent and the Administrative Agent authorizing and directing it to conduct the liquidation of its inventory in accordance with the foregoing clause (the actions described in clauses (x), (y) and (z) and such liquidation, collectively, the “**Canadian Wind-Down**”) or (B) the Required Lenders (in their sole discretion) instruct the Canadian Borrower not to commence a liquidation (which instruction may be revoked at any time thereafter, in which case the preceding clause (A) shall apply).

(g) At all times following the delivery of the Canadian Wind-Down Notice, the Canadian Borrower shall (i) pursue the liquidation of the Canadian Borrower’s inventory in a manner that is consistent with the Canadian Wind-Down Budget and the Canadian Wind-Down Orders in all material respects and (ii) comply with the additional reporting requirements described in Section 3(c) of this Agreement.

(h) The Loan Parties shall, promptly following the delivery of any written notice, reports or other written information to the administrative agent or the lenders under the DIP Term Loan Facility or the receipt of any written notice from the administrative agent or the lenders under the DIP Term Loan Facility, deliver a copy of such notice, report or other written information to the Administrative Agent.

(i) The Domestic Loan Parties shall (i) commence liquidation sales at all remaining Stores in the United States by no later than March 27, 2018, (ii) complete liquidation sales at all remaining Stores in the United States by no later than June 30, 2018 (provided, that liquidation sales may continue at a reasonable number of Stores so long as such sales are completed no later than July 15, 2018) and (iii) reject all third-party leases and all leases with Propco I and Propco II by no later than June 30, 2018.

(j) The Loan Parties shall give the Canadian Agent and the Administrative Agent prior notice of and a reasonable opportunity to review any motions to be filed with, and orders to be sought from, the Bankruptcy Court or the Canadian Court, as applicable, with respect to the Domestic Wind-Down, the Sale Process or, if applicable, the Canadian Wind-Down and all such motions and orders shall be in form and substance reasonably satisfactory to the Required Lenders (except in exigent circumstances in which case reasonably practicable notice (as early as possible under the circumstances) to the Administrative Agent will be given).

(k) The Loan Parties shall not amend, modify, revise, update or change in any respect any of the Domestic Wind Down Budget, the Canadian Going Concern Budget or the Canadian Wind Down Budget, unless (i) any such amendment, modification, revision, update or change shall have been provided to the Administrative Agent, the Canadian Agent, their respective advisors and representatives and the Specified Legal Advisor with a reasonable opportunity to review and (ii) the Required Lenders (acting in their sole discretion) shall have consented to any such amendment, modification, revision, update or change. The applicable portions of the Domestic Wind-Down Budget or (if applicable) the Canadian Wind-Down Budget shall be automatically reduced (but not increased) to the extent the Loan Parties amend, modify or terminate any Master Lease or any Material Contract to provide for disbursements that are less than those contemplated by the existing Domestic Wind-Down Budget. "Material Contract" shall mean any contract providing for annual disbursements by the Loan Parties of greater than \$2,500,000.

All reports, access rights, notices and information required to be delivered or provided to the Administrative Agent, the Canadian Agent and/or their respective advisors and representatives pursuant to this Section 3 shall also be delivered or provided by the Loan Parties to the Specified Legal Advisor (as defined below) promptly following delivery or provision to the Administrative Agent, the Canadian Agent and/or their respective advisors and representatives.

4. Additional Events of Default. From and after the Waiver Effective Date (and without in any way limiting the provision of Article VII of the DIP ABL/FILO Credit Agreement), it shall constitute an immediate Event of Default under the DIP ABL/FILO Credit Agreement if any of the following shall occur (as though the following had been fully set forth in the DIP ABL/FILO Credit Agreement):

(a) the Loan Parties shall fail to comply (x) in any material respect with any of the undertakings (other than with respect to Sections 3(f) and 3(i)) set forth in this Agreement or (y) in any respect with any of the undertakings set forth in Sections 3(f) and 3(i) and, in the case of the undertakings set forth in Sections 3(a)(iv), 3(b)(ii), 3(c)(iii), and 3(h), such failure shall continue for a period of 2 days after (i) in the case of any failure to comply with any undertaking set forth in Sections 3(a)(iv), 3(b)(ii) or 3(c)(iii), receipt of written notice from the Administrative Agent and (ii) in the case of the undertaking set forth in section 3(h), knowledge of the applicable Loan Party of such failure;

(b) the Loan Parties shall (x) in the case of the Domestic Loan Parties, cease to proceed with the Domestic Wind-Down, in the manner set forth in and consistent in all material respects with the Domestic Wind-Down Budget, (y) make any payment (other than any payment (which in the case of the Domestic Loan Parties and, after the delivery of the Canadian Wind-Down Notice, the Canadian Borrower, shall only be to facilitate an orderly wind-down) that is, considered alone or together with all other payments not consistent with the Domestic Wind-Down Budget, the Canadian Going Concern Budget or, if applicable, the Canadian Wind-Down Budget, immaterial) that is not consistent with the Domestic Wind-Down Budget, the Canadian Going Concern Budget or, if applicable, the Canadian Wind-Down Budget or (z) make any payments to any individual legal or financial advisor of the Debtors (including advisors to their various independent directors) or the Unsecured Creditors Committee that, as of any date of

determination, exceed on a cumulative basis from March 1, 2018 the amounts provided therefor in the Domestic Wind-Down Budget, the Canadian Going Concern Budget or, if applicable, the Canadian Wind-Down Budget;

(c) with respect to any calendar month (commencing with March 2018), the aggregate principal amount of Domestic Revolving Credit Loans, Domestic Term Loans and Canadian Term Loans prepaid during such calendar month shall be less than the prepayment amount set forth for such calendar month on Schedule I hereto (it being understood that if the aggregate principal amount of Domestic Revolving Credit Loans, Domestic Term Loans or Canadian Term Loans, as applicable prepaid during such calendar month is greater than the prepayment amount set forth for such calendar month on Schedule I hereto, then such additional amounts shall be applied to the succeeding months as determined by the Lead Borrower);

(d) (i) at any time, the net cash flow before debt of the Domestic Loan Parties for any Test Period shall be less than as set forth on Schedule II for such Test Period, (ii) on the last day of any week, the cash balance of the Canadian Borrower shall be less than projected by the Canadian Going Concern Budget or, beginning with the first full week starting on the Sunday after the delivery of the Canadian Wind-Down Budget, the Canadian Wind-Down Budget, by more than \$7,000,000, (iii) at any time, the cash balance of the Canadian Borrower shall be lower than \$5,000,000 or (iv) the Loan Parties shall disburse any amounts to legal or financial advisors of the Debtors (including advisors to their various independent directors) or the Unsecured Creditors Committee in violation of Section 24 of the Bankruptcy Court Order. For purposes of this Section 4(d), “**Test Period**” shall mean, as of any date, (i) beginning with the last day of the week ending on March 31, 2018, the two-week period ending on March 31, 2018, (ii) beginning with the last day of the week ending on April 7, 2018, the three-week period ending on April 7, 2018, and (iii) on and after of the the last day of any week thereafter, the most recent period of four consecutive weeks ended on or prior to such date;

(e) the Loan Parties shall (x) unless a Canadian Wind-Down Notice has been delivered, cease to pursue the Qualifying TRU Canada Sale, in a manner consistent in all material respects with the Sale Milestones and otherwise in compliance in all material respects with the Canadian Going Concern Budget, (y) following delivery of a Canadian Wind-Down Notice, cease to proceed with the Canadian Wind-Down, in the manner set forth in and consistent in all material respects with the Canadian Wind-Down Budget or (z) make any payment (other than any payment (which, after the delivery of the Canadian Wind-Down Notice, shall only be to facilitate an orderly wind-down) that is, considered alone or together with all other payments not consistent with the Canadian Going Concern Budget (or if applicable the Canadian Wind-Down Budget), immaterial) that is not consistent with the Canadian Going Concern Budget or (if applicable) the Canadian Wind-Down Budget;

(f) any Loan Party shall make any adequate protection payments in respect of interest on any Existing Debt;

(g) the Domestic Facility Termination Date (as defined below) shall not have occurred on or prior to May 31, 2018;

(h) the Canadian Facility Termination Date shall not have occurred on or prior to May 31, 2018 (or, if the Canadian Wind-Down Notice has been delivered, July 31, 2018);

(i) on or prior to March 28, 2018, the Bankruptcy Court shall not have entered a final order, in form and substance consistent with the Interim Domestic Waiver Approval Order (as defined below), with modifications thereto to reflect the final nature thereof, and any other modifications thereto satisfactory to the Administrative Agent and the Required Lenders, authorizing the Loan Parties to enter into this Agreement and to perform the obligations hereunder, which final order shall not have been vacated or reversed, shall not be subject to any stay, and shall not have been modified or amended in any manner without the consent of the Administrative Agent and the Required Lenders (the “**Final Domestic Waiver Approval Order**”);

(j) on or prior to March 28, 2018, the Canadian Court shall not have entered an order, in form and substance satisfactory to the Canadian Agent and the Administrative Agent, authorizing the Canadian Borrower to enter into this Agreement and to perform the obligations hereunder, which order shall not have been vacated or reversed, shall not be subject to any stay, and shall not have been modified or amended in any manner without the consent of the Canadian Agent (the “**Canadian Waiver Approval Order**”, and, together with the Final Domestic Waiver Approval Order and the Interim Domestic Waiver Approval Order, the “**Waiver Approval Orders**” and collectively with the, Sale Approval Order, the Orders attached to the Store Liquidation Motion and the Canadian Wind-Down Orders, the “**Wind-Down Orders**”); or

(k) any of the Waiver Approval Orders shall have been stayed, reversed, vacated, rescinded or modified in any material respect without the prior written consent of the Required Lenders.

The “**Domestic Facility Termination Date**” means the date on which the Domestic Commitments have been irrevocably terminated, the Domestic Borrowers shall have indefeasably and irrevocably paid and satisfied in full in cash all Obligations (other than Canadian Liabilities and contingent indemnity obligations with respect to then unasserted claims), the Domestic Borrowers shall have indefeasably and irrevocably paid and satisfied in full in cash the Other Liabilities then due and payable (other than Canadian Liabilities), all Domestic Letters of Credit shall have expired or terminated (or been collateralized in a manner satisfactory to the Issuing Banks) and all Domestic Letter of Credit Outstandings have been reduced to zero (or been collateralized in a manner satisfactory to the Issuing Banks).

5. Termination of Swingline Facility. Effective as of the Waiver Effective Date, the parties hereto agree that (i) the Domestic Swingline Loan Ceiling shall be equal to \$0 and (ii) the Canadian Swingline Loan Ceiling shall be equal to \$0.

6. Treatment of Loans, Commitments and Letters of Credit.

(a) With effect as of the Waiver Effective Date, and notwithstanding the waivers and consents in this Agreement, (i) all Revolving Credit Loans shall be automatically converted into Prime Rate Loans bearing interest, effective from March 15, 2018, at the Prime

Rate plus 3.50% and all Revolving Credit Loans shall continue as Prime Rate Loans bearing interest at the Prime Rate plus 3.50% at all times thereafter, (ii) all Term Loans shall be automatically converted into Prime Rate Loans bearing interest, effective from March 15, 2018, at the Prime Rate plus 7.75% and all Term Loans shall continue as Prime Rate Loans bearing interest at the Prime Rate plus 7.75% at all times thereafter, and (iii) all Letter of Credit Fees shall be increased by an amount equal to 2% per annum. The Lead Borrower shall reimburse each Domestic Lender and the Canadian Borrower shall reimburse each Canadian Lender for any Breakage Costs resulting from such conversion calculated consistent with Section 2.16(b) of the DIP ABL/FILO Credit Agreement.

(b) Notwithstanding anything to the contrary in Sections 2.08 and 2.19 of the DIP ABL/FILO Credit Agreement, interest on Loans, Unused Canadian Fees and Letter of Credit Fees shall be payable on the last Business Day of each calendar month.

(c) Notwithstanding anything to the contrary in Section 2.04 of the DIP ABL/FILO Credit Agreement, (x) effective as of the Waiver Effective Date, the Lead Borrower shall be deemed to have submitted a notice of Borrowing for Prime Rate Loans in an amount equal to \$94,262,082.22, the proceeds of which shall be used to cash collateralize the Domestic Letter of Credit Outstandings and (y) effective as of the date of the entry of the Final Domestic Waiver Approval Order and the Canadian Waiver Approval Order (whichever is later), the Lead Borrower shall be deemed to have submitted a notice of Borrowing for Prime Rate Loans in an amount equal to the U.S. Dollar equivalent of C\$5,112,945.28, the proceeds of which shall be converted immediately into Canadian Dollars and shall be used to cash collateralize the Canadian Letter of Credit Outstandings (which cash collateralization shall result in a subrogated claim pursuant to Section 10.07 of the DIP ABL/FILO Credit Agreement). The Consenting Lenders hereby waive the conditions set forth in Section 4.02 of the DIP ABL/FILO Credit Agreement with respect to such Borrowings, and the applicable Lenders with Commitments shall fund such Borrowing in accordance with the terms of the DIP ABL/FILO Credit Agreement; provided that the proceeds of such Revolving Credit Loans shall be applied to cash collateralize the Domestic Letter of Credit Outstandings and Canadian Letter of Credit Outstandings, as applicable. If prior to the Domestic Facility Termination Date or the Canadian Facility Termination Date, as applicable, any Letter of Credit expires undrawn or the principal amount of any Letter of Credit is reduced, any cash collateral held in respect of the expired or reduced amount shall be applied by the Administrative Agent or the Canadian Agent, as applicable, promptly following the date of such expiration or reduction, as applicable, to the payment of principal and accrued interest outstanding under the Domestic Revolving Credit Loans (which, in the event cash collateral held in respect of the Canadian Letter of Credit Outstandings is used for such payment) shall reduce the amount of the subrogation claims provided in Section 6(c)), and, thereafter, to the payment of principal and accrued interest outstanding under the Domestic Term Loans, and thereafter, to the payment of principal and accrued interest outstanding under the Canadian Revolving Credit Loans, and, thereafter, to the payment of principal and accrued interest outstanding under the Canadian Term Loans, and thereafter to the repayment of all other Obligations that are then due and payable.

(d) Immediately following the funding of the Revolving Credit Loans described in the preceding clause (c), the Domestic Commitments shall be permanently reduced to an amount equal to \$350,778,666.90 plus the amount of the Borrowing made pursuant to

Section 6(c)(y) to cash collateralize the Canadian Letter of Credit Outstandings, which reduction shall be applied ratably to the Domestic Commitment of each Lender and from and after the Waiver Effective Date, no Lender shall have any commitment to make any Credit Extension to the Lead Borrower. The Domestic Revolving Commitments shall automatically and without the requirement of any notice be permanently reduced by the amount of (i) any principal repayment of Domestic Revolving Credit Loans made and (ii) any reduction in the Domestic Letter of Credit Outstandings or the Canadian Letter of Credit Outstandings upon a drawing or payment under a Letter of Credit or the expiration or termination thereof, in each case on or after the Waiver Effective Date.

(e) With effect as of the Waiver Effective Date, the Canadian Commitments shall hereby be permanently reduced to \$40,623,829.60, which reduction shall be applied ratably to the Canadian Commitment of each Lender.

7. Amendments to DIP ABL/FILO Credit Agreement. With effect as of the Waiver Effective Date, the DIP ABL/FILO Credit Agreement is amended as follows:

(a) The definition of “Permitted Encumbrances” shall be amended by deleting the “and” at the end of paragraph (gg) thereof, replacing the “.” at the end of paragraph (hh) thereof with “; and” and by adding the following new paragraph (ii):

“(ii) following (or substantially contemporaneously with) the Canadian Facility Termination Date (as defined in the Waiver, Consent and Amendment Agreement hereto, dated as of March 20, 2018), any Liens on property of any Canadian Loan Party to secure any Post-Termination Canadian Indebtedness.”

(b) The definition of “Permitted Indebtedness” shall be amended by deleting the “and” at the end of paragraph (aa) thereof, replacing the “.” at the end of paragraph (bb) thereof with “; and” and by adding the following new paragraph (cc):

“(cc) following (or substantially contemporaneously with) the Canadian Facility Termination Date, any additional Indebtedness of the Canadian Borrower; provided, that such Indebtedness shall not be guaranteed by any Domestic Loan Party or secured by any property of any Domestic Loan Party (the “**Post-Termination Canadian Indebtedness**”).”

(c) The definition of “Specified Indebtedness” shall be amended by deleting clause (ii) therein in its entirety.

(d) The definition of “Substantial Liquidation” shall be amended by adding “(other than, following the Canadian Facility Termination Date the Collateral of the Canadian Borrower or the Capital Stock of the Canadian Borrower)” immediately after “by the Loan Parties”.

(e) Section 4.02 of the DIP ABL/FILO Credit Agreement shall be amended by adding the following paragraph (l) after the existing paragraph (k) thereof:

“(l) The Required Lenders, acting in their sole discretion, shall have consented to the making of such Revolving Credit Loan or issuance or extension of Letter of Credit, as applicable (provided that the Required Lenders have consented to the making of the Revolving Credit Loans to be made pursuant to Section 6 of the Waiver, Consent and Amendment Agreement hereto, dated as of March 20, 2018, to be used to cash collateralize the Domestic Letter of Credit Outstandings and the Canadian Letter of Credit Outstandings).”

(f) Section 4.02 of the DIP ABL/FILO Credit Agreement shall be amended by deleting the last two sentences of the last paragraph thereof.

(g) Section 5.01(a) of the DIP ABL/FILO Credit Agreement shall be replaced in its entirety with the following:

“(a) [reserved],”.

(h) Section 5.01(b) of the DIP ABL/FILO Credit Agreement shall be replaced in its entirety with the following:

“(b) [reserved],”.

(i) Section 5.01(c) of the DIP ABL/FILO Credit Agreement shall be replaced in its entirety with the following:

“(c) [reserved],”.

(j) Section 5.01(d) of the DIP ABL/FILO Credit Agreement shall be replaced in its entirety with the following:

“(d) [reserved],”.

(k) Section 5.01(f) of the DIP ABL/FILO Credit Agreement shall be replaced in its entirety with the following:

“(f) [reserved],”.

(l) Section 5.01(i) of the DIP ABL/FILO Credit Agreement shall be replaced in its entirety with the following:

“(i) [reserved],”.

(m) Section 5.01(k) of the DIP ABL/FILO Credit Agreement shall be replaced in its entirety with the following:

“(k) [reserved],”

(n) Section 5.01(l) of the DIP ABL/FILO Credit Agreement shall be replaced in its entirety with the following:

“(l) [reserved],”.

(o) Section 5.01(m) of the DIP ABL/FILO Credit Agreement shall be replaced in its entirety with the following:

“(m) [reserved],”.

(p) Section 5.02(d) of the DIP ABL/FILO Credit Agreement shall be replaced in its entirety with the following:

“(d) [reserved],”.

(q) Section 5.16 of the DIP ABL/FILO Credit Agreement shall be replaced in its entirety with the following:

“Section 5.16 [Reserved],”.

(r) Section 5.19(b) and (c) of the DIP ABL/FILO Credit Agreement shall be replaced in their entirety with the following:

“a weekly call (at a time to be mutually agreed) with the Administrative Agent and its advisors and the law firm acting as counsel to the holders of a majority of the Term Loans that has been previously identified to the Lead Borrower and the Administrative Agent (the “**Specified Legal Advisor**”) to discuss the status of the implementation of the Domestic Wind-Down Budget (as defined in the Waiver, Consent and Amendment Agreement hereto, dated as of March 20, 2018) and related going out of business sales, which will include a discussion of the maximization of value of inventory and any other assets with respect to any going out of business sales and the efforts to effectuate the TRU Canada Sale (as defined in the Waiver, Consent and Amendment Agreement hereto, dated as of March 20, 2018) or the status of the implementation of the Canadian Wind-Down Budget(as defined in the Waiver, Consent and Amendment Agreement hereto, dated as of March 20, 2018), as applicable”.

(s) Section 6.09(x) of the DIP ABL/FILO Credit Agreement shall be amended by replacing the words “to have an adverse effect” with the words “to have a material adverse effect”.

(t) Section 6.09(y) of the DIP ABL/FILO Credit Agreement shall be amended by adding “(in each case, other than any such amendments to the DIP Term Loan Facility made on or prior to March 20, 2018)” immediately prior to “.” at the end of such section.

(u) Section 6.10 of the DIP ABL/FILO Credit Agreement shall be replaced in its entirety with the following:

“SECTION 6.10 [Reserved]”.

(v) Section 6.15 of the DIP ABL/FILO Credit Agreement shall be replaced in its entirety with the following:

“SECTION 6.15 [Reserved]”.

(w) Sections 7.01(x) of the DIP ABL/FILO Credit Agreement shall be amended by adding “(in each case, other than any Liens or claims on the assets or properties of the Canadian Borrower or (if a Qualifying TRU Canada Sale in the form of a disposition of the Capital Stock of the Canadian Borrower has been consummated) the Stock of the Canadian Borrower after the Canadian Facility Termination Date (as defined in the Waiver, Consent and Amendment Agreement hereto, dated as of March 20, 2018)” immediately prior to “;” at the end of each such clause.

(x) Section 7.01(r)(vii), Section 7.01(u), Section 7.01(w), Section 7.01(x) and Section 7.01(bb) of the DIP ABL/FILO Credit Agreement shall each be amended by adding, immediately prior to “;” at the end of each such clause, “; provided, however, that after the Canadian Facility Termination Date (as defined in the Waiver, Consent and Amendment Agreement hereto, dated as of March 20, 2018) no Event of Default under this clause shall occur solely with respect to the Canadian Borrower”.

(y) Article VI shall be amended by replacing “(provided that the Canadian Borrower covenants only for itself and its Subsidiaries)” with the following:

“(provided that the Canadian Borrower covenants only for itself and its Subsidiaries and, after the Canadian Facility Termination Date (as defined in the Waiver, Consent and Amendment Agreement hereto, dated as of March 20, 2018), such covenants shall not be deemed to apply to the Canadian Borrower and its Subsidiaries)”

(y) Section 9.18 shall be amended by adding “and, after the Canadian Facility Termination Date (as defined in the Waiver, Consent and Amendment Agreement hereto, dated as of March 20, 2018), (w) the Canadian Borrower shall have no liability whatsoever under the Loan Documents (including, pursuant to Section 2.26), (x) no representations and warranties under Article III hereof or under any other Loan Documents shall apply to the Canadian Borrower, (y) no covenants under Article V or Article VI hereof or under any other Loan Documents shall apply to the Canadian Borrower and (z) the Canadian Borrower shall be excluded from any determination as to whether a Default or Event of Default has occurred” immediately prior to “.” at the end of such section.

8. Representations and Warranties. Each Loan Party party hereto represents and warrants to the Agents and the Lenders, on and as of the Waiver Effective Date, that:

(a) Each Loan Party has all requisite organizational power and authority to perform all its obligations under the DIP ABL/FILO Credit Agreement and to execute and deliver and perform all its obligations under this Agreement.

(b) The transactions contemplated by this Agreement and by the DIP ABL/FILO Credit Agreement are within such Loan Party's corporate powers and have been duly authorized by all necessary corporate, membership, partnership or other necessary action. Subject to the entry of the Waiver Approval Orders and the terms thereof, this Agreement has been duly executed and delivered by each Loan Party that is a party hereto or thereto and constitutes, and when executed and delivered by such Loan Party, this Agreement and the DIP ABL/FILO Credit Agreement will constitute, a legal, valid and binding obligation of such Loan Party, enforceable in accordance with its terms subject to the terms of the Orders and the Waiver Approval Orders.

(c) The transactions to be entered into and contemplated by this Agreement and the DIP ABL/FILO Credit Agreement will not violate the Charter Documents of any Loan Party.

(d) On and as of the Amendment Effective Date, no Default or Event of Default (other than the Specified Events of Default) has occurred and is continuing or will result from the entry by the Loan Parties into this Agreement.

9. Conditions to Effectiveness. This Agreement shall become effective (the date of such effectiveness being referred to herein as the "**Waiver Effective Date**") upon satisfaction or waiver of each of the following conditions:

(a) execution and delivery of this Agreement by the Administrative Agent, the Canadian Agent, the Co-Collateral Agents, Lenders constituting the Required Lenders under the DIP ABL/FILO Credit Agreement and the Loan Parties and, in each case, delivered to the Administrative Agent; and

(b) (i) the Canadian Waiver Approval Order shall have been entered by the Canadian Court, (ii) no later than two days after the execution of this Agreement, the Bankruptcy Court shall have entered an interim order, in form and substance satisfactory to the Administrative Agent, authorizing the Loan Parties to enter into this Agreement and to perform the obligations hereunder, which interim order shall not have been vacated or reversed, shall not be subject to any stay, and shall not have been modified or amended in any manner without the consent of the Administrative Agent and the Required Lenders (the "**Interim Domestic Waiver Approval Order**") and (iii) the DIP Term Waiver (as defined in the Debtors' motion seeking the Domestic Waiver Approval Order) shall have become effective substantially in the form provided to the Lenders in connection with the execution of this Agreement; and

(c) the Loan Parties shall have indefeasibly and irrevocably paid and satisfied in full in cash all previously invoiced Credit Party Expenses payable pursuant to this Agreement or Section 9.03 of the DIP ABL/FILO Credit Agreement.

Immediately upon the satisfaction or waiver of the conditions set forth in the foregoing paragraphs (a) and (c), the date set forth in clause 2(b) of the Forbearance shall be automatically extended to March 28, 2018 at 11:59 pm New York time; provided that the Forbearance shall terminate if a fact or circumstance occurs that would constitute an Event of Default under this Agreement, had the Waiver Effective Date occurred.

10. Miscellaneous.

(a) This Agreement and the Waiver shall be limited precisely as written and, except as expressly provided herein, shall not be deemed (a) to be a consent granted pursuant to, or a waiver or modification of, any term or condition of the DIP ABL/FILO Credit Agreement, any other Loan Documents or any of the instruments or agreements referred to therein or (b) other than as expressly stated herein, to prejudice any right or rights which the Agents or the other Secured Parties may now have or have in the future under or in connection with the DIP ABL/FILO Credit Agreement, the other Loan Documents or any of the instruments or agreements referred to therein including any rights from the existence or continuation of a Cash Dominion Event. The Loan Parties agree that their obligations set forth in Section 9.03 of the DIP ABL/FILO Credit Agreement shall extend to the preparation, execution and delivery of this Agreement and that the Credit Party Expenses payable pursuant to Section 9.03 of the DIP ABL/FILO Credit Agreement shall include the reasonable fees, charges and disbursements of the Specified Legal Advisor incurred (whether before or after the Waiver Effective Date) in connection with this Agreement, the DIP ABL/FILO Credit Agreement and the other Loan Documents. This Agreement is hereby deemed to be a Loan Document for purposes of each Loan Document. All terms and provisions of the Loan Documents remain in full force and effect, except to the extent expressly modified by this Agreement. Each of the Loan Parties acknowledges that the Administrative Agent, the Canadian Agent, the Co-Collateral Agents and the Consenting Lenders have made no representations as to what actions, if any, they will take after the Waiver Effective Date, and the Administrative Agent and each Consenting Lender hereby specifically reserves any and all rights, remedies, and claims it has (after giving effect hereto) with respect to any Events of Default and other Defaults that may occur (other than the Specified Events of Default). The Loan Parties hereby acknowledge and agree that account number 528277937 in the name of the Lead Borrower and account numbers 4000013288 and 4000013289 in the name of the Canadian Borrower are under the sole and exclusive dominion and control of the Administrative Agent and the Canadian Agent (subject in all respects to the Wind-Down Orders).

(b) For the avoidance of doubt, all payments on account of Loans and Letters of Credit made by the Loan Parties shall be applied in accordance with the payment waterfall provisions set forth in Section 7.03(a) and (b) of the DIP ABL/FILO Credit Agreement (subject in all respects to the Wind-Down Orders).

(c) Unless specifically stated otherwise herein, for purposes of this Agreement, a “week” shall begin on a Sunday and end on a Saturday.

(d) Each of the parties hereto agrees that upon the Waiver Effective Date, the “Forbearance Period” as defined in the Forbearance shall immediately terminate.

11. Release.

(a) Each of the Loan Parties (on behalf of itself and its Affiliates), for itself and for its successors in title, legal representatives and assignees and, to the extent the same is claimed by right of, through or under any of the Loan Parties for its past, present and future employees, agents, representatives, advisors, officers, directors, shareholders, subsidiaries, affiliates, trustees and successors (each, a “**Releasing Party**” and collectively, the “**Releasing Parties**”), does hereby remise, release and discharge, and shall be deemed to have forever remised, released and discharged, the Administrative Agent, the Canadian Agent, each of the Co-Collateral Agents, each of the Lenders and each of the other Secured Parties in their respective capacities as such under the Loan Documents, and the Administrative Agent’s, the Canadian Agent’s, each of the Co-Collateral Agents’, each of the Lenders’ and each other Secured Party’s respective successors-in-title, legal representatives and assignees, past, present and future officers, directors, affiliates, shareholders, subsidiaries, trustees, agents, employees, consultants, experts, advisors, attorneys and other professionals and each of their respective successors-in-title, legal representatives and assignees, past, present and future officers, directors, affiliates, shareholders, subsidiaries, trustees, agents, employees, consultants, experts, advisors, attorneys and other professionals (collectively, hereinafter the “**Releasees**”), from any and all manner of action and actions, cause and causes of action, claims, charges, demands, counterclaims, crossclaims, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, rights of setoff and recoupment, controversies, damages, judgments, expenses, executions, liens, claims of liens, claims of costs, penalties, attorneys’ fees, or any other compensation, recovery or relief on account of any liability, obligation, demand or cause of action of whatever nature, whether in law, equity or otherwise relating to (i) the making or administration of the Loans, including, without limitation, any such claims and defenses based on mistake, duress, usury or misrepresentation, or any other claim based on so-called “lender liability” theories, (ii) the Loan Documents or any of the transactions contemplated thereunder, (iii) increased financing costs, interest or other carrying costs, (iv) penalties, (v) lost profits or loss of business opportunity, (vi) legal, accounting and other administrative or professional fees and expenses and incidental, consequential and punitive damages payable to third parties, (vii) damages to business reputation, or (viii) any claims arising under 11 U.S.C. §§ 541-550 or any claims for avoidance or recovery under any other federal, state or foreign law equivalent, whether known or unknown, fixed or contingent, joint and/or several, secured or unsecured, due or not due, primary or secondary, liquidated or unliquidated, contractual or tortious, direct, indirect, or derivative, asserted or unasserted, foreseen or unforeseen, suspected or unsuspected, now existing, heretofore existing or which may heretofore accrue against any of the Releasees, and which are, in each case, based on any act, fact, event or omission or other matter, cause or thing occurring at any time prior to or on the date hereof in any way, directly or indirectly arising out of, connected with or relating to the DIP ABL/FILO Credit Agreement or any other Loan Document and the transactions contemplated thereby, and all other agreements, certificates, instruments and other documents and statements (whether written or oral) related to any of the foregoing (each, a

“Claim” and collectively, the “Claims”). Each Releasing Party further stipulates and agrees with respect to all Claims, that it hereby waives, to the fullest extent permitted by applicable law, any and all provisions, rights, and benefits conferred by any applicable U.S. federal or state law, or any principle of common law, that would otherwise limit a release or discharge of any unknown Claims pursuant to this Section 11.

(b) Each of the Borrowers and the other Loan Parties, on behalf of itself and its successors, assigns, and other legal representatives, hereby absolutely, unconditionally and irrevocably, covenants and agrees with and in favor of each Releasee that it will not sue (at law, in equity, in any regulatory proceeding or otherwise) any Releasee on the basis of any Claim released, remised and discharged by the Borrowers or any other Loan Party pursuant to paragraph (a) above. If the Borrowers, any other Loan Party or any of its successors, assigns or other legal representatives violates the foregoing covenant, the Borrowers and other Loan Parties, each for itself and its successors, assigns and legal representatives, agrees to pay, in addition to such other damages as any Releasee may sustain as a result of such violation, all attorneys’ fees and costs incurred by any Releasee as a result of such violation.

12. Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto in separate counterparts, each of which shall be an original and all of which, when taken together, shall constitute but one and the same instrument. A facsimile or pdf copy of a counterpart signature page shall serve as the functional equivalent of a manually executed copy for all purposes.

13. Governing Law. THIS AGREEMENT AND ALL ACTIONS ARISING UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK AND (TO THE EXTENT APPLICABLE) THE BANKRUPTCY CODE AND THE CCAA.

[SIGNATURE PAGES FOLLOW]

Schedule I

Required Repayment Amounts

<i>Calendar Month</i>	<i>Domestic Revolving Credit Loans</i>	<i>Domestic Term Loans</i>	<i>Canadian Term Loans</i>
March 2018	\$100.0 million	\$0	\$0
April 2018	In full	\$125.0 million	\$0
May 2018	-	\$125.0 million (in full)	\$50.0 million
June 2018	-	-	\$150.0 million (in full)

Schedule II

Budget Week	Week ending	Tested Net Cash Flow Before Debt Description	Net Cash Flow Before Debt Compliance Threshold (\$US million)
Mar Wk 4	3/31/2018	2 weeks ending 3/31/18	\$14.9
Apr Wk 1	4/7/2018	3 weeks ending 4/7/18	\$81.2
Apr Wk 2	4/14/2018	4 weeks ending 4/14/2018	\$122.8
Apr Wk 3	4/21/2018	4 weeks ending 4/21/2018	\$137.9
Apr Wk 4	4/28/2018	4 weeks ending 4/28/2018	\$210.0
Apr Wk 5	5/5/2018	4 weeks ending 5/5/2018	\$191.2
May Wk 1	5/12/2018	4 weeks ending 5/12/2018	\$206.1
May Wk 2	5/19/2018	4 weeks ending 5/19/2018	\$227.1
May Wk 3	5/26/2018	4 weeks ending 5/26/2018	\$184.6
May Wk 4	6/2/2018	4 weeks ending 6/2/2018	\$171.3
Jun Wk 1	6/9/2018	4 weeks ending 6/9/2018	\$169.7
Jun Wk 2	6/16/2018	4 weeks ending 6/16/2018	\$160.5
Jun Wk 3	6/23/2018	4 weeks ending 6/23/2018	\$148.4

Exhibit A

Domestic Wind-Down Budget

Project Sunrise
Weekly Wind Down Budget
 (\$ in MM's)

Weekly Budget

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	
	Mar Wk 3 3/24/18	Mar Wk 4 3/31/18	Apr Wk 1 4/7/18	Apr Wk 2 4/14/18	Apr Wk 3 4/21/18	Apr Wk 4 4/28/18	May Wk 1 5/5/18	May Wk 2 5/12/18	May Wk 3 5/19/18	May Wk 4 5/26/18	Jun Wk 1 6/2/18	Jun Wk 2 6/9/18	Jun Wk 3 6/16/18	Jun Wk 4 6/23/18	
Receipts	\$ 97.8	\$ 95.9	\$ 94.5	\$ 94.7	\$ 106.8	\$ 109.6	\$ 104.8	\$ 95.3	\$ 93.3	\$ 90.9	\$ 89.3	\$ 85.6	\$ 80.0	\$ 58.2	\$ 1,296.7
Disbursements															
Payroll & Benefits	(4.6)	(25.6)	(4.7)	(26.1)	(5.6)	(24.8)	(3.4)	(19.3)	(2.7)	(17.7)	(3.2)	(14.7)	(2.6)	(15.0)	(170.0)
Taxes	(0.9)	(2.0)	(1.0)	(6.4)	(34.8)	(6.5)	(1.0)	(1.8)	(0.6)	(41.3)	(0.7)	(1.4)	(0.5)	(28.5)	(127.2)
Rent	(14.5)	(43.8)	(0.1)	(0.8)	(0.1)	(0.1)	(41.3)	(0.1)	(0.8)	(0.1)	(41.2)	(0.1)	(0.8)	(0.1)	(143.6)
Advertising / Supervision (GOB)	(0.5)	(3.4)	(3.6)	(3.7)	(3.6)	(3.2)	(2.9)	(2.7)	(2.7)	(2.6)	(2.5)	(2.5)	(2.3)	(1.7)	(37.9)
Liquidator Fees	(0.8)	(1.8)	(2.0)	(2.1)	(2.0)	(1.8)	(1.8)	(1.7)	(1.6)	(1.6)	(1.5)	(1.5)	(1.4)	(23.0)	(23.0)
Post-Petition Merchandise	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional Fees	(1.3)	(5.9)	(2.6)	(3.4)	(2.6)	(2.6)	(4.3)	(4.3)	(4.3)	(4.3)	(4.3)	(2.0)	(2.0)	(2.0)	(44.4)
Financing Activity	(0.2)	(2.4)	(0.1)	(0.1)	-	-	(2.2)	-	-	-	-	-	-	-	(5.0)
Other Operating Disbursements	(37.6)	(23.4)	(14.3)	(7.0)	(4.0)	(3.0)	(4.2)	(3.6)	(2.9)	(70.6)	(5.2)	(3.4)	(3.0)	(2.7)	(117.4)
Total Store / DC Disbursements	\$ (60.3)	\$ (108.4)	\$ (28.3)	\$ (49.4)	\$ (52.6)	\$ (41.9)	\$ (59.5)	\$ (33.5)	\$ (15.7)	\$ (70.6)	\$ (58.7)	\$ (25.6)	\$ (12.6)	\$ (51.3)	\$ (668.4)
Net Cash Flow before Debt	\$ 37.4	\$ (12.5)	\$ 66.2	\$ 45.3	\$ 54.2	\$ 67.6	\$ 45.3	\$ 61.8	\$ 77.6	\$ 20.4	\$ 30.6	\$ 60.0	\$ 67.4	\$ 6.9	\$ 628.2
Cash Schedule															
Beginning Cash Balance	105.4	47.0	30.3	30.6	30.0	100.5	20.9	57.7	110.3	55.6	36.2	71.2	113.6	105.4	105.4
Net Cash Flow Before Debt	37.4	(12.5)	66.2	45.3	54.2	67.6	45.3	61.8	77.6	20.4	30.6	60.0	67.4	6.9	628.2
ABL Paydown	(95.8)	(4.2)	(66.0)	(45.8)	(51.3)	-	-	-	-	(75.0)	(50.0)	(25.0)	(25.0)	(263.2)	(263.2)
FILO Paydown	-	-	-	-	-	-	(125.0)	(25.0)	(25.0)	-	-	-	-	-	(450.0)
Ending Cash Balance	\$ 47.0	\$ 30.3	\$ 30.6	\$ 30.0	\$ 32.9	\$ 100.5	\$ 20.9	\$ 57.7	\$ 110.3	\$ 55.6	\$ 36.2	\$ 71.2	\$ 113.6	\$ 20.5	\$ 20.5
ABL Schedule															
Beginning Balance	165.0	167.4	163.2	97.2	51.3	-	-	-	-	-	-	-	-	-	165.0
LC Collateralization	98.2	-	-	-	-	-	-	-	-	-	-	-	-	-	98.2
Paydown	(95.8)	(4.2)	(66.0)	(45.8)	(51.3)	-	-	-	-	-	-	-	-	-	(263.2)
Ending Balance	\$ 167.4	\$ 163.2	\$ 97.2	\$ 51.3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FILO Roll-Forward															
Beginning Balance	450.0	450.0	450.0	450.0	450.0	450.0	450.0	325.0	300.0	275.0	200.0	150.0	125.0	100.0	450.0
Paydown	-	-	-	-	-	-	(125.0)	(25.0)	(25.0)	(75.0)	(50.0)	(25.0)	(25.0)	(100.0)	(450.0)
Ending Balance	\$ 450.0	\$ 450.0	\$ 450.0	\$ 450.0	\$ 450.0	\$ 450.0	\$ 325.0	\$ 300.0	\$ 275.0	\$ 200.0	\$ 150.0	\$ 125.0	\$ 100.0	\$ -	\$ -

Exhibit B

Liquidation Agreements

[Attached to Wind-Down Order]

Exhibit C

Canadian Going Concern Budget

Toys "R" Us (Canada) Ltd.
Cash Flow Forecast
For the thirteen-week period ending June 9, 2018
(Unaudited, in \$'000s CAD)

	Week 26 17-Mar-18	Week 27 24-Mar-18	Week 28 31-Mar-18	Week 29 7-Apr-18	Week 30 14-Apr-18	Week 31 21-Apr-18	Week 32 28-Apr-18	Week 33 5-May-18	Week 34 12-May-18	Week 35 19-May-18	Week 36 26-May-18	Week 37 2-Jun-18	Week 38 9-Jun-18	13 - Week Total
Receipts	15,129	15,070	17,106	17,278	14,461	15,286	15,472	15,338	15,527	15,544	15,372	15,663	15,451	202,698
Disbursements														
Merchandise vendors	11,600	14,471	17,706	14,723	10,104	12,488	8,820	7,543	8,369	7,357	7,251	7,210	7,044	134,687
Non-merchandise vendors	4,533	4,283	3,533	3,948	3,398	6,032	3,048	3,093	2,962	3,111	3,361	3,361	3,995	48,659
Rent	-	-	5,305	-	-	-	-	5,305	-	-	-	5,301	-	15,912
Payroll	2,844	1,204	3,086	1,167	2,862	1,282	2,934	1,185	2,816	1,190	2,833	1,210	2,918	27,530
Capital expenditures	308	308	308	308	308	308	308	231	231	231	231	231	231	3,538
Tax	-	25	973	-	-	-	(176)	(831)	-	-	(40)	1,386	-	1,337
Total Disbursements	19,285	20,290	30,912	20,146	16,672	20,110	14,934	16,526	14,378	11,889	13,636	18,699	14,188	231,664
Operating Net Cash Flow	(4,155)	(5,220)	(13,805)	(2,868)	(2,211)	(4,823)	537	(1,188)	1,150	3,655	1,736	(3,036)	1,263	(28,966)
Restructuring professional fees	606	520	325	350	300	300	325	350	300	225	225	275	225	4,326
DIP fees, interest & payments	-	-	2,652	-	-	-	-	2,652	-	-	-	2,741	-	8,046
Net Cash Flow	(4,762)	(5,740)	(16,783)	(3,218)	(2,511)	(5,123)	212	(4,191)	850	3,430	1,511	(6,052)	1,038	(41,338)
Beginning Cash	54,273	49,512	43,772	26,989	23,771	21,260	16,137	16,349	12,159	13,008	16,438	17,950	11,897	54,273
Net Cash Flow	(4,762)	(5,740)	(16,783)	(3,218)	(2,511)	(5,123)	212	(4,191)	850	3,430	1,511	(6,052)	1,038	(41,338)
Ending Cash	49,512	43,772	26,989	23,771	21,260	16,137	16,349	12,159	13,008	16,438	17,950	11,897	12,936	12,936

Exhibit 2

Term DIP Waiver

EXECUTION VERSION

WAIVER, CONSENT AND AMENDMENT AGREEMENT

THIS WAIVER, CONSENT AND AMENDMENT AGREEMENT, dated as of March 20, 2018 (this “**Agreement**”) is entered into by and among Toys “R” Us-Delaware, Inc. a Delaware corporation, as debtor and debtor-in-possession under chapter 11 of the Bankruptcy Code (the “**Borrower**”), the Guarantors party to the DIP Term Loan Credit Agreement (as defined below) and NexBank SSB, as administrative agent (together with its permitted successors and assigns in such capacity, the “**Administrative Agent**”), and NexBank SSB, as collateral agent (together with its permitted successors and assigns in such capacity, the “**Collateral Agent**”) and the lenders under the DIP Term Loan Credit Agreement party hereto, which lenders constitute the “**Required Lenders**” as defined in the DIP Term Loan Credit Agreement (such Lenders, the “**Consenting Lenders**”).

RECITALS:

WHEREAS, reference is made to that certain Debtor-in-Possession Credit Agreement dated as of September 22, 2017, by and among the Borrower, the Guarantors from time to time party thereto, the Administrative Agent, the Collateral Agent and the lenders from time to time party thereto (as amended, restated, amended and restated, supplemented otherwise modified from time to time prior to the date hereof, the “**DIP Term Loan Credit Agreement**”; capitalized terms used and not otherwise defined herein have the meanings assigned to them in the DIP Term Loan Credit Agreement);

WHEREAS, the Loan Parties (i) have defaulted in their obligations pursuant to Section 6.16 of the DIP Term Loan Credit Agreement as in effect prior to giving effect to this Agreement, (ii) have determined to suspend the operation of the Loan Parties’ business in the ordinary course, liquidate all or substantially all of the Loan Parties’ assets and Store locations, and employ an agent or other third party to conduct store closing, store liquidation and “Going-Out-Of-Business” sales for substantially all of the Loan Parties’ Stores, which would give rise to an Event of Default pursuant to Section 8.01(v) of the DIP Term Loan Credit Agreement and (iii) have informed the Administrative Agent of the Loan Parties’ intent to conduct bulk sales in connection with the closing of substantially all Stores of the Domestic Loan Parties, which sales would give rise to an Event of Default pursuant to Section 8.01(b) of the DIP Term Loan Credit Agreement resulting from the failure to observe the covenant set forth in Section 7.05 of the DIP Term Loan Credit Agreement (the Events of Default and potential Events of Defaults described in the foregoing clauses and any potential Default or Event of Default arising out of the inaccuracy of any representation that may have result therefrom, the “**Specified Events of Default**”);

WHEREAS, the Loan Parties have the intention to wind-down their operations in the United States and to liquidate substantially all of their inventory in the United States (the “**Domestic Wind-Down**”), consistent with the weekly budget delivered to the Administrative Agent and attached hereto as Exhibit A (the “**Domestic Wind-Down Budget**”; provided, the Domestic Wind-Down Budget or (if applicable) the Canadian Wind-Down Budget shall be reduced by the Loan Parties as provided in Section 3(k) below (but not increased) to the extent

the Loan Parties amend, modify or terminate contractual arrangements, including lease obligations, to provide for disbursements that are less than those contemplated by the existing Domestic Wind-Down Budget, the Canadian Going Concern Budget or (if applicable) the Canadian Wind-Down Budget) and pursuant to liquidation agreements attached hereto as Exhibit B;

WHEREAS, the Loan Parties have informed the Administrative Agent that they intend to sell or otherwise dispose of all of the Capital Stock of Toys “R” Us (Canada) Ltd. / Toys “R” Us (Canada) Ltee. (“**TRU Canada**”) or all or substantially all of the assets of TRU Canada on a going concern basis (the “**TRU Canada Sale**”), which sale or other disposition would give rise to an Event of Default pursuant to Section 8.01(b) of the DIP Term Loan Credit Agreement resulting from the failure to observe the covenant set forth in Section 7.05 of the DIP Term Loan Credit Agreement;

WHEREAS, TRU Canada intends to continue going concern business operations at all of the Stores of TRU Canada consistent with the terms of the budget attached hereto as Exhibit C (the “**Canadian Going Concern Budget**”) while it pursues the TRU Canada Sale;

WHEREAS, the Loan Parties acknowledge and agree that upon the occurrence and during the continuance of an Event of Default, the Administrative Agent and the Collateral Agent are authorized to and shall at the direction of the Required Lenders proceed to protect and enforce certain rights and remedies under the DIP Term Loan Credit Agreement and the other Loan Documents, subject in all respects to the Remedies Notice Period (as defined in the U.S. Order);

WHEREAS, the Loan Parties have requested that the Lenders waive the Specified Events of Default, amend certain provisions of the DIP Term Loan Credit Agreement and provide certain consents in connection with the TRU Canada Sale; and

WHEREAS, the Administrative Agent, the Collateral Agent and the Consenting Lenders have agreed to accommodate such requests of the Loan Parties on the terms and subject to the conditions herein set forth;

NOW, THEREFORE, in consideration of the foregoing, the covenants and conditions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Incorporation of Recitals.

Each of the Loan Parties acknowledges that the recitals set forth above are true and correct in all respects.

2. Limited Waiver; Consent.

(a) In reliance upon the representations, warranties and covenants of the Loan Parties contained in this Agreement, and upon the terms and subject to the conditions of this

Agreement, the Consenting Lenders hereby, effective as of the Waiver Effective Date, waive each of the Specified Events of Default (the “**Waiver**”). Except as expressly set forth in this Agreement, no terms, covenants or other provisions of the DIP Term Loan Credit Agreement or any other Loan Document are intended pursuant to any provision of this Agreement to (or shall) be affected by any provision of this Agreement, all of which remain in full force and effect unaffected by any provision of this Agreement.

(b) The Waiver is limited to the extent specifically set forth herein and nothing contained herein is intended, or shall be deemed or construed, (i) to constitute a waiver of any Defaults or Events of Default or compliance with any term or provision of the Loan Documents (as amended hereby), in each case other than the Specified Events of Default, or (ii) to establish a custom or course of dealing between the Loan Parties, on the one hand, and the Administrative Agent, the Collateral Agent and/or any Lender, on the other hand.

(c) The Consenting Lenders hereby, effective as of the Waiver Effective Date, consent (i) to the TRU Canada Sale and (ii) to the entry of (and to the filing of any motion by the Loan Parties seeking) any order of the Bankruptcy Court or the Ontario Superior Court of Justice (Commercial List (the “**Canadian Court**”) permitting the TRU Canada Sale, and agree that no Default or Event of Default shall result from the foregoing (including pursuant to Section 8.01(b), (m) and (q) of the DIP Term Loan Credit Agreement), so long as, in each case, the TRU Canada Sale is a Qualifying TRU Canada Sale. A “**Qualifying TRU Canada Sale**” shall mean a TRU Canada Sale that is made pursuant to an Approved TRU Canada Purchase Agreement (as defined below) (including the performance of any transition services by the Loan Parties as contemplated thereby) and notwithstanding any other provision of this Agreement (including, for greater certainty, any provision of the Domestic Wind-Down Budget) prior to or upon consummation thereof (and as a condition to the consummation thereof) (i) the Canadian Commitments (as defined in the ABL Credit Agreement) shall have been terminated, all Canadian Liabilities (as defined in the ABL Credit Agreement) and Other Liabilities (as defined in the ABL Credit Agreement) of TRU Canada shall have been indefeasibly and irrevocably paid and satisfied in full in cash (other than contingent indemnity obligations with respect to then unasserted claims), all Canadian Letters of Credit (as defined in the ABL Credit Agreement) shall have expired or terminated (or been collateralized in a manner reasonably satisfactory to the Issuing Banks (as defined in the ABL Credit Agreement)), all Letter of Credit Outstandings (as defined in the ABL Credit Agreement) have been reduced to zero (or been collateralized in a manner satisfactory to the Issuing Banks (as defined in the ABL Credit Agreement)) (and the Consenting Lenders hereby consent to the making of the foregoing payments and terminations) and TRU Canada shall have indefeasibly and irrevocably paid in full in cash to the Borrower all amounts owed under subrogation claims in respect of the cash collateralization by the Borrower of the Canadian Letter of Credit Outstandings and (ii) a final order of the Bankruptcy Court and/or the Canadian Court, as applicable, satisfactory to the Administrative Agent (as defined in the ABL Credit Agreement) and the Canadian Agent (as defined in the ABL Credit Agreement) shall have been entered that ratifies such termination, payment and satisfaction or the Required Lenders (as defined in the ABL Credit Agreement) shall otherwise be satisfied that such indefeasible and irrevocable termination, payment and satisfaction has occurred. The date on which the conditions set forth in clauses (i) and (ii) of the immediately preceding sentence are satisfied or waived is referred to as the “**Canadian Facility Termination Date**”.

3. Additional Covenants. From and after the Waiver Effective Date (as defined below), the Loan Parties shall comply with the following covenants:

(a) The Loan Parties shall (i) on Thursday of each week (beginning with the week starting on April 1, 2018) provide to the Administrative Agent a weekly report for the previous week in a form acceptable to the Administrative Agent summarizing the status of the Domestic Wind-Down, which report shall include (x) an inventory balance of the Loan Parties, (y) a variance comparison of actual results, disbursements and proceeds to the results, disbursements and proceeds set forth in the Domestic Wind-Down Budget on a line item basis, and the timing of the delivery of the Loan Parties' portion of proceeds and a reconciliation with the liquidators' portion of such proceeds and (z) an explanation for any variance between the Domestic Wind-Down Budget and actual results that is not immaterial and a summary status report of the implementation of the Domestic Wind-Down Budget, (ii) on Thursday of each second week (beginning with the week starting on April 1, 2018), provide to the Administrative Agent a bi-weekly report, with allocations on an estate-by-estate and loan-by-loan basis, of all paid and estimated accrued professional fees and expenses, (iii) on Thursday of each week (beginning with the week starting on April 1, 2018) provide to the Administrative Agent an updated schedule of store and distribution center closings during the previous week, (iv) provide access to the Administrative Agent, the Collateral Agent and their respective advisors and representatives to financial records and properties of the Loan Parties relating to the Domestic Wind-Down and provide all information as may be requested by the Administrative Agent, the Collateral Agent and their respective advisors and representatives in connection with the status of the Domestic Wind-Down (other than such information that is subject to attorney-client privilege or could result in a breach of a confidentiality obligation or applicable law or otherwise constitutes attorney work product) promptly after request therefor and (v) on Thursday of each week (beginning with the week starting on April 1, 2018), provide to the Administrative Agent with an updated inventory report for the last day of the previous week in such form as has been agreed prior to the Waiver Effective Date or otherwise satisfactory to the Administrative Agent.

(b) Prior to the delivery of the Canadian Wind-Down Notice (as defined below), TRU Canada shall (i) on Thursday of each week (beginning with the week starting on April 1, 2018) provide to the Administrative Agent a weekly report for the previous week in a form acceptable to the Administrative Agent summarizing the status of the Sale Process (as defined below), which report shall include (x) a comparison of actual results, disbursements and proceeds to the results, disbursements and proceeds set forth in the Canadian Going Concern Budget on a line item basis and (y) an explanation for any variance between the Canadian Going Concern Budget and actual results that is not immaterial and (ii) provide access to the Administrative Agent the Collateral Agent and their respective advisors and representatives to financial records relating to the Sale Process and properties of TRU Canada and provide all information as may be requested by the Administrative Agent, the Collateral Agent and their respective advisors and representatives in connection with the Sale Process promptly after request therefor, including for greater certainty copies of teaser letters, letters of intent, written expressions of interest, bid letters and draft purchase agreements promptly after request therefor (other than such information that is subject to attorney-client privilege or could result in a breach of a confidentiality obligation or applicable law or otherwise constitutes attorney work product).

(c) Following the delivery of the Canadian Wind-Down Notice, TRU Canada shall (i) on Thursday of each week (beginning with the week starting after the Canadian Wind-Down Notice has been delivered) provide to the Administrative Agent a weekly report for the previous week in a form acceptable to the Administrative Agent summarizing the status of the Canadian Wind-Down, which report shall contain (w) an inventory balance of TRU Canada, (x) a comparison of actual results, disbursements and proceeds to the results, disbursements and proceeds set forth in the Canadian Wind-Down Budget on a line item basis, and the timing of the delivery of the Canadian Loan Parties' (as defined in the ABL Credit Agreement) portion of proceeds and a reconciliation with the liquidators' portion of such proceeds and (y) an explanation for any variance between the Canadian Wind-Down Budget and actual results that is not immaterial, (ii) on Thursday of each week (beginning with the week starting after the Canadian Wind-Down Notice has been delivered) provide to the Administrative Agent an updated schedule of store and distribution center closings during the previous week, (iii) provide access to the Administrative Agent, the Collateral Agent and their respective advisors and representatives to financial records relating to the Canadian Wind-Down and properties of TRU Canada and provide all information as may be requested by the Administrative Agent, the Collateral Agent and their respective advisors and representatives in connection with the status of the Canadian Wind-Down promptly after request therefor (other than such information that is subject to attorney-client privilege or could result in a breach of a confidentiality obligation or applicable law or otherwise constitutes attorney work product), (iv) prepay the Canadian Loans (as defined in the ABL Credit Agreement) and cash collateralize the Canadian Letters of Credit (as defined in the ABL Credit Agreement) in accordance with the Canadian Wind-Down Budget (subject in all respects to the Wind-Down Orders) and (v) on Thursday of each week (beginning with the week starting after the Canadian Wind-Down Notice has been delivered), provide to the Administrative Agent with an updated inventory report for the last day of the previous week in such form as has been agreed prior to the Waiver Effective Date or otherwise satisfactory to the Administrative Agent.

(d) The Loan Parties shall not use proceeds of the Term Collateral (as defined in the Intercreditor Agreement), directly or indirectly, to pay any interest, principal, fees, expenses, or other obligations owed with respect to the ABL Credit Agreement.

(e) No Loan Party (other than TRU Canada or any of its Subsidiaries) shall make any Investment in TRU Canada or any of its Subsidiaries, except (i) to the extent required to enable TRU Canada or any of its Subsidiaries to repay or cash collateralize obligations under the ABL Credit Agreement as required by that certain Waiver, Consent and Amendment Agreement, dated as of March 20, 2018, by and among the Borrower, TRU Canada, the guarantors under the ABL Credit Agreement party thereto, JPMorgan Chase Bank, N.A., as administrative agent, JPMorgan Chase Bank, N.A., Toronto Branch, as Canadian administrative agent, JPMorgan Chase Bank, N.A. and Wells Fargo Bank, National Association as co-collateral agents, and the lenders under the ABL Credit Agreement party thereto (and actually used for such purpose) and (b) the Loan Party making such Investment is fully subrogated to all rights, remedies, claims, priorities, Liens and other benefits available to the lenders and other secured parties under the ABL Credit Agreement to the extent of such Investment and (ii) Investments in the form of services provided in the ordinary course of business consistent with past practice (and reimbursed in the ordinary course of business consistent with past practice) to the extent consistent with the Domestic Wind-Down Budget.

(f) TRU Canada and/or the Borrower, as applicable, shall achieve the following milestones in connection with the TRU Canada Sale by the prescribed dates (the “**Sale Milestones**”):

(i) Not later than March 30, 2018, the Bankruptcy Court and, if required in the Canadian Case, the Canadian Court shall have entered an order, in form and substance satisfactory to the Administrative Agent approving a sale process with respect to the TRU Canada Sale and/or ratifying and affirming a sale process with respect to the TRU Canada Sale (the “**Sale Process**”);

(ii) Not later than April 30, 2018, TRU Canada shall have entered into an asset purchase agreement or the Borrower shall have entered into a stock purchase agreement with respect to the Capital Stock of TRU Canada, as applicable, in form and substance satisfactory to the Required Lenders and the Administrative Agent, for the TRU Canada Sale, which agreement provides for a closing no later than May 31, 2018 and provides for (i) indefeasible and irrevocable payment and satisfaction in full in cash at closing of all Canadian Liabilities (as defined in the ABL Credit Agreement) and Other Liabilities (as defined in the ABL Credit Agreement) of TRU Canada outstanding at the time of such closing (other than contingent indemnity obligations with respect to then unasserted claims), the indefeasible and irrevocable payment in full in cash to the Domestic Borrower of all amounts owed under subrogation claims in respect of the cash collateralization of Canadian Letter of Credit Outstandings by the Domestic Borrower and the collateralization of any obligations in respect of Letters of Credit (as defined in the ABL Credit Agreement) in a manner satisfactory to the Issuing Bank (as defined in the ABL Credit Agreement) and (ii) a gross purchase price of not less than the Canadian Liabilities and Other Liabilities of TRU Canada outstanding at the time of closing (any such agreement an “**Approved TRU Canada Purchase Agreement**”); provided, that neither the Administrative Agent nor any Lender shall be deemed to waive any objection to the sale of TRU Canada on any terms;

(iii) Not later than May 15, 2018, the Bankruptcy Court and the Canadian Court shall have issued and entered an order approving the Approved TRU Canada Purchase Agreement or otherwise facilitating or permitting the TRU Canada Sale (each a “**Sale Approval Order**”) in form and substance satisfactory to the Administrative Agent; the Sale Approval Order entered by the Canadian Court (and the US Court, if applicable) shall also authorize and direct TRU Canada, or the Monitor on its behalf, to pay to the Administrative Agent (as defined in the ABL Credit Agreement) or the Canadian Agent (as defined in the ABL Credit Agreement), as applicable, an amount sufficient to satisfy the then outstanding Canadian Liabilities (as defined in the ABL Credit Agreement) and Other Liabilities (as defined in the ABL Credit Agreement) of TRU Canada (other than contingent indemnity obligations with respect to then unasserted claims) on the closing of the TRU Canada Sale; and

(iv) Not later than May 31, 2018 (the “**Anticipated Sale Closing Date**”), the Qualifying TRU Canada Sale shall have closed and the Canadian Facility Termination Date shall have occurred; provided that the Debtors may extend the Anticipated Sale Closing Date to July 15, 2018 so long as, as of May 31, 2018, (w) all Revolving Credit Loans (as defined in the ABL Credit Agreement) shall have been indefeasibly and irrevocably paid and satisfied in full, all Letters of Credit (as defined in the ABL Credit Agreement) have been collateralized in a manner that is satisfactory to the Issuing Bank (as defined in the ABL Credit Agreement) and all Commitments (as defined in the ABL Credit Agreement) shall have been terminated, (x) the aggregate outstanding principal amount of Term Loans (as defined in the ABL Credit Agreement) shall not exceed \$100,000,000, (y) the cash balance of the Loan Parties (as defined in the ABL Credit Agreement) shall be at least \$36,200,000 and (z) the Loan Parties shall have paid to the Administrative Agent (as defined in the ABL Credit Agreement), for the ratable benefit of the Term Lenders (as defined in the ABL Credit Agreement), a fee in the amount of \$5,000,000 (which such extension payment shall be due and payable in dollars on May 31, 2018 and once paid, shall not be refundable or revocable);

provided that if TRU Canada fails to meet any of the Sale Milestones, such failure shall not constitute a breach of this Section 3(f) if either (A)(x) the Borrower, within 5 Business Days of the failure to meet the applicable Sale Milestone, delivers a written notice to the Administrative Agent of its intent to commence a liquidation of its inventory (the “**Canadian Wind-Down Notice**”), (y) within 5 Business Days after the delivery of the Canadian Wind-Down Notice, delivers to the Administrative Agent, in each case in form and substance satisfactory to the Administrative Agent (I) a budget setting forth, in reasonable detail, a plan to liquidate substantially all of TRU Canada’s inventory (the “**Canadian Wind-Down Budget**”) (which Canadian Wind-Down Budget shall also be in form and substance satisfactory to the Required Lenders) and (II) liquidation agreements pursuant to which such liquidation will occur, and (z) within 5 Business Days after the delivery of a Canadian Wind-Down Notice, seeks an order from the Canadian Court and the Bankruptcy Court (if required) (the “**Canadian Wind-Down Orders**”) authorizing and directing it to conduct the liquidation of its inventory in accordance with the foregoing clause (the actions described in clauses (x), (y) and (z) and such liquidation, collectively, the “**Canadian Wind-Down**”) or (B) the Required Lenders (as defined in the ABL Credit Agreement) instruct TRU Canada not to commence a liquidation (which instruction may be revoked at any time thereafter, in which case the preceding clause (A) shall apply).

(g) At all times following the delivery of the Canadian Wind-Down Notice, the Canadian Borrower shall (i) pursue the liquidation of the Canadian Borrower’s inventory in a manner that is consistent with the Canadian Wind-Down Budget and the Canadian Wind-Down Orders in all material respects and (ii) comply with the additional reporting requirements described in Section 3(c) of this Agreement.

(h) The Loan Parties shall, promptly following the delivery of any written notice, reports or other written information to the administrative agent or the lenders under the ABL Credit Agreement, or the receipt of any written notice from the administrative agent or the

lenders under the ABL Credit Agreement, deliver a a copy of such notice, report or other written information to the Administrative Agent.

(i) The Loan Parties shall, except with the consent of Required Lenders in their sole discretion, (i) commence liquidation sales at all remaining Stores in the United States by no later than March 27, 2018, (ii) complete liquidation sales at all remaining Stores in the United States by no later than June 30, 2018 (provided, that liquidation sales may continue at a reasonable number of Stores so long as such sales are completed no later than July 15, 2018) and (iii) reject all third-party leases and all leases with Propco I and Propco II by no later than June 30, 2018.

(j) The Loan Parties shall give the Administrative Agent prior notice of and a reasonable opportunity to review any motions to be filed with, and orders to be sought from, the Bankruptcy Court or the Canadian Court, as applicable, with respect to the Domestic Wind-Down, the Sale Process or, if applicable, the Canadian Wind-Down and all such motions and orders (other than the Canadian Wind-Down) shall be in form and substance reasonably satisfactory to the Required Lenders (except in exigent circumstances in which case reasonably practicable notice (as early as possible under the circumstances) to the Administrative Agent will be given).

(k) The Loan Parties shall not amend, modify, revise, update or change in any respect any of the Domestic Wind Down Budget, the Canadian Going Concern Budget or the Canadian Wind Down Budget, unless (i) any such amendment, modification, revision, update or change shall have been provided to the Administrative Agent and the B-4 Advisors with a reasonable opportunity to review and (ii) the Required Lenders (acting in their sole discretion) shall have consented to any such amendment, modification, revision, update or change. With respect to periods after June 23, 2018, the Loan Parties shall provide an update to the Domestic Wind Down Budget, which (i) shall be provided to the Administrative Agent and the B-4 Advisors with a reasonable opportunity to review and (ii) shall be subject to the approval of the Required Lenders (acting in their sole discretion) (and shall thereafter constitute the “Domestic Win-Down Budget” for all purposes hereunder). The applicable portions of the Domestic Wind-Down Budget or (if applicable) the Canadian Wind-Down Budget shall be automatically reduced (but not increased) to the extent the Loan Parties amend, modify or terminate any Master Lease or any Material Contract to provide for disbursements that are less than those contemplated by the existing Domestic Wind-Down Budget. “Material Contract” shall mean any contract providing for annual disbursements by the Loan Parties of greater than \$2,500,000.

(l) The Loan Parties shall cause the Domestic Wind-Down Budget to be funded with cash proceeds of sales of real property, equity interests and other non-working capital assets, in addition to sales of inventory, except to the extent used to prepay the obligations under the DIP Term Loan Credit Agreement.

(m) The Loan Parties shall consult and cooperate in good faith with the Lenders respect to a plan of reorganization or other exit from the Bankruptcy Cases for Geoffrey, LLC, Geoffrey International, LLC and Geoffrey Holdings, LLC.

All reports, access rights, notices and information required to be delivered or provided to the Administrative Agent pursuant to this Section 3 shall also be delivered or provided by the Loan Parties to the professional advisors of the Ad Hoc Group of B-4 Term Lenders (as defined in the Bankruptcy Court Order) (the “**B-4 Advisors**”) promptly following delivery or provision to the Administrative Agent and/or their respective advisors and representatives.

4. Additional Events of Default. From and after the Waiver Effective Date (and without in any way limiting the provision of Article VIII of the DIP Term Loan Credit Agreement), it shall constitute an immediate Event of Default under the DIP Term Loan Credit Agreement if any of the following shall occur (as though the following had been fully set forth in the DIP Term Loan Credit Agreement):

(a) the Loan Parties shall fail to comply (x) in any material respect with any of the undertakings (other than with respect to Sections 3(f) and 3(i)) set forth in this Agreement or (y) in any respect with any of the undertakings set forth in Sections 3(f) and 3(i) and, in the case of the undertakings set forth in Sections 3(a)(iv), 3(b)(ii), 3(c)(iii), and 3(h), such failure shall continue for a period of 2 days after (i) in the case of any failure to comply with any undertaking set forth in Sections 3(a)(iv), 3(b)(ii) or 3(c)(iii), the earlier of receipt of written notice from the Administrative Agent and (ii) in the case of the undertaking set forth in section 3(h) knowledge of the applicable Loan Party of such failure;

(b) the Loan Parties shall (x) cease to proceed with the Domestic Wind-Down, in the manner set forth in and consistent in all material respects with the Domestic Wind-Down Budget, (y) make any payment (other than any payment to facilitate an orderly wind-down that is, considered alone or together with all other payments not consistent with the Domestic Wind-Down Budget, immaterial) that is not consistent with the Domestic Wind-Down Budget or (z) make any payments to any individual legal or financial advisor of the Debtors (including advisors to their various independent directors) or the Unsecured Creditors Committee that, as of any date of determination, exceed on a cumulative basis from March 1, 2018 the amounts provided therefor in the Domestic Wind-Down Budget, the Canadian Going Concern Budget or, if applicable, the Canadian Wind-Down Budget.

(c) (i) at any time, the net cash flow before debt of the Loan Parties for any Test Period shall be less than as set forth on Schedule I for such Test Period, (ii) on the last day of any week, the cash balance of the TRU Canada shall be less than projected by the Canadian Going Concern Budget or, beginning with the first full week starting on the Sunday after the delivery of the Canadian Wind-Down Budget, the Canadian Wind-Down Budget, by more than \$7,000,000 (iii) at any time, the cash balance of TRU Canada shall be lower than \$5,000,000 or (iv) the Loan Parties shall disburse any amounts to legal or financial advisors of the Debtors (including advisors to their various independent directors) or the Unsecured Creditors Committee in violation of Section 24 of the Bankruptcy Court Order. For purposes of this Section 4(d), “**Test Period**” shall mean, as of any date, (i) beginning with the last day of the week ending on March 31, 2018, the two-week period ending on March 31, 2018, (ii) beginning with the last day of the week ending on April 7, 2018, the three-week period ending on April 7, 2018, and (iii) on and after of the the last day of any week thereafter, the most recent period of four consecutive weeks ended on or prior to such date.

(d) the Loan Parties shall (x) unless a Canadian Wind-Down Notice has been delivered, cease to pursue the Qualifying TRU Canada Sale, in a manner consistent in all material respects with the Sale Milestones and otherwise in compliance in all material respects with the Canadian Going Concern Budget, (y) following delivery of a Canadian Wind-Down Notice, cease to proceed with the Canadian Wind-Down, in the manner set forth in and consistent in all material respects with the Canadian Wind-Down Budget or (z) make any payment (other than any payment (which, after the delivery of the Canadian Wind-Down Notice, shall only be to facilitate an orderly wind-down) that is, considered alone or together with all other payments not consistent with the Canadian Going Concern Budget (or if applicable the Canadian Wind-Down Budget), immaterial) that is not consistent with the Canadian Going Concern Budget or (if applicable) the Canadian Wind-Down Budget;

(e) the ABL Domestic Facility Termination Date (as defined below) shall not have occurred on or prior to May 31, 2018;

(f) the Canadian Facility Termination Date shall not have occurred on or prior to May 31, 2018 (or, if the Canadian Wind-Down Notice has been delivered, July 31, 2018);

(g) on or prior to March 28, 2018, the Bankruptcy Court shall not have entered a final order, in form and substance consistent with the Interim Waiver Approval Order (as defined below), with modifications thereto to reflect the final nature thereof, and any other modifications thereto satisfactory to the Administrative Agent and the Required Lenders, authorizing the Loan Parties to enter into this Agreement and to perform the obligations hereunder, which final order shall not have been vacated or reversed, shall not be subject to any stay, and shall not have been modified or amended in any manner without the consent of the Administrative Agent and the Required Lenders (the “**Final Waiver Approval Order**”); or

(h) the Waiver Approval Order shall have been stayed, reversed, vacated, rescinded or modified in any material respect without the prior written consent of the Required Lenders.

The “**ABL Domestic Facility Termination Date**” means the date on which the Domestic Commitments (as defined in the ABL Credit Agreement) have been irrevocably terminated, the Domestic Borrowers (as defined in the ABL Credit Agreement) shall have indefeasibly and irrevocably paid and satisfied in full in cash all Obligations (as defined in the ABL Credit Agreement) (other than Canadian Liabilities (as defined in the ABL Credit Agreement) and contingent indemnity obligations with respect to the then unasserted claims), the Domestic Borrowers shall have indefeasibly and irrevocably paid and satisfied in full in cash the Other Liabilities (as defined in the ABL Credit Agreement) then due and payable (other than Canadian Liabilities), all Domestic Letters of Credit (as defined in the ABL Credit Agreement) shall have expired or terminated (or been collateralized in a manner satisfactory to the Issuing Banks) and all Domestic Letter of Credit Outstandings have been reduced to zero (or been collateralized in a manner satisfactory to the Issuing Banks (as defined in the ABL Credit Agreement)).

6. Treatment of Loans and Commitments.

(a) With effect as of the Waiver Effective Date, and notwithstanding the waivers and consents in this Agreement, all Loans shall be automatically converted into Base Rate Loans bearing interest, effective from March 15, 2018, at the Default Rate and all Loans shall continue as Base Rate Loans bearing interest at the Default Rate at all times thereafter. The Borrower shall reimburse each Lender for any breakage costs resulting from such conversion calculated consistent with Section 3.05 of the DIP Term Loan Credit Agreement.

(b) Notwithstanding anything to the contrary in Sections 2.02 and 2.06 of the DIP Term Loan Credit Agreement, interest on Loans shall be payable on the last Business Day of each calendar month.

7. Amendments to DIP Term Loan Credit Agreement. With effect as of the Waiver Effective Date, the DIP Term Loan Credit Agreement is amended as follows:

(a) The definition of “Asset Sale” shall be amended by replacing clause (v) thereof with the following:

“solely for purposes of Section 2.03(b) hereof, any transaction permitted by Section 7.05 (other than transactions permitted by Sections 7.05(h), (i), (j), (l) (other than with respect to sales of inventory to the extent the proceeds are reasonably necessary to fund the Domestic Wind-Down Budget), (n), (o), (p) and (q), and, to the extent relating to a lease that is required to be capitalized on the lessor’s financial statements prepared in accordance with GAAP, Section 7.05(g));”

(b) The definition of “Specified Indebtedness” shall be amended by deleting clauses (ii) and (iii) therein in their entirety.

(c) The first paragraph of Section 2.03(b) of the DIP Term Loan Credit Agreement is hereby deleted and replaced in its entirety with the following:

“Following the receipt of any Net Cash Proceeds of any Asset Sale after the Closing Date and solely to the extent that the aggregate Net Cash Proceeds for all such Asset Sales since the Closing Date or the most recent prepayment made pursuant to this Section 2.03(b), as applicable, is greater than or equal to \$5,000,000 after giving effect to the most recent Asset Sale, such Net Cash Proceeds (other than, prior to the Discharge of the ABL Obligations (as defined in the Intercreditor Agreement), the Net Cash Proceeds of ABL Priority Collateral) shall be applied to the prepayment of the Loans on a ratable basis within five (5) Business Days. For the avoidance of doubt, the Net Cash Proceeds of the TRU Canada Sale shall constitute Net Cash Proceeds for purposes of this provision regardless whether TRU Canada constitutes an Applicable Subsidiary.

(d) Section 6.01(a) of the DIP Term Loan Credit Agreement shall be replaced in its entirety with the following:

“(a) [reserved],”.

- (e) Section 6.01(b) of the DIP Term Loan Credit Agreement shall be replaced in its entirety with the following:

“(b) [reserved],”.

- (f) Section 6.01(d) of the DIP Term Loan Credit Agreement shall be replaced in its entirety with the following:

“(d) [reserved],”.

- (g) Section 6.01(g) of the DIP Term Loan Credit Agreement shall be replaced in its entirety with the following:

“(g) [reserved],”.

- (h) Section 6.01(h) of the DIP Term Loan Credit Agreement shall be replaced in its entirety with the following:

“(h) [reserved],”.

- (i) Section 6.01(i) of the DIP Term Loan Credit Agreement shall be replaced in its entirety with the following:

“(i) [reserved],”.

- (j) Section 6.01(k) of the DIP Term Loan Credit Agreement shall be replaced in its entirety with the following:

“(k) [reserved],”.

- (k) Section 6.02(d) of the DIP Term Loan Credit Agreement shall be replaced in its entirety with the following:

“(d) [reserved],”.

- (l) Sections 6.13(a), (b) and (c) of the DIP Term Loan Credit Agreement shall be replaced in their entirety with the following:

“a weekly call (at a time to be mutually agreed) with the Administrative Agent and its advisors and the B-4 Advisors to discuss (i) the status of the implementation of the Domestic Wind-Down Budget (as defined in the Waiver, Consent and Amendment Agreement hereto, dated as of March 20, 2018) and related going out of business sales, which will include a discussion of the maximization of value of inventory and any other assets with respect to any going out of business sales, (ii) the efforts to effectuate the TRU Canada Sale (as defined in the Waiver, Consent and Amendment Agreement hereto, dated as of

March 20, 2018) or the status of the implementation of the Canadian Wind-Down Budget (as defined in the Waiver, Consent and Amendment Agreement hereto, dated as of March 20, 2018), as applicable, and (iii) such other matters as the B-4 Advisors shall reasonably request prior to such call, including, if applicable, matters related to the Geoffrey Collateral, TRU Taj LLC and/or Holdings”.

- (m) Section 6.15 of the DIP Term Loan Credit Agreement shall be replaced in its entirety with the following:

“6.15 [Reserved]”.

- (n) Section 6.16 of the Credit Agreement is hereby deleted and replaced in its entirety with the following:

“[Reserved].”

- (o) Section 7.01 shall be amended by replacing the “;” at the end of paragraph (hh) thereof with “; and” and by adding the following new paragraph (ii):

“(ii) following (or substantially contemporaneously with) the Canadian Facility Termination Date (as defined in the Waiver, Consent and Amendment Agreement hereto, dated as of March 20, 2018), any Liens on property of any Canadian Loan Party or on the Capital Stock of such Canadian Loan Party (as defined in the ABL Credit Agreement) to secure any Post-Termination Canadian Indebtedness.”

- (p) Section 7.03 shall be amended by deleting the “and” at the end of paragraph (w) thereof, replacing the “.” at the end of paragraph (x) thereof with “; and” and by adding the following new paragraph (y):

“(y) following (or substantially contemporaneously with) the Canadian Facility Termination Date, Indebtedness of the Canadian Borrower (as defined in the ABL Credit Agreement) incurred to refinance or replace the ABL Credit Agreement Obligations of the Canadian Borrower; provided, that such Indebtedness shall not be guaranteed by any Loan Party or secured by any property of any Loan Party (the “**Post-Termination Canadian Indebtedness**”).”

- (q) Section 7.02(b)(iii) of the DIP Term Loan Credit Agreement shall be replaced in its entirety with the following:

“(iii) [Reserved],”

- (r) Section 7.02(q)(ii) of the DIP Term Loan Credit Agreement shall be replaced in its entirety with the following:

“(q) [Reserved]; and”

- (s) Section 7.02(r) of the DIP Term Loan Credit Agreement shall be replaced in its entirety with the following:

“(r) Investments in the form of loans or advances by any Loan Party that is a Debtor in the Cases to Holdings in an amount necessary for Holdings to pay Permitted Holdings Expenses consistent with the Domestic Wind-Down Budget (as defined in the Waiver, Consent and Amendment Agreement hereto, dated as of March 20, 2018); provided that the claims in respect of such loans constitute allowed superpriority administrative expense claims against Holdings pursuant to Bankruptcy Code Sections 364(c)(1), 503 and 507 and are secured by Liens that are junior only to any third-party debtor-in-possession financing of Holdings.”

- (t) Section 7.05(l) of the DIP Term Loan Credit Agreement is hereby deleted and replaced in its entirety with the following:

“the sales of Real Property, inventory, fixtures and related assets by the Borrower after the Petition Date; provided that (i) all such sales (A) of inventory are made in accordance with customary liquidation agreements with professional liquidators, and (B) of other assets, are made on arm’s-length terms pursuant to bid procedures determined in consultation with the B-4 Advisors (as defined in the Waiver, Consent and Amendment Agreement hereto, dated as of March 20, 2018) and reasonably acceptable to the Required Lenders (whose consent shall be assumed barring objection by or at the instruction of the Required Lenders), and (ii) the Net Cash Proceeds thereof are applied in accordance with Section 2.03(b).”

- (u) Section 7.05(n), (o) and (p) of the DIP Term Loan Credit Agreement are hereby replaced with the following:

“(n) [reserved];

(o) [reserved];

(p) [reserved]; and

(q) the sale or Disposition of all or substantially all of the assets of, and/or all of the Equity Interest in, Toys “R” Us (Canada) Ltd. / Toys “R” Us (Canada) Ltee.”

- (v) Sections 7.06(c), (d), (e) and (f) of the DIP Term Loan Credit Agreement shall be replaced in their entirety with the following:

“(c) to the extent actually used by Holdings to pay such expenses, the Loan Parties and their Subsidiaries may make Restricted Payments to or on behalf of Holdings in an amount necessary to pay Permitted Holdings Expenses that are allocable and chargeable to the Loan Parties in accordance with Holdings’ ordinary course practice and contemplated in the Domestic Wind-Down Budget (as defined in the Waiver, Consent and Amendment Agreement hereto, dated as of March 20, 2018);

(d) Permitted Tax Distributions to Holdings to the extent set forth in the Domestic Wind-Down Budget (as defined in the Waiver, Consent and Amendment Agreement hereto, dated as of March 20, 2018), so long as Holdings uses such distributions to pay its taxes;

(e) [Reserved];

(f) [Reserved]; and”

(w) Section 7.07(j) of the DIP Term Loan Credit Agreement shall be replaced in its entirety with the following:

(j) transactions set forth on Schedule 7.07 hereto and, with the consent of the Required Lenders, any amendments and replacements thereto;

(x) Section 7.07(l) of the DIP Term Loan Credit Agreement shall be replaced in its entirety with the following:

(l) payment and performance under the Specified Intercompany Agreements, in each case, as in effect on the Petition Date or as may be amended, supplemented, modified or waived with the consent of the Required Lenders in their sole discretion (whose consent shall be assumed barring objection by or at the instruction of the Required Lenders after not fewer than 5 business days’ advance notice);

(y) Section 7.07 of the Credit Agreement is hereby amended by (i) deleting “.” at the end of clause (m) thereof and replacing it with “; and” and (ii) adding the following:

“(n) the provision to Subsidiaries of Holdings of services with respect to the Loan Parties’ private brands, including design, development, product sourcing and related services, provided such services shall, from and after April 30, 2018 (or such later date as agreed by the Required Lenders in their sole discretion), be paid for on arm’s-length-terms.”

(z) Section 7.11(b) and (c) of the DIP Term Loan Credit Agreement shall be replaced in their entirety with the following:

“(b) amend, supplement, waive any provision of or otherwise modify the terms of any Specified Intercompany Agreement in any manner that would have an adverse effect (other than rejection of the agreements set forth in items 5, 6 and 7 in Part II of Schedule 7.07 with effect from and after closing of the applicable Stores), except with the Required Lenders’ consent;

(c) fail to enforce any of the rights of the Loan Parties under the Specified Intercompany Agreements upon breach thereof by any other party thereto, other

than with respect to (i) non-monetary defaults that are not material to the interests of the Lenders or (ii) monetary defaults if the defaulting party is a Debtor and the liability for any overdue amount constitutes a secured, super-priority administrative claim against such Debtor, subject only to any third-party debtor-in-possession financing and any Lien or claim to which such third-party financing is subject;”

- (aa) Section 7.17 of the DIP Term Loan Credit Agreement shall be replaced in its entirety with the following:

“7.17 [Reserved]”.

- (bb) Section 7.18 of the DIP Term Loan Credit Agreement shall be replaced in its entirety with the following:

“7.18 [Reserved]”.

- (cc) Section 8.01(m) of the DIP Term Loan Credit Agreement is hereby deleted and replaced in its entirety with the following:

“(m) Alternate Financing. Except in respect of the ABL Credit Agreement or any Indebtedness incurred by the Canadian Borrower (as defined in the ABL Credit Agreement) pursuant to Section 7.03(y), any Loan Party shall file a motion in the Chapter 11 Cases without the express written consent of Required Lenders, to obtain additional financing from a party other than Lenders under Section 364(d) of the Bankruptcy Code.”

- (dd) Section 8.01(q) of the DIP Term Loan Credit Agreement is hereby deleted and replaced in its entirety with the following:

“(q) Order With Respect to Chapter 11 Cases. Except for the Waiver Approval Order (as defined in the Waiver, Consent and Amendment Agreement hereto, dated as of March 20, 2018), an order with respect to any of the Chapter 11 Cases shall be entered by the Bankruptcy Court without the express prior written consent of the Required Lenders (and with respect to any provisions that affect the rights or duties of the Administrative Agent, the Administrative Agent), (i) to revoke, reverse, stay, modify, supplement or amend any of the Bankruptcy Court Orders or the Adequate Protection Order in a manner adverse to the Lenders or (ii) to permit any administrative expense or any claim (now existing or hereafter arising, of any kind or nature whatsoever) to have administrative priority equal or superior to the priority of the Obligations (other than the Carve Out, the Wayne Loans, the TRU Canada Loans or the ABL Obligations); or”

- (ee) Section 8.01(v) of the Credit Agreement is hereby deleted and replaced in its entirety with the following:

“[Reserved].”

8. Representations and Warranties. Each Loan Party party hereto represents and warrants to the Agents and the Lenders, on and as of the Waiver Effective Date, that:

(a) Each Loan Party has all requisite organizational power and authority to perform all its obligations under the DIP Term Loan Credit Agreement and to execute and deliver and perform all its obligations under this Agreement.

(b) The transactions contemplated by this Agreement and by the DIP Term Loan Credit Agreement are within such Loan Party's corporate powers and have been duly authorized by all necessary corporate, membership, partnership or other necessary action. Subject to the entry of the Waiver Approval Order and the terms thereof, this Agreement has been duly executed and delivered by each Loan Party that is a party hereto or thereto and constitutes, and when executed and delivered by such Loan Party, this Agreement and the DIP Term Loan Credit Agreement will constitute, a legal, valid and binding obligation of such Loan Party, enforceable in accordance with its terms subject to the terms of the Orders and the Waiver Approval Order.

(c) The transactions to be entered into and contemplated by this Agreement and the DIP Term Loan Credit Agreement will not violate the Charter Documents of any Loan Party.

(d) On and as of the Amendment Effective Date, no Default or Event of Default (other than the Specified Events of Default) has occurred and is continuing or will result from the entry by the Loan Parties into this Agreement.

9. Conditions to Effectiveness. This Agreement shall become effective (the date of such effectiveness being referred to herein as the "**Waiver Effective Date**") upon satisfaction or waiver of each of the following conditions:

(a) execution and delivery of this Agreement by Lenders constituting the Required Lenders under the DIP Term Loan Credit Agreement and the Loan Parties and, in each case, delivered to the Administrative Agent;

(b) (i) no later than two days after the execution of this Agreement, the Bankruptcy Court shall have entered an interim order, in form and substance satisfactory to the Administrative Agent, authorizing the Loan Parties to enter into this Agreement and to perform the obligations hereunder, which interim order shall not have been vacated or reversed, shall not be subject to any stay, and shall not have been modified or amended in any manner without the consent of the Administrative Agent and the Required Lenders (the "**Interim Waiver Approval Order**") and (ii) the ABL/FILO Waiver (as defined in the Debtors' motion seeking the Waiver Approval Order) shall have become effective substantially in the form provided to the Lenders in connection with execution hereof; and

(c) the Loan Parties shall have paid all previously invoiced expenses payable pursuant to this Agreement or Section 10.04 of the DIP Term Loan Credit Agreement.

Immediately upon the satisfaction or waiver of the conditions set forth in the foregoing paragraphs (a) and (c), the date set forth in Section 1 of the Extension to Waiver Agreement, dated as of March 14, 2018 (the “**Extension**”), relating to the DIP Term Loan Credit Agreement shall be automatically extended to March 28, 2018 at 11:59 pm New York time; provided that the Extension shall terminate if a fact or circumstance occurs that would constitute an Event of Default under this Agreement, had the Waiver Effective Date occurred.

10. Miscellaneous. This Agreement and the Waiver shall be limited precisely as written and, except as expressly provided herein, shall not be deemed (a) to be a consent granted pursuant to, or a waiver or modification of, any term or condition of the DIP Term Loan Credit Agreement, any other Loan Documents or any of the instruments or agreements referred to therein or (b) other than as expressly stated herein, to prejudice any right or rights which the Agents or the other Secured Parties may now have or have in the future under or in connection with the DIP Term Loan Credit Agreement, the other Loan Documents or any of the instruments or agreements referred to therein including any rights from the existence or continuation of a Cash Dominion Event. The Loan Parties agree that their obligations set forth in Section 10.04 of the DIP Term Loan Credit Agreement shall extend to the preparation, execution and delivery of this Agreement and that the amounts payable pursuant to Section 10.04 of the DIP Term Loan Credit Agreement shall include the reasonable fees, charges and disbursements of the B-4 Advisors incurred (whether before or after the Waiver Effective Date) in connection with this Agreement, the DIP Term Loan Credit Agreement and the other Loan Documents. This Agreement is hereby deemed to be a Loan Document for purposes of each Loan Document. All terms and provisions of the Loan Documents remain in full force and effect, except to the extent expressly modified by this Agreement. Each of the Loan Parties acknowledges that the Administrative Agent, the Collateral Agent and the Consenting Lenders have made no representations as to what actions, if any, they will take after the Waiver Effective Date, and the Administrative Agent and each Consenting Lender hereby specifically reserves any and all rights, remedies, and claims it has (after giving effect hereto) with respect to any Events of Default and other Defaults that may occur (other than the Specified Events of Default).

11. Release.

(a) Each of the Loan Parties (on behalf of itself and its Affiliates), for itself and for its successors in title, legal representatives and assignees and, to the extent the same is claimed by right of, through or under any of the Loan Parties for its past, present and future employees, agents, representatives, advisors, officers, directors, shareholders, subsidiaries, affiliates, trustees and successors (each, a “**Releasing Party**” and collectively, the “**Releasing Parties**”), does hereby remise, release and discharge, and shall be deemed to have forever remised, released and discharged, the Administrative Agent the Collateral Agent, each of the Lenders and each of the other Secured Parties in their respective capacities as such under the Loan Documents, and the Administrative Agent’s, the Collateral Agent’s, each of the Lenders’ and each other Secured Party’s respective successors-in-title, legal representatives and assignees, past, present and future officers, directors, affiliates, shareholders, subsidiaries, trustees, agents, employees, consultants, experts, advisors, attorneys and other professionals and each of their respective successors-in-

title, legal representatives and assignees, past, present and future officers, directors, affiliates, shareholders, subsidiaries, trustees, agents, employees, consultants, experts, advisors, attorneys and other professionals (collectively, hereinafter the “**Releasees**”), from any and all manner of action and actions, cause and causes of action, claims, charges, demands, counterclaims, crossclaims, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, rights of setoff and recoupment, controversies, damages, judgments, expenses, executions, liens, claims of liens, claims of costs, penalties, attorneys’ fees, or any other compensation, recovery or relief on account of any liability, obligation, demand or cause of action of whatever nature, whether in law, equity or otherwise relating to (i) the making or administration of the Loans, including, without limitation, any such claims and defenses based on mistake, duress, usury or misrepresentation, or any other claim based on so-called “lender liability” theories, (ii) the Loan Documents or any of the transactions contemplated thereunder, (iii) increased financing costs, interest or other carrying costs, (iv) penalties, (v) lost profits or loss of business opportunity, (vi) legal, accounting and other administrative or professional fees and expenses and incidental, consequential and punitive damages payable to third parties, (vii) damages to business reputation, or (viii) any claims arising under 11 U.S.C. §§ 541-550 or any claims for avoidance or recovery under any other federal, state or foreign law equivalent, whether known or unknown, fixed or contingent, joint and/or several, secured or unsecured, due or not due, primary or secondary, liquidated or unliquidated, contractual or tortious, direct, indirect, or derivative, asserted or unasserted, foreseen or unforeseen, suspected or unsuspected, now existing, heretofore existing or which may heretofore accrue against any of the Releasees, and which are, in each case, based on any act, fact, event or omission or other matter, cause or thing occurring at any time prior to or on the date hereof in any way, directly or indirectly arising out of, connected with or relating to the DIP Term Loan Credit Agreement or any other Loan Document and the transactions contemplated thereby, and all other agreements, certificates, instruments and other documents and statements (whether written or oral) related to any of the foregoing (each, a “**Claim**” and collectively, the “**Claims**”). **Each Releasing Party further stipulates and agrees with respect to all Claims, that it hereby waives, to the fullest extent permitted by applicable law, any and all provisions, rights, and benefits conferred by any applicable U.S. federal or state law, or any principle of common law, that would otherwise limit a release or discharge of any unknown Claims pursuant to this Section 11.**

(b) Each of the Borrower and the other Loan Parties, on behalf of itself and its successors, assigns, and other legal representatives, hereby absolutely, unconditionally and irrevocably, covenants and agrees with and in favor of each Releasee that it will not sue (at law, in equity, in any regulatory proceeding or otherwise) any Releasee on the basis of any Claim released, remised and discharged by the Borrower or any other Loan Party pursuant to paragraph (a) above. If the Borrower, any other Loan Party or any of its successors, assigns or other legal representatives violates the foregoing covenant, the Borrower and other Loan Parties, each for itself and its successors, assigns and legal representatives, agrees to pay, in addition to such other damages as any Releasee may sustain as a result of such violation, all attorneys’ fees and costs incurred by any Releasee as a result of such violation.

12. Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto in separate counterparts, each of which shall be an original and all of which, when taken together, shall constitute but one and the same instrument. A facsimile

or pdf copy of a counterpart signature page shall serve as the functional equivalent of a manually executed copy for all purposes.

13. Governing Law. THIS AGREEMENT AND ALL ACTIONS ARISING UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK AND (TO THE EXTENT APPLICABLE) THE BANKRUPTCY CODE.

[SIGNATURE PAGES FOLLOW]

Schedule I

Budget Week	Week ending	Tested Net Cash Flow Before Debt Description	Net Cash Flow Before Debt Compliance Threshold (\$US million)
Mar Wk 4	3/31/2018	2 weeks ending 3/31/18	\$14.9
Apr Wk 1	4/7/2018	3 weeks ending 4/7/18	\$81.2
Apr Wk 2	4/14/2018	4 weeks ending 4/14/2018	\$122.8
Apr Wk 3	4/21/2018	4 weeks ending 4/21/2018	\$137.9
Apr Wk 4	4/28/2018	4 weeks ending 4/28/2018	\$210.0
Apr Wk 5	5/5/2018	4 weeks ending 5/5/2018	\$191.2
May Wk 1	5/12/2018	4 weeks ending 5/12/2018	\$206.1
May Wk 2	5/19/2018	4 weeks ending 5/19/2018	\$227.1
May Wk 3	5/26/2018	4 weeks ending 5/26/2018	\$184.6
May Wk 4	6/2/2018	4 weeks ending 6/2/2018	\$171.3
Jun Wk 1	6/9/2018	4 weeks ending 6/9/2018	\$169.7
Jun Wk 2	6/16/2018	4 weeks ending 6/16/2018	\$160.5
Jun Wk 3	6/23/2018	4 weeks ending 6/23/2018	\$148.4

Exhibit A

Domestic Wind-Down Budget

Project Sunrise
Weekly Wind Down Budget
(\$ in MMs)

Weekly Budget

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	
	Mar Wk 3 3/24/18	Mar Wk 4 3/31/18	Apr Wk 1 4/7/18	Apr Wk 2 4/14/18	Apr Wk 3 4/21/18	Apr Wk 4 4/28/18	Apr Wk 5 5/5/18	May Wk 1 5/12/18	May Wk 2 5/19/18	May Wk 3 5/26/18	May Wk 4 6/2/18	Jun Wk 1 6/9/18	Jun Wk 2 6/16/18	Jun Wk 3 6/23/18	
Receipts	\$ 97.8	\$ 95.9	\$ 94.5	\$ 94.7	\$ 106.8	\$ 109.6	\$ 104.8	\$ 95.3	\$ 93.3	\$ 90.9	\$ 89.3	\$ 85.6	\$ 80.0	\$ 58.2	\$ 1,296.7
Disbursements															
Payroll & Benefits	(4.6)	(25.6)	(4.7)	(26.1)	(5.6)	(24.8)	(3.4)	(19.3)	(2.7)	(17.7)	(3.2)	(14.7)	(2.6)	(15.0)	(170.0)
Taxes	(0.9)	(2.0)	(1.0)	(6.4)	(34.8)	(6.5)	(1.0)	(1.8)	(0.6)	(41.3)	(0.7)	(1.4)	(0.5)	(28.5)	(127.2)
Rent	(14.5)	(43.8)	(0.1)	(0.8)	(0.1)	(0.1)	(41.3)	(0.1)	(0.8)	(0.1)	(41.2)	(0.1)	(0.8)	(0.1)	(143.6)
Advertising / Supervision (GOB)	(0.5)	(3.4)	(3.6)	(3.7)	(3.6)	(3.2)	(2.9)	(2.7)	(2.7)	(2.6)	(2.5)	(2.5)	(2.3)	(1.7)	(37.9)
Liquidator Fees	(0.8)	(1.8)	(2.0)	(2.1)	(2.0)	(1.8)	(1.8)	(1.7)	(1.6)	(1.6)	(1.5)	(1.5)	(1.4)	(23.0)	(37.9)
Post-Petition Merchandise	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional Fees	(1.3)	(5.9)	(2.6)	(3.4)	(2.6)	(2.6)	(2.6)	(4.3)	(4.3)	(4.3)	(4.3)	(2.0)	(2.0)	(2.0)	(44.4)
Financing Activity	(0.2)	(2.4)	(0.1)	(0.1)	-	-	(2.2)	-	-	-	-	-	-	-	(5.0)
Other Operating Disbursements	(37.6)	(23.4)	(14.3)	(7.0)	(4.0)	(3.0)	(4.2)	(3.6)	(2.9)	(70.6)	(5.2)	(3.4)	(3.0)	(2.7)	(117.4)
Total Store / DC Disbursements	\$ (60.3)	\$ (108.4)	\$ (28.3)	\$ (49.4)	\$ (52.6)	\$ (41.9)	\$ (59.5)	\$ (33.5)	\$ (15.7)	\$ (70.6)	\$ (58.7)	\$ (25.6)	\$ (12.6)	\$ (51.3)	\$ (668.4)
Net Cash Flow before Debt	\$ 37.4	\$ (12.5)	\$ 66.2	\$ 45.3	\$ 54.2	\$ 67.6	\$ 45.3	\$ 61.8	\$ 77.6	\$ 20.4	\$ 30.6	\$ 60.0	\$ 67.4	\$ 6.9	\$ 628.2
Cash Schedule															
Beginning Cash Balance	105.4	47.0	30.3	30.6	30.0	100.5	20.9	57.7	110.3	55.6	36.2	71.2	113.6	105.4	105.4
Net Cash Flow Before Debt	37.4	(12.5)	66.2	45.3	54.2	67.6	45.3	61.8	77.6	20.4	30.6	60.0	67.4	6.9	628.2
ABL Paydown	(95.8)	(4.2)	(66.0)	(45.8)	(51.3)	-	-	-	-	(75.0)	(50.0)	(25.0)	(25.0)	-	(263.2)
FILO Paydown	-	-	-	-	-	-	(125.0)	(25.0)	(25.0)	-	-	-	-	-	(450.0)
Ending Cash Balance	\$ 47.0	\$ 30.3	\$ 30.6	\$ 30.0	\$ 32.9	\$ 100.5	\$ 20.9	\$ 57.7	\$ 110.3	\$ 55.6	\$ 36.2	\$ 71.2	\$ 113.6	\$ 20.5	\$ 20.5
ABL Schedule															
Beginning Balance	165.0	167.4	163.2	97.2	51.3	-	-	-	-	-	-	-	-	-	165.0
LC Collateralization	98.2	-	-	-	-	-	-	-	-	-	-	-	-	-	98.2
Paydown	(95.8)	(4.2)	(66.0)	(45.8)	(51.3)	-	-	-	-	-	-	-	-	-	(263.2)
Ending Balance	\$ 167.4	\$ 163.2	\$ 97.2	\$ 51.3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FILO Roll-Forward															
Beginning Balance	450.0	450.0	450.0	450.0	450.0	450.0	450.0	325.0	300.0	275.0	200.0	150.0	125.0	100.0	450.0
Paydown	-	-	-	-	-	-	(125.0)	(25.0)	(25.0)	(75.0)	(50.0)	(25.0)	(25.0)	(100.0)	(450.0)
Ending Balance	\$ 450.0	\$ 450.0	\$ 450.0	\$ 450.0	\$ 450.0	\$ 450.0	\$ 325.0	\$ 300.0	\$ 275.0	\$ 200.0	\$ 150.0	\$ 125.0	\$ 100.0	\$ -	\$ -

Exhibit B

Liquidation Agreements

[Attached to Wind-Down Order]

Exhibit C

Canadian Going Concern Budget

Toys "R" Us (Canada) Ltd.
Cash Flow Forecast
For the thirteen-week period ending June 9, 2018
(Unaudited, in \$'000s CAD)

	Week 26 17-Mar-18	Week 27 24-Mar-18	Week 28 31-Mar-18	Week 29 7-Apr-18	Week 30 14-Apr-18	Week 31 21-Apr-18	Week 32 28-Apr-18	Week 33 5-May-18	Week 34 12-May-18	Week 35 19-May-18	Week 36 26-May-18	Week 37 2-Jun-18	Week 38 9-Jun-18	13 - Week Total
Receipts	15,129	15,070	17,106	17,278	14,461	15,286	15,472	15,338	15,527	15,544	15,372	15,663	15,451	202,698
Disbursements														
Merchandise vendors	11,600	14,471	17,706	14,723	10,104	12,488	8,820	7,543	8,369	7,357	7,251	7,210	7,044	134,687
Non-merchandise vendors	4,533	4,283	3,533	3,948	3,398	6,032	3,048	3,093	2,962	3,111	3,361	3,361	3,995	48,659
Rent	-	-	5,305	-	-	-	-	5,305	-	-	-	5,301	-	15,912
Payroll	2,844	1,204	3,086	1,167	2,862	1,282	2,934	1,185	2,816	1,190	2,833	1,210	2,918	27,530
Capital expenditures	308	308	308	308	308	308	308	231	231	231	231	231	231	3,538
Tax	-	25	973	-	-	-	(176)	(831)	-	-	(40)	1,386	-	1,337
Total Disbursements	19,285	20,290	30,912	20,146	16,672	20,110	14,934	16,526	14,378	11,889	13,636	18,699	14,188	231,664
Operating Net Cash Flow	(4,155)	(5,220)	(13,805)	(2,868)	(2,211)	(4,823)	537	(1,188)	1,150	3,655	1,736	(3,036)	1,263	(28,966)
Restructuring professional fees	606	520	325	350	300	300	325	350	300	225	225	275	225	4,326
DIP fees, interest & payments	-	-	2,652	-	-	-	-	2,652	-	-	-	2,741	-	8,046
Net Cash Flow	(4,762)	(5,740)	(16,783)	(3,218)	(2,511)	(5,123)	212	(4,191)	850	3,430	1,511	(6,052)	1,038	(41,338)
Beginning Cash	54,273	49,512	43,772	26,989	23,771	21,260	16,137	16,349	12,159	13,008	16,438	17,950	11,897	54,273
Net Cash Flow	(4,762)	(5,740)	(16,783)	(3,218)	(2,511)	(5,123)	212	(4,191)	850	3,430	1,511	(6,052)	1,038	(41,338)
Ending Cash	49,512	43,772	26,989	23,771	21,260	16,137	16,349	12,159	13,008	16,438	17,950	11,897	12,936	12,936

Exhibit 3

Wind-Down Budget

Project Sunrise
 Weekly Wind Down Budget
 (\$ in MM's)

Weekly Budget

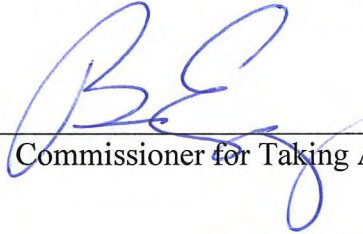
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	
	Mar Wk 3 3/24/18	Mar Wk 4 3/31/18	Apr Wk 1 4/7/18	Apr Wk 2 4/14/18	Apr Wk 3 4/21/18	Apr Wk 4 4/28/18	Apr Wk 5 5/5/18	May Wk 1 5/12/18	May Wk 2 5/19/18	May Wk 3 5/26/18	May Wk 4 6/2/18	Jun Wk 1 6/9/18	Jun Wk 2 6/16/18	Jun Wk 3 6/23/18	
Receipts	\$ 97.8	\$ 95.9	\$ 94.5	\$ 94.7	\$ 106.8	\$ 109.6	\$ 104.8	\$ 95.3	\$ 93.3	\$ 90.9	\$ 89.3	\$ 85.6	\$ 80.0	\$ 58.2	\$ 1,296.7
Disbursements															
Payroll & Benefits	(4.6)	(25.6)	(4.7)	(26.1)	(5.6)	(24.8)	(3.4)	(19.3)	(2.7)	(17.7)	(3.2)	(14.7)	(2.6)	(15.0)	(170.0)
Taxes	(0.9)	(2.0)	(1.0)	(6.4)	(34.8)	(6.5)	(1.0)	(1.8)	(0.6)	(41.3)	(0.7)	(1.4)	(0.5)	(28.5)	(127.2)
Rent	(14.5)	(43.8)	(0.1)	(0.8)	(0.1)	(0.1)	(41.3)	(0.1)	(0.8)	(0.1)	(41.2)	(0.1)	(0.8)	(0.1)	(143.6)
Advertising / Supervision (GOB)	(0.5)	(3.4)	(3.6)	(3.7)	(3.6)	(3.2)	(2.9)	(2.7)	(2.7)	(2.6)	(2.5)	(2.5)	(2.3)	(1.7)	(37.9)
Liquidator Fees	(0.8)	(1.8)	(2.0)	(2.1)	(2.0)	(1.8)	(1.8)	(1.7)	(1.6)	(1.6)	(1.5)	(1.5)	(1.4)	(23.0)	(23.0)
Post-Petition Merchandise	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional Fees	(1.3)	(5.9)	(2.6)	(3.4)	(2.6)	(2.6)	(2.6)	(4.3)	(4.3)	(4.3)	(4.3)	(2.0)	(2.0)	(2.0)	(44.4)
Financing Activity	(0.2)	(2.4)	(0.1)	(0.1)	-	-	(2.2)	-	-	-	-	-	-	-	(5.0)
Other Operating Disbursements	(37.6)	(23.4)	(14.3)	(7.0)	(4.0)	(3.0)	(4.2)	(3.6)	(2.9)	(2.9)	(5.2)	(3.4)	(3.0)	(2.7)	(117.4)
Total Store / DC Disbursements	\$ (60.3)	\$ (108.4)	\$ (28.3)	\$ (49.4)	\$ (52.6)	\$ (41.9)	\$ (59.5)	\$ (33.5)	\$ (15.7)	\$ (70.6)	\$ (58.7)	\$ (25.6)	\$ (12.6)	\$ (51.3)	\$ (668.4)
Net Cash Flow before Debt	\$ 37.4	\$ (12.5)	\$ 66.2	\$ 45.3	\$ 54.2	\$ 67.6	\$ 45.3	\$ 61.8	\$ 77.6	\$ 20.4	\$ 30.6	\$ 60.0	\$ 67.4	\$ 6.9	\$ 628.2
Cash Schedule															
Beginning Cash Balance	105.4	47.0	30.3	30.6	30.0	100.5	20.9	20.9	57.7	110.3	55.6	36.2	71.2	113.6	105.4
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ABL Paydown	(95.8)	(4.2)	(66.0)	(45.8)	(51.3)	-	-	-	-	(75.0)	(50.0)	(25.0)	(25.0)	(100.0)	(263.2)
FILO Paydown	-	-	-	-	-	-	(125.0)	(25.0)	(25.0)	-	-	-	-	-	(450.0)
Ending Cash Balance	\$ 47.0	\$ 30.3	\$ 30.6	\$ 30.0	\$ 32.9	\$ 100.5	\$ 20.9	\$ 57.7	\$ 110.3	\$ 55.6	\$ 36.2	\$ 71.2	\$ 113.6	\$ 20.5	\$ 20.5
ABL Schedule															
Beginning Balance	165.0	167.4	163.2	97.2	51.3	-	-	-	-	-	-	-	-	-	165.0
LC Collateralization	98.2	-	-	-	-	-	-	-	-	-	-	-	-	-	98.2
Paydown	(95.8)	(4.2)	(66.0)	(45.8)	(51.3)	-	-	-	-	-	-	-	-	-	(263.2)
Ending Balance	\$ 167.4	\$ 163.2	\$ 97.2	\$ 51.3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FILO Roll-Forward															
Beginning Balance	450.0	450.0	450.0	450.0	450.0	450.0	450.0	325.0	300.0	275.0	200.0	150.0	125.0	100.0	450.0
Paydown	-	-	-	-	-	-	(125.0)	(25.0)	(25.0)	(75.0)	(50.0)	(25.0)	(25.0)	(100.0)	(450.0)
Ending Balance	\$ 450.0	\$ 450.0	\$ 450.0	\$ 450.0	\$ 450.0	\$ 450.0	\$ 325.0	\$ 300.0	\$ 275.0	\$ 200.0	\$ 150.0	\$ 125.0	\$ 100.0	\$ -	\$ -

Toys "R" Us (Canada) Ltd.
Cash Flow Forecast
For the thirteen-week period ending June 9, 2018
(Unaudited, in \$'000s CAD)

	Week 26 17-Mar-18	Week 27 24-Mar-18	Week 28 31-Mar-18	Week 29 7-Apr-18	Week 30 14-Apr-18	Week 31 21-Apr-18	Week 32 28-Apr-18	Week 33 5-May-18	Week 34 12-May-18	Week 35 19-May-18	Week 36 26-May-18	Week 37 2-Jun-18	Week 38 9-Jun-18	13 - Week Total
Receipts	15,129	15,070	17,106	17,278	14,461	15,286	15,472	15,338	15,527	15,544	15,372	15,663	15,451	202,698
Disbursements														
Merchandise vendors	11,600	14,471	17,706	14,723	10,104	12,488	8,820	7,543	8,369	7,357	7,251	7,210	7,044	134,687
Non-merchandise vendors	4,533	4,283	3,533	3,948	3,398	6,032	3,048	3,093	2,962	3,111	3,361	3,361	3,995	48,659
Rent	-	-	5,305	-	-	-	-	5,305	-	-	-	5,301	-	15,912
Payroll	2,844	1,204	3,086	1,167	2,862	1,282	2,934	1,185	2,816	1,190	2,833	1,210	2,918	27,530
Capital expenditures	308	308	308	308	308	308	308	231	231	231	231	231	231	3,538
Tax	-	25	973	-	-	-	(176)	(831)	-	-	(40)	1,386	-	1,337
Total Disbursements	19,285	20,290	30,912	20,146	16,672	20,110	14,934	16,526	14,378	11,889	13,636	18,699	14,188	231,664
Operating Net Cash Flow	(4,155)	(5,220)	(13,805)	(2,868)	(2,211)	(4,823)	537	(1,188)	1,150	3,655	1,736	(3,036)	1,263	(28,966)
Restructuring professional fees	606	520	325	350	300	300	325	350	300	225	225	275	225	4,326
DIP fees, interest & payments	-	-	2,652	-	-	-	-	2,652	-	-	-	2,741	-	8,046
Net Cash Flow	(4,762)	(5,740)	(16,783)	(3,218)	(2,511)	(5,123)	212	(4,191)	850	3,430	1,511	(6,052)	1,038	(41,338)
Beginning Cash	54,273	49,512	43,772	26,989	23,771	21,260	16,137	16,349	12,159	13,008	16,438	17,950	11,897	54,273
Net Cash Flow	(4,762)	(5,740)	(16,783)	(3,218)	(2,511)	(5,123)	212	(4,191)	850	3,430	1,511	(6,052)	1,038	(41,338)
Ending Cash	49,512	43,772	26,989	23,771	21,260	16,137	16,349	12,159	13,008	16,438	17,950	11,897	12,936	12,936

D

THIS IS EXHIBIT "D"
TO THE AFFIDAVIT OF MELANIE TEED-MURCH
SWORN BEFORE ME THIS 23RD DAY OF MARCH, 2018



Commissioner for Taking Affidavits

Brian F. Empey

Edward O. Sassower, P.C.
Joshua A. Sussberg, P.C. (admitted *pro hac vice*)
KIRKLAND & ELLIS LLP
KIRKLAND & ELLIS INTERNATIONAL LLP
601 Lexington Avenue
New York, New York 10022
Telephone: (212) 446-4800
Facsimile: (212) 446-4900

-and-

Michael A. Condyles (VA 27807)
Peter J. Barrett (VA 46179)
Jeremy S. Williams (VA 77469)
KUTAK ROCK LLP
901 East Byrd Street, Suite 1000
Richmond, Virginia 23219-4071
Telephone: (804) 644-1700
Facsimile: (804) 783-6192

James H.M. Sprayregen, P.C.
Anup Sathy, P.C.
Chad J. Husnick, P.C. (admitted *pro hac vice*)
Emily E. Geier (admitted *pro hac vice*)
KIRKLAND & ELLIS LLP
KIRKLAND & ELLIS INTERNATIONAL LLP
300 North LaSalle
Chicago, Illinois 60654
Telephone: (312) 862-2000
Facsimile: (312) 862-2200

Co-Counsel to the Debtors and Debtors in Possession

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION**

In re:)	
	)	Chapter 11
)	
TOYS “R” US, INC., <i>et al.</i> , ¹	)	Case No. 17-34665 (KLP)
)	
Debtors.	)	(Jointly Administered)
)	

**ORDER (I) ESTABLISHING BIDDING
PROCEDURES FOR THE SALE OF THE DEBTORS’
CANADIAN ASSETS AND (II) GRANTING RELATED RELIEF**

Upon the motion (the “Motion”)² of the above-captioned debtors and debtors in possession (collectively, the “Debtors”), for entry of an order (this “Order”): (a) approving the proposed Bidding Procedures by which the Debtors will solicit and select the highest or otherwise best offer

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are set forth in the *Order (I) Directing Joint Administration of Chapter 11 Cases and (II) Granting Related Relief* [Docket No. 78]. The location of the Debtors’ service address is One Geoffrey Way, Wayne, New Jersey 07470.

² Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

for the sale of the Canadian Equity; (b) approving the form and manner of notice of the Auction and Sale Hearing attached hereto as **Schedule 2** (the “Auction and Hearing Notice”); (c) scheduling an auction to sell the Canadian Equity (the “Auction”) and a hearing to approve the Sale (the “Sale Hearing”); and (d) granting related relief, it is **HEREBY ORDERED THAT:**

1. The Motion is granted as provided herein.

2. All objections to the relief requested in the Motion that have not been withdrawn, waived, or settled as announced to this Court at the hearing on the Motion or by stipulation filed with this Court, are overruled.

I. Important Dates and Deadlines.

3. The following dates and deadlines are hereby approved (and may be adjourned from time to time by the Debtors in consultation with the Consultation Parties).

4. **Bid Deadline:** **April 13, 2018, at 5:00 p.m., prevailing Eastern Time**, is the deadline by which all bids must be actually received pursuant to the Bidding Procedures.

5. **Notice of Qualified Bid Deadline:** **April 16, 2018, at 5:00 p.m., prevailing Eastern Time**, is the date and time by which the Debtors shall notify the Bidders whether their Bids are Qualified Bids.

6. **Auction:** **April 18, 2018, at 10:00 a.m., prevailing Eastern Time**, is the date and time by which the Auction, if needed, will be held at the offices of Kirkland & Ellis LLP, located at: 601 Lexington Avenue, New York, NY 10022. The Debtors shall send written notice of the date, time, and place of the Auction to the Qualified Bidders no later than two business days before such Auction, and file a notice of the date, time, and place of the Auction with the Court no later than two business days before such Auction and post such notice on the Debtors’ Case Website: <http://www.cases.primeclerk.com/toysrus>. The Debtors may modify, in consultation with the

Consultation Parties, the date, time, and place of the Auction by providing written notice to Qualified Bidders and filing a notice with the Court so long as such notice is no later than two days before the Auction.

7. **Sale Objection Deadline**: if applicable, **April 16, 2018,³ at 10:00 a.m., prevailing Eastern Time**, is the deadline to object to the Canadian Equity Sale.

8. **Assumption Objection Deadline**: if applicable, **April 16, 2018, at 10:00 a.m., prevailing Eastern Time**, is the deadline to object to the proposed assumption and assignment and/or to the Successful Bidder's proposed form of adequate assurance of future performance.

9. **Hearing to Designate Successful Bidder**: if applicable, **April 23, 2018**, as the date by which the Debtors shall seek approval from this Court to designate the Successful Bidders in connection with the Canadian Equity Sale.

II. Auction and Bidding Procedures.

10. The Bidding Procedures, attached as **Schedule 1** hereto, are incorporated herein and are hereby approved in their entirety, and the Bidding Procedures shall govern the submission, receipt, and analysis of all bids related to the Canadian Equity Sale. Any party desiring to submit a bid shall comply with the Bidding Procedures and this Order. The Debtors are authorized to take any and all actions necessary to implement the Bidding Procedures.

11. The Debtors shall be entitled to cancel the Auction at their discretion and pursue a sale by any other means and seek approval of the Court to the extent required by applicable law. If the Debtors do not cancel the Auction, the Debtors will conduct the Auction in accordance with

³ The Debtors will file a proposed form of sale agreement as soon as practicable after selecting a Stalking Horse Bidder, if applicable, allowing parties to object. To the extent parties have further objections to the final form of proposed sale agreement following the Auction, the Debtors will entertain Objections to the Canadian Equity Sale up to the Sale Hearing.

the Bidding Procedures, as may be modified in their business judgment, after consultation with the Consultation Parties, in any manner that will best promote the goals of these Bidding Procedures and this Order.

12. At the Auction, each Qualified Bidder will be entitled, but will not be obligated, to submit overbids and will be entitled in any such overbids to credit bid all or a portion of the value of the secured portion of its claims, if any, within the meaning of section 363(k) of the Bankruptcy Code.

13. At or following the Auction, the Debtors may, in consultation with the Consultation Parties: (a) select, in their business judgment, pursuant to the Bidding Procedures, (i) the highest or otherwise best bid as the Successful Bidder and (ii) the second highest or otherwise second-best bid as the Backup Bidder; and (b) reject any bid (regardless of whether such bid is a Qualified Bid) that, in such Debtor's business judgment, is (i) inadequate, insufficient, or not the highest or best bid, (ii) not in conformity with the requirements of the Bankruptcy Code, the Bankruptcy Rules, or the Bidding Procedures, or (iii) contrary to, or otherwise not in the best interests of the Debtors' estates, affected stakeholders, or other parties in interest, in each case subject to and in accordance with the Bidding Procedures. For the avoidance of doubt, the Debtors are not required to name a Successful Bidder for the Canadian Equity and may elect (in consultation with the Consultation Parties) to not sell such asset to the highest or otherwise best bidder.

14. Notwithstanding anything to the contrary in this Order, Debtors Toys "R" Us Europe, LLC, TRU Taj Holdings 1, LLC, TRU Taj Holdings 2, Limited, TRU Taj Holdings 3, LLC, TRU Taj LLC, TRU Taj (Europe) Holdings, LLC, TRU Taj Asia, LLC, Tru Taj Finance, Inc., and Toys Canada shall not be authorized to make any payments under this Order, including any payments in respect of any Bid Protections to the Stalking Horse Bidder.

III. Auction and Hearing.

15. The Auction and Hearing Notice, attached as **Schedule 2** hereto, is approved. Within three business days of the entry of the Bidding Procedures Order or as soon thereafter as reasonably practicable, the Debtors shall cause the Auction and Hearing Notice to be served upon the Notice Parties. The Auction and Hearing Notice will indicate that copies of this Motion and any future sale documents, if applicable, can be obtained on the Case Website.

16. Within three business days after entry of the Bidding Procedures Order, or as soon as practicable thereafter, the Debtors shall place a publication version of the Auction and Hearing Notice for one day in the *USA Today (National Edition)* and the *Richmond Times-Dispatch* (or similar newspapers as the Debtors deem appropriate), and post it onto the Case Website. Such notice shall be deemed sufficient and proper notice of the Canadian Equity Sale with respect to known interested parties.

17. As soon as reasonably practicable after the conclusion of the Auction, but no later than April 20, 2018, the Debtors will file on the docket, but not serve, a notice (the “**Post-Auction Notice**”) identifying the Successful Bidder, any subset of U.S. stores included in the Successful Bid (if applicable), the key terms of the agreement, and any Expense Reimbursement and/or Breakup Fee proposed to be paid, substantially in the form attached to this Order as **Schedule 3**.

18. The Debtors, in consultation with the Consultation Parties, are authorized but not directed to designate and offer Bid Protections (including a Breakup Fee, Expense Reimbursement, and/or Work Fee) to no more than one proposed Stalking Horse Bidder at any time prior to the Bid Deadline; *provided* that to the extent the Debtors and the Consultation Parties do not agree on the Bid Protections to be offered to any proposed Stalking Horse Bidder, the Debtors will be required

to seek Court approval to provide such Bid Protections on an expedited basis. To the extent the Debtors designate a Stalking Horse Bidder, the proposed Stalking Horse Agreement will be filed with the Court as promptly as possible and in any event within three business days of the Bid Deadline. The amount of the Bid Protections (including any Breakup Fee, Work Fee, and/or Expense Reimbursement, as applicable) shall not exceed three percent (3%) of any proposed Stalking Horse Bidder initial purchase price.

19. The Debtors shall not provide any Bid Protections to any Insider. The Debtors shall not provide any Breakup Fee or Work Fee to any lender or credit-bidder.

20. Parties objecting to approval of the proposed Canadian Equity Sale as set forth in the Post-Auction Notice must file a written objection (each, a “Sale Objection”) so that such Sale Objection is filed with the Court and served so as to be **actually received** by **April 16 2018, at 10:00 a.m. (prevailing Eastern Time)** and serve such Sale Objection on: (a) Kirkland & Ellis LLP, 601 Lexington Avenue, New York, New York 10022, Attn: Joshua A. Sussberg, P.C., and Kirkland & Ellis LLP, 300 North LaSalle Street, Chicago, Illinois 60654, Attn: Chad Husnick, P.C. and Emily Geier, and Kutak Rock LLP, 901 East Byrd Street, Suite 1000, Richmond, Virginia 23218, Attn: Michael A. Condyles, Peter J. Barrett, and Jeremy S. Williams, co-counsel to the Debtors; (b) the Office of the United States Trustee for the Eastern District of Virginia, Attn: Robert B. Van Arsdale and Lynn A. Kohen; (c) Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, New York 10036, Attn: Adam C. Rogoff, Esq. and Rachael Ringer, Esq., counsel to the Official Committee of Unsecured Creditors; (d) Davis, Polk & Wardwell LLP, 450 Lexington Avenue, New York, New York 11017, Attn: Marshall Huebner and Eli Vonnegut, counsel to the DIP ABL Agent; (e) if the applicable Debtor Contract counterparty is an obligor on the Taj Notes, then to (1) counsel to the Taj DIP Notes Trustee;

(2) Kilpatrick Townsend & Stockton LLP, Attn: Todd Meyers, Esq., 1100 Peachtree Street NE Suite 2800, Atlanta, Georgia 30309, counsel to the Taj Notes Trustee; and (3) Paul, Weiss, Rifkind, Wharton & Garrison, LLP, 1285 Avenue of the Americas, New York, New York 10019-6064, Attn: Brian S. Hermann, Samuel E. Lovett, and Kellie A. Cairns, counsel to the Ad Hoc Group of Taj Noteholders; (f) Wachtell, Lipton, Rosen, and Katz, 51 West 52nd Street, New York, New York 10019, Attn: Joshua A. Feltman, counsel to the DIP Delaware Term Loan Agent; and (g) Stroock & Stroock & Lavan LLP, 180 Maiden Lane, New York, New York 10038, Attn: Kristopher Hansen and Jonathan Canfield, counsel to the group of DIP FILO Lenders.

IV. Miscellaneous.

21. Any sale of PropCo I or PropCo II Real Estate assets shall be made pursuant to a separate motion and order filed with the Court.

22. The failure to include or reference a particular provision of the Bidding Procedures in this Order shall not diminish or impair the effectiveness or enforceability of such a provision in the Bidding Procedures.

23. The Debtors are authorized to establish an escrow account to accept deposits from Qualified Bidders and may pay any reasonable fees related to such account. Any deposits made by Qualified Bidders into the Escrow Account shall not be property of the Debtors.

24. In the event of any inconsistencies between this Order and the Motion, this Order shall govern.

25. The requirement under Local Bankruptcy Rule 9013-1(b) to file a memorandum of law in connection with the Motion is waived.

26. Notice of the Motion as provided therein shall be deemed good and sufficient notice as to such Motion and the requirements of the Bankruptcy Rules and the Local Bankruptcy Rules for the Eastern District of Virginia are satisfied by such notice.

27. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

28. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Motion.

29. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: _____, 2018
Richmond, Virginia

THE HONORABLE KEITH L. PHILLIPS
UNITED STATES BANKRUPTCY JUDGE

Schedule 1

Bidding Procedures

Edward O. Sassower, P.C.
Joshua A. Sussberg, P.C. (admitted *pro hac vice*)
Nicole L. Greenblatt, P.C.
KIRKLAND & ELLIS LLP
KIRKLAND & ELLIS INTERNATIONAL LLP
601 Lexington Avenue
New York, New York 10022
Telephone: (212) 446-4800
Facsimile: (212) 446-4900

-and-

James H.M. Sprayregen, P.C.
Anup Sathy, P.C.
Chad J. Husnick, P.C. (admitted *pro hac vice*)
Emily E. Geier (admitted *pro hac vice*)
KIRKLAND & ELLIS LLP
KIRKLAND & ELLIS INTERNATIONAL LLP
300 North LaSalle
Chicago, Illinois 60654
Telephone: (312) 862-2000
Facsimile: (312) 862-2200

Michael A. Condyles (VA 27807)
Peter J. Barrett (VA 46179)
Jeremy S. Williams (VA 77469)
KUTAK ROCK LLP
901 East Byrd Street, Suite 1000
Richmond, Virginia 23219-4071
Telephone: (804) 644-1700
Facsimile: (804) 783-6192

Co-Counsel to the Debtors and Debtors in Possession

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION**

In re:)	
	)	Chapter 11
)	
TOYS “R” US, INC., <i>et al.</i> , ⁴	)	Case No. 17-34665 (KLP)
)	
Debtors.	)	(Jointly Administered)
)	

BIDDING PROCEDURES FOR THE SALE OF OF THE EQUITY OF TOYS CANADA

On [•], 2018 the United States Bankruptcy Court for the Eastern District of Virginia (the “Court”) entered the *Order Establishing Bidding Procedures for the Sale of the Debtors’ Canadian Equity* (the “Canadian Equity Bidding Procedures Order”),⁵ by which the Court

⁴ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are set forth in the *Order (I) Directing Joint Administration of Chapter 11 Cases and (II) Granting Related Relief* [Docket No. 78]. The location of the Debtors’ service address is One Geoffrey Way, Wayne, New Jersey 07470.

⁵ All capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Canadian Equity Bidding Procedures Order or the *Debtors’ Omnibus Motion for Entry of Orders (I) Authorizing the Debtors to Wind-Down U.S. Operations, (II) Authorizing the Debtors to Conduct U.S. Store*

approved procedures setting forth the process by which the Debtors are authorized to conduct an auction (the “Auction”) for the sale of 100% of the equity interest in Toys “R” Us (Canada) Ltd. Toys “R” Us (Canada) Ltee, (“Toys Canada”).

1. To solicit, receive, and evaluate bids for the Canadian Equity fairly and competitively, the Debtors propose these Bidding Procedures, which, are designed to encourage all bidders to make their best and highest bids, while retaining enough flexibility to accommodate the Debtors’ sale process.

- (i) **Qualified Bidders:** The term “Qualified Bidder” shall mean a bidder who submits a bid in accordance with this paragraph 1(a). Only a Qualified Bidder may participate in and make subsequent Bids at the Auction. The Debtors shall have the sole right to determine, in the exercise of their reasonable business judgment, in consultation with the Consultation Parties (as defined herein), whether a bidder is a Qualified Bidder. To qualify as a Qualified Bidder, a party must: (i) deliver to the Debtors or their advisors by the Bid Deadline an irrevocable, good faith, and bona fide offer (a “Bid”) to purchase the Canadian Equity which offer is a Qualified Bid; (ii) demonstrate to the sole satisfaction of the Debtors the financial wherewithal to enter into the proposed transaction; (iii) demonstrate the legal capacity to consummate the proposed transaction, (iv) submit with its Bid, a completed bidder registration form as attached to this Order as **Schedule 4**, and (iv) provide at the Debtors request adequate assurance of future performance, which the Qualified Bidder agrees may be disseminated to affected landlords if such Qualified Bidders’ Bid is determined to be a Qualified Bid, and which may include, without limitation, information regarding the Qualified Bidders’ financial condition such as tax returns, current financial statements, or bank accounts.
- (ii) **Qualified Bids:** The term “Qualified Bid” shall mean a bid submitted by a Qualified Bidder in accordance with the terms herein.
- (iii) **Bids for Canadian Equity:** A Qualified Bid must offer to purchase at least the Canadian Equity and provide for the payment or treatment of the obligations of Toys Canada in a manner reasonably satisfactory to the CCAA Monitor (as defined herein), and may also identify which, if any,

subset of the Debtors' U.S. stores it proposes to purchase. A single bidder or group of bidders may submit a Bid.

- (iv) **Due Diligence:** Any Qualified Bidder may request information from the Debtors, and the Debtors may grant or deny any such request. The Debtors may require such Qualified Bidder to execute a non-disclosure agreement prior to providing diligence to such Qualified Bidder.
- (v) **No Contingencies:** The validity, effectiveness, and/or binding nature of a Qualified Bid cannot be contingent, including without limitation, contingencies for due diligence and inspection or financing of any kind.
- (vi) **Irrevocability and Deposits:** All Qualified Bids shall be irrevocable until seven (7) days after the Sale Hearing. All Bids shall be accompanied by an earnest money deposit (the "Earnest Money Down Payment") equal to 2.5% of the total proposed purchase price in the form of a certified check or wire transfer payable to Toys "R" Us, Inc. Within 24 hours after the Auction, any successful bidder and any party submitting the second highest or otherwise best bid must supplement the initial Earnest Money Down Payment (through certified check or wire transfer), so that the total deposit equals 5% of their winning or second highest Bid. Such deposit will be held by the Debtors, without interest, until the earlier to occur of (i) the time such Bid is officially rejected by the Debtors and (ii) seven (7) days after the Sale Hearing. Such deposit will be forfeited in the event that any bidder for an accepted Bid defaults.
- (vii) **As-Is, Where-Is:** All bidders must acknowledge and agree that upon closing the Debtors shall sell and transfer the assets to the Successful Bidder and the Successful Bidder shall accept the assets: "AS IS, WHERE IS, WITH ALL FAULTS."
- (viii) **Initial and Successive Overbids:** Any Qualified Bidder may submit successive bids. Any initial overbid must exceed the sum of: (i) the highest or otherwise best Qualified Bid or Stalking Horse Bid, as applicable, (ii) the value of any Bid Protections, and (iii) \$1.0 million. Any Successive overbid must be in minimum increments of \$1.0 million or such other amount as may be announced at the Auction.
- (ix) **Auction:** The Auction will take place at the offices of Kirkland & Ellis LLP, 601 Lexington Avenue, New York, NY 10022. The Auction will be conducted on April 18, 2018 at 10:00 a.m., prevailing Eastern Time. Unless otherwise ordered or directed by the Bankruptcy Court, only representatives of the Debtors, the Consultation Parties, any other parties invited specifically by the Debtors, any Qualified Bidders, the advisors to the North American DIP ABL Lenders. and the CCAA Monitor (and the professionals for each of the foregoing) shall be entitled to attend the Auction; provided that, only Qualified Bidders shall be entitled to bid at the Auction. Bidding

at the Auction will continue until such time as the highest or otherwise best offer is determined. The Debtors will adopt rules for the conduct of the auction, in consultation with the Consultation Parties.

- (x) **No Collusion:** Each Qualified Bidder participating at the Auction will be required to confirm on the record at the Auction that (i) it has not engaged in any collusion with respect to the bidding, and (ii) its Qualified Bid is a good faith bona fide offer and it intends to consummate the proposed transaction if selected as the Successful Bidder.
- (xi) **Selection of Successful Bid:** The Auction shall continue until there remains only one bid to purchase the Canadian Equity (and a subset of U.S. stores, as applicable)⁶ that the Debtors determine in their sole discretion, after consultation with the Consultation Parties, subject to Bankruptcy Court approval, is the highest and/or otherwise best Qualified Bid (such bid, the “Successful Bid” and such bidder, the “Successful Bidder”). The Debtors reserve the right to select the Successful Bid (in consultation with the Consultation Parties), even if it is not the highest bid. The Debtors reserve the right to not select any Successful Bid or Successful Bidder (in consultation with the Consultation Parties).
- (xii) **Backup Bid:** If for any reason the Successful Bidder(s) fails to consummate the purchase of the Canadian Equity, or any part thereof, the offeror of the second highest or otherwise best Bid will automatically be deemed to have submitted the highest or otherwise best Bid and to the extent such offeror and the Debtors consent (in consultation with the Consultation Parties), the Debtors and such offeror are authorized to effect the sale of the Canadian Equity, or any part thereof, to such offeror(s) as soon as is commercially reasonable without further order of the Bankruptcy Court.
- (xiii) The Successful Bid and the Backup Bid must be in compliance with the Wavier, Consent and Amendment Agreement, as defined at Docket No. 2189, as applicable at the time.
- (xiv) **Closing:** The closing of the sale of the Canadian equity will occur no later than May 31, 2018.
- (xv) **Consultation Parties:** The term “Consultation Parties” shall mean: (i) the official committee of unsecured creditors (the “Committee”); (ii) counsel and financial advisor to the group of term B-4 lenders (the “B-4 Lenders”); (iii) the prepetition administrative agent for the Propco I Unsecured Term Loan Facility and the advisors and counsel thereto; (iv) the agent for the Propco II Mortgage Loan and the advisors and counsel thereto; (v) counsel

⁶ If the Debtors determine to sell any U.S. stores in conjunction with a Successful Bid, they reserve the right to supplement the relief requested herein to include procedures for the efficient assumption and assignment of such leases, as applicable.

to the Ad Hoc Group of Taj Noteholders⁷; (vi) counsel to the lenders under that certain Mezzanine Loan Agreement, dated as of November 3, 2016, among Debtor Giraffe Junior Holdings, LLC and certain mezzanine lenders party thereto (the “Mezzanine Loan Agreement”), (vii) the court-appointed monitor of Toys Canada in its proceedings under the *Companies’ Creditors Arrangement Act* (Canada) (the “CCAA Monitor”), (viii) the Propco II independent directors, (ix) the DIP ABL Agent and the advisors and counsel thereto; and (x) counsel to the group of DIP FILO Lenders. In the event that any Consultation Party, any member of the Committee, or any affiliate of any of the foregoing participates as a bidder in the Auction under these Bidding Procedures, any obligation of the Debtors to consult with such bidding party pursuant to these Bidding Procedures will be suspended without further action until such party advises the Debtors and the other Consultation Parties that they have irrevocably withdrawn as a potential bidder, at which time such party’s consultation privileges will be reinstated. If a member of the Committee submits a Qualifying Bid, counsel and financial advisors to the Committee will continue to have consultation rights as set forth in these Bidding Procedures; *provided* that the such advisors shall exclude such member from any discussions of deliberations regarding the sale of the Canadian Equity and shall not provide any information regarding the sale of the Canadian Equity to such member.

- (xvi) **Reservation of Rights.** The Debtors reserve their rights to modify these Bidding Procedures in their business judgment, after consultation with the Consultation Parties (and with the consent of the Committee to modify any provision that requires the Committee’s consent), in any manner that will best promote the goals of these Bidding Procedures, or impose, at or prior to the Auction, additional customary terms and conditions on Canadian Equity Sale, including, without limitation: (a) extending the deadlines set forth in these Bidding Procedures; (b) adjourning the Auction at the Sale Hearing; (c) adding procedural rules that are reasonably necessary or advisable under the circumstances for conducting the Auction; (d) canceling the Auction; and (e) rejecting any or all Bids or Qualified Bids

2. Nothing in these Bidding Procedures shall require the Debtors’ management or board of directors to take any action, or to refrain from taking any action, with respect to these Bidding Procedures, to the extent the Debtors’ management or board of directors determines, or based on the advice of counsel, that taking such action, or refraining from taking such action, as

⁷ As defined in the *Amended Verified Statement of the Ad Hoc Group of Taj Noteholders Pursuant to Bankruptcy Rule 2019* [Docket No. 919].

applicable, is required to comply with applicable law or its fiduciary obligations under applicable law.

Schedule 2

Auction and Hearing Notice

Edward O. Sassower, P.C.
Joshua A. Sussberg, P.C. (admitted *pro hac vice*)
Nicole L. Greenblatt, P.C.
KIRKLAND & ELLIS LLP
KIRKLAND & ELLIS INTERNATIONAL LLP
601 Lexington Avenue
New York, New York 10022
Telephone: (212) 446-4800
Facsimile: (212) 446-4900

-and-

James H.M. Sprayregen, P.C.
Anup Sathy, P.C.
Chad J. Husnick, P.C. (admitted *pro hac vice*)
Emily E. Geier (admitted *pro hac vice*)
KIRKLAND & ELLIS LLP
KIRKLAND & ELLIS INTERNATIONAL LLP
300 North LaSalle
Chicago, Illinois 60654
Telephone: (312) 862-2000
Facsimile: (312) 862-2200

Michael A. Condyles (VA 27807)
Peter J. Barrett (VA 46179)
Jeremy S. Williams (VA 77469)
KUTAK ROCK LLP
901 East Byrd Street, Suite 1000
Richmond, Virginia 23219-4071
Telephone: (804) 644-1700
Facsimile: (804) 783-6192

Co-Counsel to the Debtors and Debtors in Possession

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION**

In re:)	
	)	Chapter 11
)	
TOYS “R” US, INC., <i>et al.</i> , ⁸	)	Case No. 17-34665 (KLP)
)	
Debtors.	)	(Jointly Administered)
)	

NOTICE OF BID DEADLINE AND POTENTIAL SALE HEARING

On [•], 2018 the United States Bankruptcy Court for the Eastern District of Virginia (the “Court”) entered the *Order Establishing Bidding Procedures for the Sale of the Debtors’ Canadian Equity* (the “Canadian Equity Bidding Procedures Order”),⁹ by which the Court approved procedures setting forth the process by which the Debtors are authorized to conduct an

⁸ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are set forth in the *Order (I) Directing Joint Administration of Chapter 11 Cases and (II) Granting Related Relief* [Docket No. 78]. The location of the Debtors’ service address is One Geoffrey Way, Wayne, New Jersey 07470.

⁹ All capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Canadian Equity Bidding Procedures Order or the *Debtors’ Omnibus Motion for Entry of Orders (I) Authorizing the Debtors to Wind-Down U.S. Operations, (II) Authorizing the Debtors to Conduct U.S. Store Closings, (III) Establishing Bidding Procedures for the Sale of the Debtors’ Canadian Equity, (IV) Enforcing an Administrative Stay and (V) Granting Related Relief* [Docket No. 2050] (the “Omnibus Motion”).

auction (the “Auction”) for the sale of 100% of the equity interest in Toys “R” Us (Canada) Ltd. Toys “R” Us (Canada) Ltee, (“Toys Canada,” and such sale the “Canadian Equity Sale”).

PLEASE TAKE NOTICE that the Debtors are soliciting offers for the sale of the Canadian Equity consistent with the Bidding Procedures approved by the Court by entry of the Canadian Equity Bidding Procedures Order. **All interested bidders should carefully read the Bidding Procedures and Canadian Equity Bidding Procedures Order.** To the extent that there are any inconsistencies between this notice and the Bidding Procedures or Canadian Equity Bidding Procedures Order, the Bidding Procedures or Canadian Equity Bidding Procedures Order, as applicable, shall govern in all respects.

PLEASE TAKE FURTHER NOTICE that, if the Debtors receive qualified competing bids within the requirements and time frame specified by the Bidding Procedures, the Debtors will conduct an Auction of Toys Canada **on or about April 18, 2018, at 10:00 a.m. (prevailing Eastern Time)** at the offices of Kirkland & Ellis LLP, 601 Lexington Avenue, New York, NY 10022 (or at any other location as the Debtors may hereafter designate on proper notice).

PLEASE TAKE FURTHER NOTICE that the Debtors will seek approval of the Canadian Equity Sale at the Sale Hearing scheduled to commence on or before **April 23, 2018** (the “Sale Hearing”) before the Honorable Judge Keith L. Phillips, at the Court, 701 East Broad Street, 5th Floor, Courtroom No. 5100, Richmond, Virginia 23219.

PLEASE TAKE FURTHER NOTICE that objections to approval of the proposed Canadian Equity Sale, the proposed assumption and assignment, and/or to the Successful Bidder’s proposed form of adequate assurance of future performance must file a written objection (each, a “Sale Objection”) so that such objection is filed with the Court and served so as to be **actually received** by **April 16, 2018, at 10:00 a.m. (prevailing Eastern Time)** and serve such Objection on: (a) Kirkland & Ellis LLP, 601 Lexington Avenue, New York, New York 10022, Attn: Joshua A. Sussberg, P.C. Kirkland & Ellis LLP, 300 North LaSalle Street, Chicago, Illinois 60654, Attn: Chad Husnick, and Emily Geier, and Kutak Rock LLP, 901 East Byrd Street, Suite 1000, Richmond, Virginia 23218, Attn: Michael A. Condyles, Peter J. Barrett, and Jeremy S. Williams, co-counsel to the Debtors; (b) the Office of the United States Trustee for the Eastern District of Virginia, Attn: Robert B. Van Arsdale and Lynn A. Kohen; (c) Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, New York 10036, Attn: Adam C. Rogoff, Esq. and Rachael Ringer, Esq., counsel to the Official Committee of Unsecured Creditors; (d) Davis, Polk & Wardwell LLP, 450 Lexington Avenue, New York, New York 11017, Attn: Marshall Huebner and Kenneth Steinberg, counsel to the DIP ABL Agent; (e) Wachtell, Lipton, Rosen, and Katz, 51 West 52nd Street, New York, New York 10019, Attn: Joshua A. Feltman, counsel to the DIP Delaware Term Loan Agent; and (f) Stroock & Stroock & Lavan LLP, 180 Maiden Lane, New York, New York 10038, Attn: Kristopher Hansen and Jonathan Canfield, counsel to the group of DIP FILO Lenders.

CONSEQUENCES OF FAILING TO TIMELY MAKE AN OBJECTION

ANY PARTY OR ENTITY WHO FAILS TO TIMELY MAKE AN OBJECTION TO THE CANADIAN EQUITY SALE ON OR BEFORE THE OBJECTION DEADLINE IN ACCORDANCE WITH THE CANADIAN EQUITY BIDDING PROCEDURES ORDER

SHALL BE FOREVER BARRED FROM ASSERTING ANY OBJECTION TO THE CANADIAN EQUITY SALE, INCLUDING WITH RESPECT TO THE DISPOSITION OF THE DEBTORS' ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES, AND OTHER INTERESTS, EXCEPT AS SET FORTH IN SUCH OTHER AGREEMENT WITH THE SUCCESSFUL BIDDER.

PLEASE TAKE FURTHER NOTICE that copies of the Omnibus Motion, Bidding Procedures, and the Canadian Equity Bidding Procedures Order, as well as all related exhibits, including the form purchase agreement, are available: (a) upon request to Prime Clerk LLC (the notice and claims agent retained in these chapter 11 cases) by calling (844) 794-3476 (toll free) or, for international callers, (917) 962-8499; (b) by visiting the website maintained in these chapter 11 cases at <http://www.cases.primeclerk.com/toysrus>; or (c) for a fee via PACER by visiting <http://www.vaeb.uscourts.gov>.

Richmond, Virginia

Dated: _____, 2018

/s/

KUTAK ROCK LLP

Michael A. Condyles (VA 27807)

Peter J. Barrett (VA 46179)

Jeremy S. Williams (VA 77469)

901 East Byrd Street, Suite 1000

Richmond, Virginia 23219-4071

Telephone: (804) 644-1700

Facsimile: (804) 783-6192

Email: Michael.Condyles@KutakRock.com

Peter.Barrett@KutakRock.com

Jeremy.Williams@KutakRock.com

*Co-Counsel to the Debtors
and Debtors in Possession*

KIRKLAND & ELLIS LLP

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Edward O. Sassower, P.C.

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Nicole L. Greenblatt, P.C.

601 Lexington Avenue

New York, New York 10022

Telephone: (212) 446-4800

Facsimile: (212) 446-4900

Email: edward.sassower@kirkland.com

joshua.sussberg@kirkland.com

nicole.greenblatt@kirkland.com

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300 North LaSalle

Chicago, Illinois 60654

Telephone: (312) 862-2000

Facsimile: (312) 862-2200

Email: james.sprayregen@kirkland.com

anup.sathy@kirkland.com

chad.husnick@kirkland.com

emily.geier@kirkland.com

*Co-Counsel to the Debtors
and Debtors in Possession*

Schedule 3

Post-Auction Notice

Edward O. Sassower, P.C.
Joshua A. Sussberg, P.C. (admitted *pro hac vice*)
Nicole L. Greenblatt, P.C.
KIRKLAND & ELLIS LLP
KIRKLAND & ELLIS INTERNATIONAL LLP
601 Lexington Avenue
New York, New York 10022
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KUTAK ROCK LLP
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Richmond, Virginia 23219-4071
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KIRKLAND & ELLIS LLP
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300 North LaSalle
Chicago, Illinois 60654
Telephone: (312) 862-2000
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Co-Counsel to the Debtors and Debtors in Possession

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION**

In re:)	
	)	Chapter 11
)	
TOYS “R” US, INC., <i>et al.</i> , ¹	)	Case No. 17-34665 (KLP)
)	
Debtors.	)	(Jointly Administered)
)	

**NOTICE OF SUCCESSFUL AND BACKUP
BIDDER WITH RESPECT TO THE AUCTION OF TOYS CANADA**

On [•], 2018 the United States Bankruptcy Court for the Eastern District of Virginia (the “Court”) entered the *Order Establishing Bidding Procedures for the Sale of the Debtors’ Canadian Equity* (the “Canadian Equity Bidding Procedures Order”),² by which the Court approved procedures setting forth the process by which the Debtors are authorized to conduct an

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are set forth in the *Order (I) Directing Joint Administration of Chapter 11 Cases and (II) Granting Related Relief* [Docket No. 78]. The location of the Debtors’ service address is One Geoffrey Way, Wayne, New Jersey 07470.

² All capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Canadian Equity Bidding Procedures Order or the *Debtors’ Omnibus Motion for Entry of Orders (I) Authorizing the Debtors to Wind-Down U.S. Operations, (II) Authorizing the Debtors to Conduct U.S. Store Closings, (III) Establishing Bidding Procedures for the Sale of the Debtors’ Canadian Equity, (IV) Enforcing an Administrative Stay and (V) Granting Related Relief* [Docket No. 2050] (the “Omnibus Motion”).

auction (the "Auction") for the sale of 100% of the equity interest in Toys "R" Us (Canada) Ltd. Toys "R" Us (Canada) Ltee, ("Toys Canada").

PLEASE TAKE FURTHER NOTICE that, on April 18, 2018, at 10:00 a.m. (prevailing Eastern Time), pursuant to the Canadian Equity Bidding Procedures Order, the Debtors conducted the Auction with respect to Toys Canada at the offices of Kirkland & Ellis, LLP, located at 601 Lexington Avenue, New York, New York, 10022.

PLEASE TAKE FURTHER NOTICE that, at the conclusion of the Auction, the Debtors, in consultation with their professionals, selected the following Successful Bidder and Backup Bidder with respect to Toys Canada:

Successful Bidder	Backup Bidder

PLEASE TAKE FURTHER NOTICE that the Sale Hearing to consider approval of the sale of the Canadian Equity to the Successful Bidder at the Auction, free and clear of all liens, claims, interests, and encumbrances in accordance with Bankruptcy Code section 363(f), will be held before the Honorable Judge Keith L. Phillips, at the Court, 701 East Broad Street, 5th Floor, Courtroom No. 5100, Richmond, Virginia 23219, **on April 23, 2018**.

PLEASE TAKE FURTHER NOTICE, that at the Sale Hearing, the Debtors will seek the Court's approval of the Successful Bid and the Backup Bid (if any). Unless the Court orders otherwise, the Sale Hearing shall be an evidentiary hearing on matters relating to the Sale and there will be no further bidding at the Sale Hearing. In the event that the Successful Bidder cannot or refuses to consummate the Sale following entry of a Sale Order because of the breach or failure on the part of the Successful Bidder, the Backup Bidder will be deemed the new Successful Bidder and the Debtors shall be authorized, but not required, to close with the Backup Bidder on the Backup Bid without further order of the Court.

PLEASE TAKE FURTHER NOTICE that this Notice of Successful Bidder and Backup Bidder is subject to the terms and conditions of the Omnibus Motion and the Canadian Equity Bidding Procedures Order, with such Canadian Equity Bidding Procedures Order controlling in the event of any conflict, and the Debtors encourage parties in interest to review such documents in their entirety. Parties interested in receiving more information regarding the sale of Toys Canada may make a written request to: Prime Clerk LLC (the notice and claims agent retained in these chapter 11 cases) by calling (844) 794-3476 (toll free) or, for international callers, (917) 962-8499.

PLEASE TAKE FURTHER NOTICE that copies of the Omnibus Motion, the Canadian Equity Bidding Procedures Order, this Notice, and any other related documents are available: (a) upon request to Prime Clerk LLC by calling (844) 794-3476 (toll free) or, for international callers, (917) 962-8499; (b) by visiting the website maintained in these chapter 11 cases at **<http://www.cases.primeclerk.com/toysrus>**; or (c) for a fee via PACER by visiting <http://www.vaeb.uscourts.gov>.

Richmond, Virginia

Dated: _____, 2018

/s/

KUTAK ROCK LLP

Michael A. Condyles (VA 27807)

Peter J. Barrett (VA 46179)

Jeremy S. Williams (VA 77469)

901 East Byrd Street, Suite 1000

Richmond, Virginia 23219-4071

Telephone: (804) 644-1700

Facsimile: (804) 783-6192

Email: Michael.Condyles@KutakRock.com
Peter.Barrett@KutakRock.com
Jeremy.Williams@KutakRock.com

*Co-Counsel to the Debtors
and Debtors in Possession*

KIRKLAND & ELLIS LLP

KIRKLAND & ELLIS INTERNATIONAL LLP

Edward O. Sassower, P.C.

Joshua A. Sussberg, P.C. (admitted *pro hac vice*)

Nicole L. Greenblatt, P.C.

601 Lexington Avenue

New York, New York 10022

Telephone: (212) 446-4800

Facsimile: (212) 446-4900

Email: edward.sassower@kirkland.com
joshua.sussberg@kirkland.com
nicole.greenblatt@kirkland.com

-and-

James H.M. Sprayregen, P.C.

Anup Sathy, P.C.

Chad J. Husnick, P.C. (admitted *pro hac vice*)

Emily E. Geier (admitted *pro hac vice*)

300 North LaSalle

Chicago, Illinois 60654

Telephone: (312) 862-2000

Facsimile: (312) 862-2200

Email: james.sprayregen@kirkland.com
anup.sathy@kirkland.com
chad.husnick@kirkland.com
emily.geier@kirkland.com

*Co-Counsel to the Debtors
and Debtors in Possession*

Schedule 4

Bidder Registration Form

BIDDER REGISTRATION FORM

Bidder, _____, hereby:

- Offers to purchase 100% of the equity interest in Toys “R” Us (Canada) Ltd. Toys “R” Us (Canada) Ltee (“Toys Canada”), pursuant to this Offer & Qualified Bidder Form and the terms and conditions of the accompanying Purchase Agreement, and
- Seeks to become a Qualified Bidder pursuant to the terms and conditions of the *Debtors’ Omnibus Motion for Entry of Orders (I) Authorizing the Debtors to Wind-Down U.S. Operations, (II) Authorizing the Debtors to Conduct U.S. Store Closings, (III) Establishing Bidding Procedures for the Sale of the Debtors’ Canadian Equity, (IV) Enforcing an Administrative Stay and (V) Granting Related Relief* [Docket No. [•]] (the “Omnibus Motion”), subject to approval by the the United States Bankruptcy Court for the Eastern District of Virginia in the chapter 11 cases of *In re Toys “R” Us, Inc.*, Case No. 17-34665 (KLP) (Bankr. E.D. Va. 2018).

The bidder identified above offers to purchase Toys Canada at the following bid:

<u>BID/PURCHASE PRICE</u>

Bidder hereby warrants and represents as follows:

- (a) Bidder has received, reviewed, understands and agrees to abide by the terms and conditions contained in the Bidding Procedures, the terms and conditions of which are incorporated herein by reference.
- (b) Bidder has received, reviewed and understands the terms and conditions of the Purchase Agreement the terms and conditions of which are incorporated herein by reference.
- (c) To the extent that the words and phrases which are capitalized in this Bidder Registration Form have been defined in the Bidding Procedures or in the Purchase Agreement, those definitions are incorporated herein by reference.
- (d) Each Bid made at the Auction shall constitute a binding, irrevocable “Bid” pursuant to the Bidding Procedures.
- (e) Each Bid is and shall be a good faith, bona fide, irrevocable offer to purchase the Canadian Equity on an as-is, where-is basis, with no contingencies, except as set forth in the Purchase Agreement.
- (f) Bidder (a) has relied solely upon its own independent review, investigation, and/or inspection of any documents and/or Toys Canada in making its offer; (b) did not rely upon

any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding Toys Canada or the completeness of any information provided in connection therewith or the Auction other than as provided in the Purchase Agreement; and (c) is not entitled to any break-up fee, termination fee, expense reimbursement, or similar type of payment, (d) and by submitting a Purchase Agreement, waives, and shall be deemed to waive, the right to pursue a substantial contribution claim under § 503 of title 11 of the United States Code (the “Bankruptcy Code”) related in any way to the submission of its bid, the Bidding Procedures, or any earnest money Deposit.

- (g) Bidder is either not represented by a broker seeking a commission, or if Bidder is represented by a broker, Bidder exclusively authorizes broker to submit such offer on behalf of Bidder and that any commission or fee of any type due and payable to such broker as a result of a Canadian Equity Sale shall be paid solely by Bidder and Bidder shall indemnify the Debtors and their agents in this regard, and (ii) Bidder acknowledges that it will comply with the Bidding Procedures.
- (h) Bidder acknowledges that, pursuant to, *inter alia*, 18 U.S.C. § 371, it is a federal crime to engage in collusive bidding or to chill the bidding.
- (i) Bidder confirms that it has not engaged, and will not engage, in any collusion with respect to the bidding or the Sale.
- (j) Identification of how the Bidder will pay the purchase price at Closing.

[Signatures appear on following page]

AGREED & ACCEPTED this ____ day of _____, 2018

Company: _____

By: _____

Name: _____

Title: _____

BIDDER I.D.

Bidder's Company: _____

Bidder's Address: _____

Bidder's Contact: _____

Bidder's Phone & Facsimile Numbers: _____

Bidder's Email Address: _____

Bidder's Tax ID Number: _____

ATTORNEY OR AUTHORIZED AGENT I.D.

Attorney or Agent Name: _____

Law Firm or Company: _____

Address: _____

Phone & Facsimile Numbers: _____

Email Address: _____

E

THIS IS EXHIBIT "E"
TO THE AFFIDAVIT OF MELANIE TEED-MURCH
SWORN BEFORE ME THIS 23RD DAY OF MARCH, 2018



Commissioner for Taking Affidavits

Brian F. Emdev

Toys "R" Us (Canada) Ltd.
Cash Flow Forecast
For the thirteen-week period ending June 9, 2018
(Unaudited, in \$'000s CAD)

Notes	Week 26 17-Mar-18	Week 27 24-Mar-18	Week 28 31-Mar-18	Week 29 7-Apr-18	Week 30 14-Apr-18	Week 31 21-Apr-18	Week 32 28-Apr-18	Week 33 5-May-18	Week 34 12-May-18	Week 35 19-May-18	Week 36 26-May-18	Week 37 2-Jun-18	Week 38 9-Jun-18	13 - Week Total
Receipts	15,129	15,070	17,106	17,278	14,461	15,286	15,472	15,338	15,527	15,544	15,372	15,663	15,451	202,698
Disbursements														
Merchandise vendors	11,600	14,471	17,706	14,723	10,104	12,488	8,820	7,543	8,369	7,357	7,251	7,210	7,044	134,687
Non-merchandise vendors	4,533	4,283	3,533	3,948	3,398	6,032	3,048	3,093	2,962	3,111	3,361	3,361	3,995	48,659
Rent	-	-	5,305	-	-	-	-	5,305	-	-	-	5,301	-	15,912
Payroll	2,844	1,204	3,086	1,167	2,862	1,282	2,934	1,185	2,816	1,190	2,833	1,210	2,918	27,530
Capital expenditures	308	308	308	308	308	308	308	231	231	231	231	231	231	3,538
Tax	-	25	973	-	-	-	(176)	(831)	-	-	(40)	1,386	-	1,337
Total Disbursements	19,285	20,290	30,912	20,146	16,672	20,110	14,934	16,526	14,378	11,889	13,636	18,699	14,188	231,664
Operating Net Cash Flow	(4,155)	(5,220)	(13,805)	(2,868)	(2,211)	(4,823)	537	(1,189)	1,150	3,655	1,736	(3,036)	1,263	(28,966)
Restructuring professional fees	606	520	325	350	300	300	325	350	300	225	225	275	225	4,326
DIP fees, interest & payments	-	-	2,652	-	-	-	-	2,652	-	-	-	2,741	-	8,046
Net Cash Flow	(4,762)	(5,740)	(16,783)	(3,218)	(2,511)	(5,123)	212	(4,191)	850	3,430	1,511	(6,052)	1,038	(41,338)
Beginning Cash	54,273	49,512	43,772	26,989	23,771	21,260	16,137	16,349	12,159	13,008	16,438	17,950	11,897	54,273
Net Cash Flow	(4,762)	(5,740)	(16,783)	(3,218)	(2,511)	(5,123)	212	(4,191)	850	3,430	1,511	(6,052)	1,038	(41,338)
Ending Cash	49,512	43,772	26,989	23,771	21,260	16,137	16,349	12,159	13,008	16,438	17,950	11,897	12,936	12,936

Toys “R” Us (Canada) Ltd. (“Toys Canada” or the “Company”)
Weekly Cash Flow Forecast
Notes and Summary of Assumptions

Disclaimer

In preparing this cash flow forecast (the “Forecast”), Toys Canada has relied upon unaudited financial information and has not attempted to further verify the accuracy or completeness of such information. Since the Forecast is based on assumptions about future events and conditions that are not ascertainable, actual results achieved during the Forecast period will vary from the Forecast, even if the assumptions materialize, and such variations may be material. There is no representation, warranty or other assurance that any of the estimates, forecasts or projections will be realized.

The Forecast is presented in thousands of Canadian dollars. Receipts and disbursements denominated in U.S. currency have been converted into Canadian dollars at an exchange rate of approximately 1.30 CAD/USD.

Note 1 Receipts

Receipts are forecast based on the Company’s current sales forecast, inclusive of sales tax.

Note 2 Merchandise vendors

Merchandise vendors include disbursements to both domestic and foreign third party merchandise suppliers. Disbursements are based on the Company’s current inventory receipts schedule with certain vendors forecast to be paid on modified payment terms.

Note 3 Non-merchandise vendors

Non-Merchandise vendors include disbursements to logistics, procurement, IT and ecommerce, marketing and facilities management service providers.

Note 4 Rent

Disbursements include rent and related costs and utilities for Toys Canada’s 82 store locations, three distribution centres and the Canadian head office.

Note 5 Payroll

Disbursements include salaries, wages, remittances and employee benefits for salaried and hourly employees.

Note 6 Capital expenditures

Capital expenditures are forecast based on Toys Canada’s current capital plan and include disbursements for sustaining and growth expenditures, including the completion of certain store renovations during the forecast period.

Note 7 Tax

Disbursements include sales tax remittances and income tax instalments.

Note 8 Restructuring professional fees

Disbursements include forecast payments to Toys Canada’s legal counsel and financial advisors, the Monitor and its legal counsel and legal counsel to the DIP lender.

Note 9 DIP Fees, interest & payments

DIP interest relates to the Canadian FILO facility only. No amounts are forecast to be drawn on the DIP ABL facility during the Forecast period.

**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
TOYS "R" US (CANADA) LTD. TOYS "R" US (CANADA) LTEE**

Court File No. CV-17-00582960-00CL

Applicant

ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST) Proceeding commenced at Toronto
AFFIDAVIT OF MELANIE TEED-MURCH (Sworn March 23, 2018)
GOODMANS LLP Barristers & Solicitors 333 Bay Street, Suite 3400 Toronto, Canada M5H 2S7 Brian F. Empey LSO# 30640G bempey@goodmans.ca Melaney Wagner LSO# 44063B mwagner@goodmans.ca Christopher Armstrong LSO# 55148B carmstrong@goodmans.ca Bradley Wiffen LSO# 64279L bwiffen@goodmans.ca Tel: (416) 979-2211 Fax: (416) 979-1234 Lawyers for the Applicant

**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 TOYS
"R" US (CANADA) LTD. TOYS "R" US (CANADA) LTEE**

Court File No. CV-17-00582960-00CL

Applicant

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**
Proceeding commenced at Toronto

**MOTION RECORD
(Returnable March 28, 2018)**

GOODMANS LLP

Barristers & Solicitors
333 Bay Street, Suite 3400
Toronto, Canada M5H 2S7

Brian F. Empey LSO#: 30640G
bempey@goodmans.ca

Melaney Wagner LSO#: 44063B
mwagner@goodmans.ca

Christopher Armstrong LSO#: 55148B
carmstrong@goodmans.ca

Bradley Wiffen LSO#: 64279L
bwiffen@goodmans.ca

Tel: (416) 979-2211
Fax: (416) 979-1234

Lawyers for the Applicant