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

In re:)
) Chapter 11
TOYS “R” US, INC., *et al.*,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

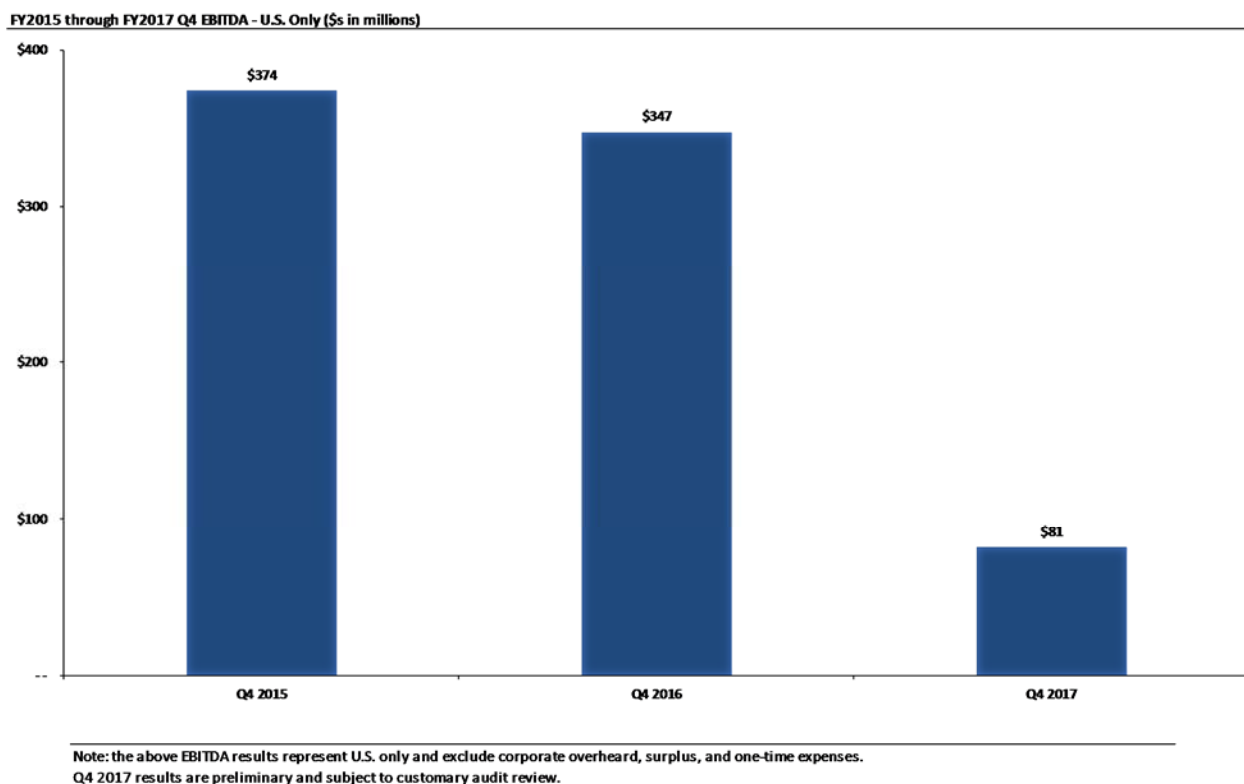
² A detailed description of the Debtors and their business, and the facts and circumstances supporting the Debtors’ chapter 11 cases, are set forth in greater detail in (i) the *Declaration of David A. Brandon, Chief Executive Officer of Toys “R” Us, Inc., in Support of Chapter 11 Petitions and First 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 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

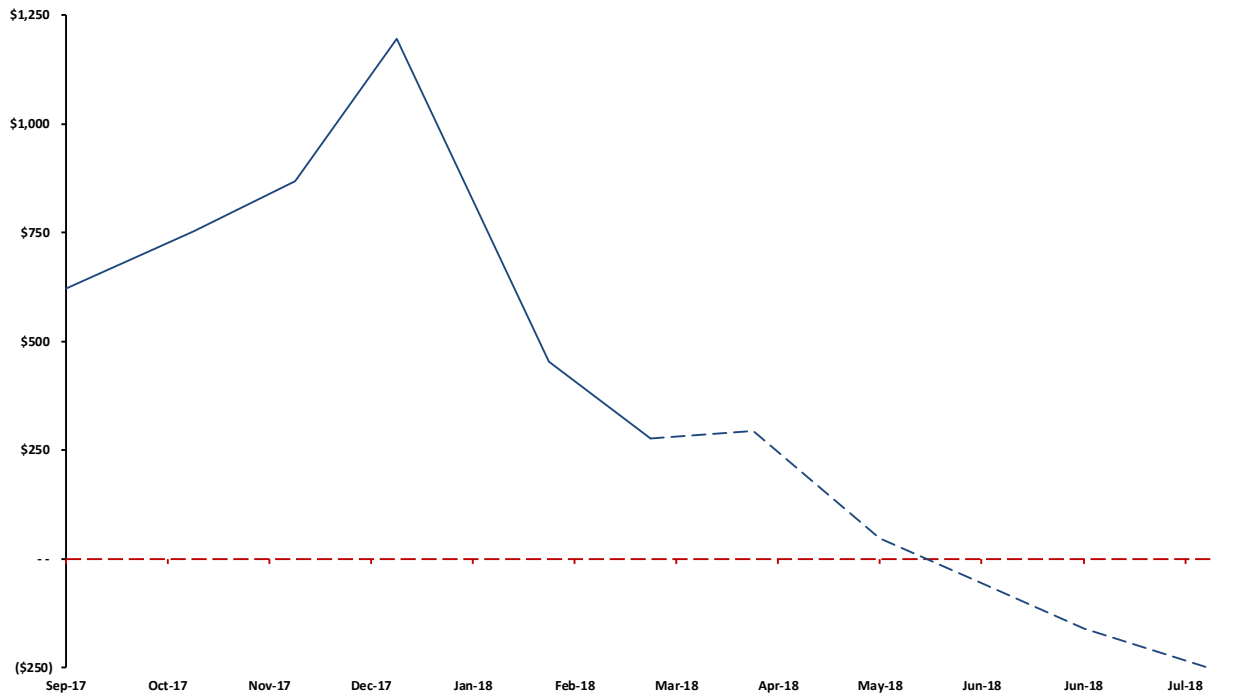
approached their lenders to initiate discussions regarding holiday performance, the need for covenant relief, and the actions the Debtors intended to take to improve performance going forward.

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.

Post Petition Liquidity - U.S. Only (\$s in millions)



Note: Historical results (P8 FY2017 - P1 FY2018) are based on weekly cash activity and liquidity reporting materials; forecasted liquidity (P2 FY2018 - P6 FY2018) is based on monthly U.S. business plan model.

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 border="1" data-bbox="631 724 1250 900"> <thead> <tr> <th>Gross Recovery</th> <th>Consultant’s Merchandise Fee</th> </tr> </thead> <tbody> <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> </tbody> </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

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and Debtors in Possession*

Exhibit A

U.S. Wind-Down Order

authorizing the Debtors to amend the Original Sale Guidelines; (c) approving the Wind-Down Incentive Program and Additional Store Closing Bonus Program; and (d) granting related relief, all as more fully set forth in the Motion; and the Court having considered the Declarations; and the upon having found that it has jurisdiction to consider this Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334; and the Court having found that consideration of the Motion and the relief requested therein is a core proceeding pursuant to 28 U.S.C. § 157(b)(2) and that it may enter a final order consistent with Article III of the United States Constitution; and the Court having found that venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court having found that the Debtors provided due and proper notice of the Motion that is adequate and appropriate under the particular circumstances; and the Court having held a hearing to consider the relief requested in the Motion (the “Hearing”); and upon consideration of the record of the Hearing, and all proceedings had before the Court; and the Court having found and determined that the relief sought in the Motion is in the best interests of the Debtors’ estates, their creditors, and other parties in interest, and that the legal and factual bases set forth in the Motion and the Cumberland Declaration and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before the Court; and any objections to the relief requested herein having been withdrawn or overruled on the merits; and after due deliberation and sufficient cause appearing therefor, it is **FOUND AND DETERMINED THAT:**³

A. The Debtors have advanced sound business reasons for entering into the Amendments, as set forth in the Motion and at the Hearing, and such entry is a reasonable

³ Findings of fact shall be construed as conclusions of law and conclusions of law shall be construed as findings of fact where appropriate. *See* Fed. R. Bankr. P. 7052.

exercise of the Debtors' business judgement and in the best interest of the Debtors and their estates.

B. The conduct of the Store Closings and Sales at the Closing Locations will provide an efficient means for the Debtors to dispose of the Merchandise and FF&E⁴ in the Closing Locations.

C. The Debtors have represented that they will neither sell nor lease personally identifiable information pursuant to the relief requested in the Motion, although the New Consultants, once engaged will be authorized to distribute emails and promotional materials to the Debtors' customers consistent with the Debtors' existing policies on the use of consumer information.

D. The entry of this Order is in the best interests of the Debtors and their estates, creditors, and interest holders and all other parties in interest herein; and now therefore it is hereby **ORDERED THAT:**

1. The Motion is granted as set forth in this herein.
2. The Wind-Down is approved as set forth herein, pursuant to section 105(a) and 363(b) of the Bankruptcy Code.
3. The Debtors are authorized, pursuant to sections 105(a) and 363(b) of the Bankruptcy Code and without further notice or relief from the Court except as provided herein, to take any and all actions that are necessary or appropriate in the exercise of their business judgment to implement the Wind-Down.
4. The conduct of the Store Closings in accordance with the Amended Sale Guidelines will provide an efficient means for the Debtors to dispose of the Store Closure Assets.

⁴ Capitalized terms used but not otherwise defined herein or in the Motion shall have the meaning ascribed to such terms in the Initial Store Closing Order [Docket No. 1595].

5. The relief set forth herein is necessary to avoid immediate and irreparable harm to the Debtors and their estates and the Debtors have demonstrated good, sufficient, and sound business purposes and justifications for the relief approved herein.

6. Unless otherwise set forth herein, this Order shall in no way modify the Initial Store Closing Order, and the Initial Store Closing Order as amended by this Order shall apply to all Store Closings contemplated by the Motion and the Initial Store Closing Motion.

I. The Form Consulting Agreement.

7. The Debtors are authorized, pursuant to section 363(b)(1) of the Bankruptcy Code, to enter into Full Chain Consulting Agreement substantially in the form attached hereto as **Schedule 1**. The Debtors are authorized to act and perform in accordance with the terms of the Full Chain Consulting Agreement, including fees and reimbursement of expenses of the Consultants without the need for any application of such Consultants or a further order of this Court. All such payments of fees and reimbursement of expenses shall be free and clear of any and all encumbrances.

8. Subject to the restrictions set forth in this Order and the Amended Sale Guidelines, which are attached hereto as **Schedule 2**, the Debtors and the Consultants are hereby authorized to take any and all actions as may be necessary or desirable to implement the Consulting Agreements, and the Sales at the Additional Closing Stores, and each of the transactions contemplated by any Full Chain Consulting Agreement and any actions taken by the Debtors and the Consultants necessary or desirable to implement any Full Chain Consulting Agreement and/or the Sales at the Additional Closing Stores prior to the date of this Order, are hereby approved and ratified.

II. Amended Sale Guidelines.

9. The Original Sale Guidelines are hereby amended and superseded by the Amended Sale Guidelines as set forth on **Schedule 2** hereto.

10. The Debtors are authorized pursuant to sections 105(a) and 363(b)(1) of the Bankruptcy Code, to immediately conduct the Store Closings at the Additional Closing Stores in accordance with this Order, the Initial Store Closing Order, the Amended Sale Guidelines, and the Full Chain Consulting Agreement.

11. The Amended Sale Guidelines are approved in their entirety.

12. The Debtors are authorized to discontinue operations at the Additional Closing Stores in accordance with this Order and the Amended Sale Guidelines.

13. Neither the Debtors nor the Consultants nor any of their officers, employees, or agents shall be required to obtain the approval of any third party, including (without limitation) any Governmental Unit (as defined under section 101(27) of the Bankruptcy Code) or landlord, to conduct the Store Closings at the Additional Closing Stores and to take the related actions authorized herein.

III. Abandonment of Property at the Distribution Centers.

14. The Debtors are authorized to abandon any Owned FF&E at the Distribution Centers pursuant to the Initial Store Closing Order and the Amended Sale Guidelines.

IV. Other Provisions.

15. The Debtors are authorized and empowered to take any and all further actions as may be reasonably necessary or appropriate to give effect to this Order.

16. To the extent of any conflict between this Order, the Original Sale Guidelines, the Amended Sale Guidelines, the Initial Store Closing Order, and the Consulting Agreements, the

terms of this Order shall control over all other documents and the Amended Sale Guidelines shall control over the Consulting Agreements.

17. Notwithstanding the *Order (A) Approving the Debtors' Senior Executive Incentive Plan and (B) Granting Related Relief* [Docket No. 1192] and the *Order (A) Approving the Debtors' Non-Insider Compensation Program and (B) Granting Related Relief* [Docket No. 1191], the Wind-Down Incentive Plan and Additional Store Closing Bonus Plan are hereby approved in its entirety, pursuant to sections 105(a), 363(b) and 503(c)(3) of the Bankruptcy Code. The Debtors are authorized to pay awards under the Wind-Down Incentive Plan and Additional Store Closing Bonus Plan, in compliance with the Wind-Down Budget.

18. The Authorized Approvers in the list attached hereto as **Schedule 4** (the "Authorized Approver List") are authorized to notify vendors whose services are covered by the Wind-Down Budget of such fact so they will provide services, and the Debtors are authorized, but not directed, to make payments to parties so notified.

19. The Debtors are authorized to supplement the Authorized Approvers List as necessary to add or remove Authorized Approvers from time to time in their sole discretion without the need for any further hearing. In such event, the Debtors shall file the amended or supplemental Authorized Approver List with this Court and serve such list on the Notice Parties. If no objections are filed within seven days to any such amended or supplemented Authorized Approver List, then such Authorized Approvers shall be deemed approved by this Court pursuant to this Order without a hearing or further order.

20. The Debtors are authorized, but not directed, to pay for all goods received on and after March 5, 2018, subject to the Wind-Down Budget.

21. Except as otherwise provided for herein, all entities who hold or assert an administrative claim allowable under 11 U.S.C. § 503(b) and entitled to priority pursuant to 11 U.S.C. § 507 that are not provided for in the Wind-Down Budget shall be, and hereby are, stayed and enjoined from any and all efforts to collect, or to recover a claim against the Debtors.

22. Notwithstanding any provision of the Initial Store Closing Order, the Debtors are authorized to utilize the Amended Sale Guidelines for all Store Closings, including those stores subject to the Propco I master lease and to which Propco I may be the tenant or owner of record.

23. Nothing in this Order or in the Amended Sale Guidelines shall apply to the Debtor Toys “R” Us (Canada) Ltd. Toys “R” Us (Canada) Ltee or its business, assets or property.

24. Notwithstanding Bankruptcy Rule 6004(h), this Order shall take effect immediately upon its entry.

25. Notice of the Motion as provided therein is deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Local Bankruptcy Rules of this Court are satisfied by such notice.

26. Notwithstanding Bankruptcy Rules 6003(b) and 6004(h), the terms and conditions of this Order are immediately effective and enforceable upon its entry.

27. Cause exists to shorten the notice period set forth in Bankruptcy Rule 2002, to the extent applicable.

28. The requirement under Local Bankruptcy Rule 9013-1(G) to file a memorandum of law in connection with the Motion is hereby waived to the extent necessary.

29. This Court shall retain jurisdiction with regard to all issues or disputes relating to this Order or the Consulting Agreements, including, but not limited to, (a) any claim or issue relating to any efforts by any party or person to prohibit, restrict or in any way limit banner and

sign-walker advertising, including with respect to any allegations that such advertising is not being conducted in a safe, professional, and non-deceptive manner, (b) any claim of the Debtors, the landlords and/or the Consultants for protection from interference with the Store Closings or Sales, (c) any other disputes related to the Store Closings or Sales, and (d) protect the Debtors and/or the Consultants against any assertions of any liens, claims, encumbrances, and other interests. No such parties or person shall take any action against the Debtors, the Consultants, the landlords, the Store Closings, or the Sales until this Court has resolved such dispute. This Court shall hear the request of such parties or persons with respect to any such disputes on an expedited basis, as may be appropriate under the circumstances.

Dated: _____, 2017
Richmond, Virginia

United States Bankruptcy Judge

Schedule 1

Full Chain Consulting Agreement



March 13, 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 15, 2018 (the “Sale Commencement Date”) and shall end with respect to each respective store no later than July 31, 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. "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").

(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. Consults 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)

[Remainder of Page Intentionally Left Blank]

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	30 Mall 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 Bvd	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	(616) 583-0820	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) 436-7359	Lease	Delaware	3,500	3,500
13	5543	Express	Greendale	5300 South 76th Street	1320B	Greendale	WI	53129	(414) 423-0124	Lease	Delaware	5,523	5,523
14	5567	Express	Glendale	6800 N. 95th Ave	988	Glendale	AZ	85305	(623) 872-6414	Lease	Delaware	3,467	3,467
15	5602	TRU	Van Nuys	16040 Sherman Way		Van Nuys	CA	91406	(818) 780-5115	Lease	Delaware	40,625	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	46,000	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	Owned	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	CA	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	Calexico	2600 Rockwood Ave.		Calexico	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	63005	(636) 778-2220	Lease	Delaware	3,924	3,924
55	5761	Express	AVENTURA - TRU Surplus	2747 NE 193rd St.	1085	Aventura - TRU Surplus	FL	33180	(305) 682-8986	GL	Delaware	6,000	6,000
56	5765	Express	Guam	1088 West Marine Corps Drive		Micronesia Mall (Guam)	GU	96912	(671) 632-8697	Lease	Delaware	4,150	4,150
57	5777	Express	San Jose	2200 Eastridge Loop #1085	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	39,664	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	Address2	City	State	Zip	Phone	Lease Type	Entity	Gross Sq. Ft.	Selling Sq. Ft.
63	5811	TRU	Dublin	6850 Amador Plaza Road.		Dublin	CA	94568	(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	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 Tittabawassee 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	E560	Canutillo	TX	79835	(915) 321-7061	Lease	Delaware	3,992	3,992
96	6191	Express	Oklahoma City	7624 W. Reno Avenue	J1070	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 Lease	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	Lease	42,995	28,607
101	6311	TRU	Carle Place	117 Old Country Rd.		Carle Place	NY	11514	(516) 746-3200	No Lease	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	Hazlet Plaza	3035 Rt. 35 North	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		Lawrence Twp.	NJ	08648	(609) 896-3330	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	Glens Falls	708 Upper Glen St.		Queensbury	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	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	Address2	City	State	Zip	Phone	Lease Type	Entity	Gross Sq. Ft.	Selling Sq. Ft.	
125	6630	Outlet	Oceanside	3515 Long Beach Road		The Sands Shopping Center	Oceanside	NY	11572	(516) 632-2079	Lease	Delaware	6,450	6,450
126	6650	Express	Riverhead	405 Tanger Mall Drive		405	Riverhead	NY	11901	(631) 727-7718	Lease	Delaware	4,300	4,300
127	6651	Express	Deer Park	152 The Arches Circle		766	Deer Park	NY	11729	(631) 242-0162	Lease	Delaware	3,552	3,552
128	6677	Express	New York	901 Ave Of The Americas		Manhattan Mall	New York	NY	10001	(212) 239-7306	Lease	Delaware	4,698	4,698
129	6771	Express	Santa Barbara	110 South Hope Ave		H128B	Santa Barbara	CA	93105	(805) 687-0219	Lease	Delaware	3,048	3,048
130	6794	Outlet	Commerce	100 Citadel Drive		313	City Of Commerce	CA	90040	(323) 765-2306	Lease	Delaware	5,755	5,755
131	6867	Express	Gurnee	6170 W. Grand Avenue		401	Gurnee	IL	60031	(847) 672-0010	Lease	Delaware	5,127	5,127
132	6942	Express	Commerce	800 Steven B Tanger Blvd		1100	Commerce	GA	30529	(706) 335-8108	Lease	Delaware	4,700	4,700
133	6951	Express	Williamsburg	128 Tanger Drive		128	Williamsburg	IA	52361	(319) 668-2152	Lease	Delaware	4,000	4,000
134	6978	Outlet	Limerick	18 West Lightcap Road		1005	Pottstown	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) 441-7216	Owned	Propco II	42,500	33,737
136	7011	TRU	North Austin	12901 Hwy 35 North		Bldg 8	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 Rd.			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	30,000	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		Suite 33	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		1070	Sevierville	TN	37862	(865) 280-6246	Lease	Delaware	3,350	3,350
152	7059	Outlet	National Harbor	6800 Oxon Hill Rd		645	National Harbor	MD	20745	(301) 747-9002	Lease	Delaware	2,893	2,893
153	7060	Outlet	Los Angeles	3650 W Martin Luther King Blvd		Suite 113	Los Angeles	CA	90008	(323) 200-2002	Lease	Delaware	2,998	2,998
154	7061	Outlet	Tempe	5000 S Arizona Mills Circle		696	Tempe	AZ	85282	(602) 308-3437	Lease	Delaware	3,839	3,839
155	7063	Outlet	St. Augustine	500 Outlet Mall Blvd		Suite 220	St Augustine	FL	32084	(904) 417-9189	Lease	Delaware	4,260	4,260
156	7064	Outlet	Glendale	8016 Cooper Ave		4106	Glendale	NY	11385	(718) 289-9000	Lease	Delaware	3,934	3,934
157	7065	Outlet	Tannersville	1000 Premium Outlets Drive		A19	Tannersville	PA	18372	(570) 534-6032	Lease	Delaware	3,000	3,000
158	7066	Outlet	Orlando	4973 International Drive		Site# 3F17	Orlando	FL	32819	(407) 204-8786	Lease	Delaware	3,490	3,490
159	7067	Outlet	Tinton Falls	One Premium Outlets Boulevard		Suite 716	Tinton Falls	NJ	07753	(732) 481-8724	Lease	Delaware	3,000	3,000
160	7068	Outlet	Wrentham	1 Premium Outlets Blvd.		370	Wrentham	MA	02093	(508)384-3725	Lease	Delaware	-	-
161	7071	Outlet	Tulalip	10600 Quil Ceda Blvd		Suite 726	Tulalip	WA	98271	(360) 363-9034	Lease	Delaware	3,410	3,410
162	7074	Express	Laredo	1600 Water St		A490	Laredo	TX	78040	956-231-5680	Lease	Delaware	4,985	4,985
163	7077	Outlet	Woodbridge	2700 Potomac Mills Cir		224	Woodbridge	VA	22192	703-987-2064	Lease	Delaware	4,406	4,406
164	7078	Express	Lee	17 Prime Outlets Blvd.		H570	Lee	MA	01238	(413) 243-9778	Lease	Delaware	3,093	3,093
165	7080	TRU	Citrus Park	12845 Citrus Plaza Drive		0	Tampa	FL	33625	(813) 749-5049	Lease	Delaware	24,006	18,522
166	7081	TRU	Santa Ana	3900 Bristol Street Suite B		Bristol Sunflower Plaza	Santa Ana	CA	92704	(657) 328-6763	Lease	Delaware	41,500	19,318
167	7082	Outlet	Livermore	Livermore Outlets Dr		Site# 3346	Livermore	CA	94551	(925) 292-2332	Lease	Delaware	3,797	3,797
168	7083	Express	Sunbury	400 South Wilson Rd		Suite 100	Sunbury	OH	43074	(740) 965-4198	Lease	Delaware	4,596	4,596
169	7084	Express	Clarksburg	22705 Clarksburg RD		0	Clarksburg	MD	20871	(301) 540-1697	Lease	Delaware	2,822	2,822
170	7085	Outlet	Las Vegas	805 South Grand Central Pkwy		Site # 981	Las Vegas	NV	89106	(702) 986-7536	Lease	Delaware	3,031	3,031
171	7088	Outlet	San Marcos	4015 S Interstate 35		855	San Marcos	TX	78666	512-214-6125	Lease	Delaware	3,500	3,500
172	7089	Outlet	Grapevine	3000 Grapevine Mills Parkway		608	Grapevine	TX	76051	469-293-7029	Lease	Delaware	4,605	4,605
173	7093	Outlet	Southaven	5205 Airways Blvd		520	Southaven	MS	38671	662-253-6188	Lease	Delaware	4,368	4,368
174	7094	Outlet	Branson	300 Tanger Boulevard		101B	Branson	MO	65616	417-297-6011	Lease	Delaware	3,500	3,500
175	7103	Outlet	Orlando	8200 Vineland Avenue		Orlando Premium Outlets	Orlando	FL	32821	(407) 550-9001	Lease	Delaware	4,386	4,386
176	7132	Express	Saugus	1201 Broadway		N125A	Saugus	MA	01906	(781) 231-0219	Lease	Delaware	3,306	3,306
177	7158	Outlet	Woodbury	620 Bluebird Crt		Woodbury Common Premium Outlet	Central Valley	NY	10917	(845) 928-9566	Lease	Delaware	5,627	5,627
178	7159	Outlet	Elizabeth	651 Kapkowski Road		1246	Elizabeth	NJ	07201	(908) 787-1279	Lease	Delaware	4,199	4,199
179	7257	Express	Johnson Creek	575 W. Linmar Lane		8080	Johnson Creek	WI	53038	(920) 699-2329	Lease	Delaware	4,000	4,000
180	7502	TRU	Warwick	375 East Ave		0	Warwick	RI	02886	(401) 821-3872	Lease	Delaware	43,000	33,638
181	7503	TRU	Peabody	Northshore Mall		Routes 128/114	Peabody	MA	01960	(978) 532-0978	GL	Delaware	44,913	34,477
182	7505	TRU	Framingham	One Worcester Road			Framingham	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	27,939
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
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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.
187	7517	TRU	Clay	Gr.Northern Mall	NYS I-480 & Rt. 31	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	Brockton	105 Campanelli Industrial Drive		Brockton	MA	02401	(508) 584-8697	Owned	Propco II	45,453	35,758
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	0	Kissimmee	FL	34741-7549	(407) 552-0951	Lease	Delaware	35,000	-
194	7544	Outlet	Miami	11401 NW12th St	318	Miami	FL	33172	786-450-5480	Lease	Delaware	4,500	4,500
195	7546	Outlet	Gilroy	8225 Arroyo Circle	A027	Gilroy	CA	95020	(408) 337-4101	Lease	Delaware	-	-
196	7547	Outlet	Birch Run	12150 S Beyer Road	Fites F250	Birch Run	MI	48415	(989) 349-7229	Lease	Delaware	-	-
197	7548	Outlet	Smithfield	1025 Industrial Park Drive	270	Smithfield	NC	27577	(919) 209-1038	Lease	Delaware	-	-
198	7549	Outlet	Ontario	1 Mills Circle	716A	Ontario	CA	91764	909-687-1325	Lease	Delaware	3,641	3,641
199	7554	Express	Norfolk	1600 Premium Outlets	644	Norfolk	VA	23502	757-389-7542	Lease	Delaware	-	-
200	7557	Outlet	Altoona	801 Bass Pro Dr Nw 620	Outlets Of Des Moines	Altoona	IA	50009	(515) 957-0864	01/00/00	0	-	4,000
201	7561	Outlet	Forth Worth	15853 N. Fwy Site#1135	Tanger Forth Worth	Forth Worth	TX	76177	(682) 831-9971	01/00/00	0	-	4,493
202	7562	TRU	Times Square	1466 Broadway	0	New York	NY	10036	(212) 277-4468	01/00/00	0	-	34,916
203	7580	Outlet	Philadelphia Mills	1417 Franklin Mills Circle	0	Philadelphia	PA	19154	-	01/00/00	0	-	40,000
204	7749	Express	Corpus Christi	5488 S. Padre Island Drive	1428	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	30,831	20,585
215	7827	TRU	Longview	402 W. Loop 281		Longview	TX	75604	(903) 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	Clackamas	12535 SE 82nd Ave.		Clackamas	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	Great Mall/Bay Area	Milpitas	CA	95035	(408) 964-2915	Lease	Delaware	4,816	4,816
226	8019	TRU	Kennewick	1321 N. Columbia Center Blvd	SUITE 821	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	250	Aurora	OH	44202	(330) 995-3717	Lease	Delaware	2,875	2,875
233	8204	Express	Lawrenceville	150 Quaker Bridge Mall Road	1079A	Lawrenceville	NJ	08648	(609) 799-1879	Lease	Delaware	6,925	6,925
234	8271	Express	San Bruno	1150 El Camino Real	150	San Bruno	CA	94066	(650) 588-5910	Lease	Delaware	6,632	6,632
235	8285	Outlet	Atlantic City	114 North Christopher Columbus Blvd.	1230-1235	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	Sunrise	12801 West Sunrise Blvd.	296	Sunrise	FL	33323	(954) 331-1825	Lease	Delaware	4,649	4,649
238	8289	Outlet	Shirley	999-16 Montauk Highway	Southport Plaza	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 Crossrds.	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 Geoffrey 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

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.
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 Mall Circle Road		Waldorf	MD	20603	(301) 705-9800	GL	Propco I	46,350	35,522
253	8334	TRU	Lynchburg	3700 Candler's 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 Carmia Way	Chesterfield Mkt. Pl.	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	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 Oleander Drive		Wilmington	NC	28403	(910) 791-9067	Owned	Propco I	45,183	31,456
273	8376	TRU	Winston-Salem	3200 Silas Creek Parkway		Winston-Salem	NC	27103	(336) 659-0011	Owned	Delaware	45,183	35,854
274	8705	TRU	Hialeah	500 W. 49th St.		Hialeah	FL	33012	(305) 557-6704	Lease	Delaware	8,467	29,554
275	8706	TRU	Plantation	8101 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	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.	Ste. 1100	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	Stonecrest	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	34,092
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	30,000	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	Colerain	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	Clermont	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	Hamilton	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	33,628
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 Mall 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 Kamehameha 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	78570	(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 Mall 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	GL	Propco II	48,000	35,005
358	9251	TRU	Robinson Township	2001 Park Manor Blvd.		Pittsburgh	PA	15205	(412) 787-1770	No	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 Hghts	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

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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.
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 Manawa 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	47,426	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 Amargosa 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	34,910
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) 994-2006	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 Bridgepoint 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	Peoria	2601 W. Lake Ave.		Peoria	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. Cermak 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	Bloomington	404 W. Army Trail Rd.		Bloomington	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

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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	MN	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	Colonie	38 Wolf Rd.		Colonie	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	Yorktown	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.	Rts. 201 & 17	Johnson City	NY	13790	(607) 770-9300	Owned	Propco I	43,340	34,066
470	6370	BRU	Deptford	1120 Hurffville Rd		Deptford	NJ	08096	(856) 384-3788	Lease	Delaware	38,664	32,368
471	6371	BRU	Bensalem	1336 Bristol Pike		Bensalem	PA	19020	(215) 633-6990	Lease	Delaware	39,264	33,812
472	6372	BRU	Failess 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	29,966
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 Kietzke Lane		Reno	NV	89509	(775) 825-2229	Owned	Propco II	30,900	23,901
499	6448	BRU	Hickory	1856 Catawba 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		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. Westnedge 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	Cranberry	20111 Route 19		Cranberry 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 Tittabawassee 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.		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	GL	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	16,253
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 Nassau 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) 421-8556	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	MN	55125	(651) 367-6820	GL	Propco I	31,268	25,131
532	6552	BRU	Madison	2161 Zeier 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		Middlethian	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 Kuala 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	77338	(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		Lafayette	LA	70506	(337) 988-2228	Owned	Propco II	45,453	34,901

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.
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 Lyannough Road	0	Hyannis	MA	02601	(508) 778-5653	Lease	Delaware	46,916	34,074
575	7534	SBS	North Dartmouth	492 State Rd.	Dartmouth Towne Ctr.	N. Dartmouth	MA	02747	(508) 992-6240	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	6101 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	2918 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	Jantzen 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	3849 S. Delsea Dr.	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

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.
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	49,000	36,492
624	8703	SBS	Dadeland	8325 South Dixie Highway		Miami	FL	33143	(305) 662-1911	Owned	Propco II	39,580	33,646
625	8707	SBS	Miami Int'l Mall	1645 NW 107th Ave.		Miami	FL	33172	(305) 593-1517	Lease	Propco I	43,183	46,667
626	8708	SBS	Cutler Ridge	19525 So. Dixie Highway		Cutler 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	67,813	35,696
629	8725	SBS	Waterford Lakes	1250 N Alafaya Trail		Orlando	FL	32828	(407) 736-8089	Lease	Delaware	58,907	46,844
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	Millennia	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	46,901
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 Govenors 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	Dothan	201 Buyers Drive		Dothan	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 Greers 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	35,226
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	Suite 900	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 Elida 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	Beavercreek	2500 N. Fairfield Rd.		Beavercreek	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	Rossmoor, CA	12347 Seal Beach Blvd.		Seal Beach	CA	90740	(562) 493-9848	GL	Delaware	47,000	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	Address2	City	State	Zip	Phone	Lease Type	Entity	Gross Sq. Ft.	Selling Sq. Ft.	
683	9205	SBS	Parma	8515 Day Drive		Parma	OH	44129	(440) 888-8697	Lease	Delaware	45,865	35,621	
684	9214	SBS	West Mifflin	275 Clairton Blvd.		West Mifflin	PA	15122	(412) 655-0677	GL	Propco I	46,700	34,208	
685	9223	SBS	Amherst	3030 Sheridan Dr.		Amherst	NY	14226	(716) 837-4350	GL	Delaware	46,717	35,280	
686	9226	SBS	Hamburg	3464 McKinley Pkwy.		Blasdell	NY	14219	(716) 825-7227	Owned	Propco I	41,484	34,224	
687	9232	SBS	Montrose	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	Louisville	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) 997-2929	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 Doral Drive		Boardman	OH	44514	(330) 965-0412	GL	Propco II	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	OH	43528	(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 Coldwater 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	630 S. 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. Arbrook 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 Citadel 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	MN	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	17155 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 Lease		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	37,500	29,710	
735	9591	SBS	Jacksonville	1370 Western Blvd.		Jacksonville	NC	28546	(910) 347-9839	Owned	Propco I	42,850	32,397	
												Avg Sq Ft	37,413	28,666

735

Exhibit B

Distribution Centers and Corporate Offices

**Toys "R" Us
Exhibit B**

Distribution Centers and Corporate Office
--

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	13,135,500
Subtotal Advertising	<u>18,464,250</u>

Supervision

Fees / Wages / Expenses (1)	25,982,116
Subtotal Supervision	<u>25,982,116</u>

Legal

Legal	250,000
Total Expenses	<u><u>44,696,366</u></u>

Note(s):

- 1. Includes Deferred Compensation and Insurance.*
- 2. This Expense Budget contemplates a sale term of March, 15, 2018 through July 31, 2018. The Expense Budget remains subject to modification in the event that this term is extended, or as otherwise agreed to by the parties.*

Schedule 2

Amended Sale Guidelines

Amended Sale Guidelines¹

1. The Sales shall be conducted so that the Closing Stores in which sales are to occur will remain open no longer than during the normal hours of operation or such hours as otherwise provided for in the respective leases for the Closing Stores.
2. The Sales shall be conducted in accordance with applicable state and local “Blue Laws”, where applicable, so that no Sale shall be conducted on Sunday unless the Merchant had been operating such Closing Store on a Sunday prior to the commencement of the Sales.
3. On “shopping center” property, the Consultants shall not distribute handbills, leaflets or other written materials to customers outside of any Closing Stores’ premises, unless permitted by the lease or, if distribution is customary in the “shopping center” in which such Closing Store is located; *provided* that the Consultants may solicit customers in the Closing Stores themselves. On “shopping center” property, the Consultants shall not use any flashing lights or amplified sound to advertise the Sales or solicit customers, except as permitted under the applicable lease or agreed to by the landlord.
4. At the conclusion of the Sale, the applicable Consultant shall vacate the Closing Stores in broom clean condition; *provided* that Consultant may abandon any furniture, fixtures and equipment (including, but not limited to, machinery, rolling stock, office equipment and personal property, and conveyor systems and racking) (“FF&E”) not sold in the Sales at the conclusion of the Sales, without cost or liability of any kind to the applicable Consultant. The applicable Consultant shall notify the Merchant of its intention to abandon any FF&E at least two (2) days prior to the Termination Date. The Merchant will have the option to remove the FF&E, at its own cost prior to the termination date. Any abandoned FF&E left in a Closing Store after a lease is rejected shall be deemed abandoned to the landlord having a right to dispose of the same as the landlord chooses without any liability whatsoever on the part of the landlord to any party and without waiver of any damage claims against the Merchant. For the avoidance of doubt, as of the Sale Termination Date, the applicable Consultant may abandon, in place and without further responsibility or liability of any kind, any FF&E.
5. The Consultants may advertise the Sales as “going out of business”, “store closing”, “sale on everything”, “everything must go”, “everything on sale” or similar-themed sales. The Consultants may also have a “countdown to closing” sign prominently displayed in a manner consistent with these Sale Guidelines. All signs, banners, ads and other advertising collateral, promotions, and campaigns will be approved by the Merchant, prior to purchase, in accordance with these Sale Guidelines.
6. The Consultants shall be permitted to utilize sign walkers, display, hanging signs, and interior banners in connection with the Sales; *provided* that such sign walkers, display, hanging signs, and interior banners shall be professionally produced and hung in a professional manner. The Merchant and Consultants shall not use neon or day-glo on its sign walkers, display, hanging signs, or interior banners. Furthermore, with respect to

¹ Capitalized terms used but not defined in these Sale Guidelines have the meanings given to them in the Motion.

enclosed mall locations, no exterior signs or signs in common areas of a mall shall be used unless otherwise expressly permitted in these Sale Guidelines. In addition, the Merchant and Consultants shall be permitted to utilize exterior banners at (i) non-enclosed mall Closing Stores and (ii) enclosed mall Closing Stores to the extent the entrance to the applicable Closing Store does not require entry into the enclosed mall common area; *provided*, however, that such banners shall be located or hung so as to make clear that the Sales are being conducted only at the affected Closing Store, and shall not be wider than the storefront of the Closing Store. In addition, the Merchant and Consultants shall be permitted to utilize sign walkers in a safe and professional manner and in accordance with the terms of the Order. Nothing contained in these Sale Guidelines shall be construed to create or impose upon the applicable Consultant any additional restrictions not contained in the applicable lease agreement.

7. Conspicuous signs shall be posted in the cash register areas of each of the affected Closing Stores to effect that "all sales are final."
8. Except with respect to the hanging of exterior banners, the Consultants shall not make any alterations to the storefront or exterior walls of any Closing Stores, except as authorized by the applicable lease.
9. The Consultants shall not make any alterations to interior or exterior Closing Store lighting, except as authorized by the applicable lease. No property of the landlord of a Closing Store shall be removed or sold during the Sales. The hanging of exterior banners or in-Closing Store signage and banners shall not constitute an alteration to a Closing Store.
10. The Consultants shall keep Closing Store premises and surrounding areas clear and orderly consistent with present practices.
11. Subject to the provisions of the Agreement, the Consultants shall have the right to use and sell all Owned FF&E, approved by the Merchant. The Consultants may advertise the sale of the Owned FF&E in a manner consistent with these guidelines. The purchasers of any Owned FF&E sold during the sale shall be permitted to remove the Owned FF&E either through the back or alternative shipping areas at any time, or through other areas after applicable business hours, *provided, however* that the foregoing shall not apply to *de minimis* FF&E sales made whereby the item can be carried out of the Closing Store in a shopping bag. For the avoidance of doubt, as of the Sale Termination Date, the applicable Consultant may abandon, in place and without further responsibility, any FF&E.
12. At the conclusion of the Sales at each Closing Store, pending assumption or rejection of applicable leases, the landlords of the Closing Stores shall have reasonable access to the Closing Stores' premises as set forth in the applicable leases. The Merchant, Consultants and their agents and representatives shall continue to have access to the Closing Stores as provided for in the Consulting Agreement.
13. The rights of landlords against Merchant for any damages to a Closing Store shall be reserved in accordance with the provisions of the applicable lease.

14. If and to the extent that the landlord of any Closing Store affected hereby contends that the Merchant or applicable Consultant is in breach of or default under these Sale Guidelines, such landlord shall email or deliver written notice by overnight delivery on the Merchant and applicable Consultant as follows:

If to Consultants

Great American Group, LLC
21255 Burbank Blvd., Suite 400
Woodland Hills, California 91367
Attn: Scott Carpenter
Email: scarpenter@greatamerican.com

- and -

Tiger Capital Group, LLC
350 North LaSalle Street, 11th Floor
Chicago, IL 60654
Attn: Mark Naughton
Email: MNaughton@tigergroup.com

- and -

Gordon Brothers Retail Partners, LLC
800 Boylston Street
27th Floor
Boston, MA 02199
Attn: Mackenzie Shea
Email: mshea@gordonbrothers.com

- and -

Hilco Merchant Resources, LLC
5 Revere Drive
Suite 206
Northbrook, IL 60062
Attn: Ian Fredericks
Email: ifredericks@hilcoglobal.com

If to Merchant:

Toys "R" Us, Inc.
One Geoffrey Way
Wayne, New Jersey 07470
Attention: Legal Department
Facsimile: (415) 278-2562

with copies (which shall not constitute notice) to:

Kutak Rock LLP
901 East Byrd Street, Suite 1000
Richmond, Virginia 23219-4071
Attention: Michael A. Condyles, Peter J. Barrett, and Jeremy S. Williams
Email: Michael.Condyles@KutakRock.com
Peter.Barrett@KutakRock.com
Jeremy.Williams@KutakRock.com

- and -

Kirkland & Ellis LLP
601 Lexington Avenue
New York, New York 10022
Attention: Joshua A. Sussberg, P.C.
Email: joshua.sussberg@kirkland.com

- and -

Kirkland & Ellis LLP
300 North LaSalle
Chicago, Illinois 60654
Attention: Chad J. Husnick, P.C. and Emily E. Geier
E-mail: chad.husnick@kirkland.com
emily.geier@kirkland.com

- and -

Malfitano Advisors, LLC
747 Third Ave., 2nd Floor
New York, NY 10017
Attention: Joseph Malfitano
E-mail: jm@malfitanopartners.com

Schedule 3

Redline of Amended Sale Guidelines to Original Sale Guidelines

[Amended Sale Guidelines](#)¹

15. The Sales shall be conducted so that the Closing Stores in which sales are to occur will remain open no longer than during the normal hours of operation or such hours as otherwise provided for in the respective leases for the Closing Stores.
16. The Sales shall be conducted in accordance with applicable state and local “Blue Laws”, where applicable, so that no Sale shall be conducted on Sunday unless the Merchant had been operating such Closing Store on a Sunday prior to the commencement of the Sales.
17. On “shopping center” property, the Consultants shall not distribute handbills, leaflets or other written materials to customers outside of any Closing Stores’ premises, unless permitted by the lease or, if distribution is customary in the “shopping center” in which such Closing Store is located; *provided* that the Consultants may solicit customers in the Closing Stores themselves. On “shopping center” property, the Consultants shall not use any flashing lights or amplified sound to advertise the Sales or solicit customers, except as permitted under the applicable lease or agreed to by the landlord.
18. At the conclusion of the Sale, the applicable Consultant shall vacate the Closing Stores in broom clean condition; *provided* that Consultant may abandon any furniture, fixtures and equipment (including, but not limited to, machinery, rolling stock, office equipment and personal property, and conveyor systems and racking) (“FF&E”) not sold in the Sales at the conclusion of the Sales, without cost or liability of any kind to the applicable Consultant. The applicable Consultant shall notify the Merchant of its intention to abandon any FF&E at least two (2) days prior to the Termination Date. The Merchant will have the option to remove the FF&E, at its own cost prior to the termination date. Any abandoned FF&E left in a Closing Store after a lease is rejected shall be deemed abandoned to the landlord having a right to dispose of the same as the landlord chooses without any liability whatsoever on the part of the landlord to any party and without waiver of any damage claims against the Merchant. For the avoidance of doubt, as of the Sale Termination Date, the applicable Consultant may abandon, in place and without further responsibility or liability of any kind, any FF&E.
19. The Consultants may advertise the Sales as “going out of business”, “store closing”, “sale on everything”, “everything must go”, “everything on sale” or similar-themed sales. The Consultants may also have a “countdown to closing” sign prominently displayed in a manner consistent with these Sale Guidelines. All signs, banners, ads and other advertising collateral, promotions, and campaigns will be approved by the Merchant, prior to purchase, in accordance with these Sale Guidelines.
20. The Consultants shall be permitted to utilize sign walkers, display, hanging signs, and interior banners in connection with the Sales; *provided* that such sign walkers, display, hanging signs, and interior banners shall be professionally produced and hung in a professional manner. The Merchant and Consultants shall not use neon or day-glo on its sign walkers, display, hanging signs, or interior banners. Furthermore, with respect to

¹ Capitalized terms used but not defined in these Sale Guidelines have the meanings given to them in the Motion.

enclosed mall locations, no exterior signs or signs in common areas of a mall shall be used unless otherwise expressly permitted in these Sale Guidelines. In addition, the Merchant and Consultants shall be permitted to utilize exterior banners at (i) non-enclosed mall Closing Stores and (ii) enclosed mall Closing Stores to the extent the entrance to the applicable Closing Store does not require entry into the enclosed mall common area; *provided*, however, that such banners shall be located or hung so as to make clear that the Sales are being conducted only at the affected Closing Store, and shall not be wider than the storefront of the Closing Store. In addition, the Merchant and Consultants shall be permitted to utilize sign walkers in a safe and professional manner and in accordance with the terms of the Order. Nothing contained in these Sale Guidelines shall be construed to create or impose upon the applicable Consultant any additional restrictions not contained in the applicable lease agreement.

21. Conspicuous signs shall be posted in the cash register areas of each of the affected Closing Stores to effect that “all sales are final.”
22. Except with respect to the hanging of exterior banners, the Consultants shall not make any alterations to the storefront or exterior walls of any Closing Stores, except as authorized by the applicable lease.
23. The Consultants shall not make any alterations to interior or exterior Closing Store lighting, except as authorized by the applicable lease. No property of the landlord of a Closing Store shall be removed or sold during the Sales. The hanging of exterior banners or in-Closing Store signage and banners shall not constitute an alteration to a Closing Store.
24. The Consultants shall keep Closing Store premises and surrounding areas clear and orderly consistent with present practices.
25. Subject to the provisions of the Agreement, the Consultants shall have the right to use and sell all ~~Debtor-owned~~Owned FF&E, approved by the Merchant. The Consultants may advertise the sale of the ~~Debtor-owned~~Owned FF&E in a manner consistent with these guidelines. The purchasers of any ~~Debtor-owned~~Owned FF&E sold during the sale shall be permitted to remove the ~~Debtor-owned~~Owned FF&E either through the back or alternative shipping areas at any time, or through other areas after applicable business hours, *provided, however* that the foregoing shall not apply to *de minimis* FF&E sales made whereby the item can be carried out of the Closing Store in a shopping bag. For the avoidance of doubt, as of the Sale Termination Date, the applicable Consultant may abandon, in place and without further responsibility, any FF&E.
26. At the conclusion of the Sales at each Closing Store, pending assumption or rejection of applicable leases, the landlords of the Closing Stores shall have reasonable access to the Closing Stores’ premises as set forth in the applicable leases. The Merchant, Consultants and their agents and representatives shall continue to have access to the Closing Stores as provided for in the Consulting Agreement.

27. The rights of landlords against Merchant for any damages to a Closing Store shall be reserved in accordance with the provisions of the applicable lease.
28. If and to the extent that the landlord of any Closing Store affected hereby contends that the Merchant or applicable Consultant is in breach of or default under these Sale Guidelines, such landlord shall email or deliver written notice by overnight delivery on the Merchant and applicable Consultant as follows:

If to ~~Tiger/GA:~~Consultants

Great American Group, LLC
21255 Burbank Blvd., Suite 400
Woodland Hills, California 91367
Attn: Scott Carpenter
Email: scarpenter@greatamerican.com

- and -

Tiger Capital Group, LLC
350 North LaSalle Street, 11th Floor
Chicago, IL 60654
Attn: Mark Naughton
Email: MNaughton@tigergroup.com

~~If to Hilco/GB:~~
- and -

Gordon Brothers Retail Partners, LLC
800 Boylston Street
27th Floor
Boston, MA 02199
Attn: Mackenzie Shea
Email: mshea@gordonbrothers.com

- and -

Hilco Merchant Resources, LLC
5 Revere Drive
Suite 206
Northbrook, IL 60062
Attn: Ian Fredericks
Email: ifredericks@hilcoglobal.com

If to Merchant:

Toys "R" Us, Inc.
One Geoffrey Way
Wayne, New Jersey 07470
Attention: Legal Department
Facsimile: (415) 278-2562

with copies (which shall not constitute notice) to:

Kutak Rock LLP
901 East Byrd Street, Suite 1000
Richmond, Virginia 23219-4071
Attention: Michael A. Condyles, Peter J. Barrett, and Jeremy S. Williams
Email: Michael.Condyles@KutakRock.com
Peter.Barrett@KutakRock.com
Jeremy.Williams@KutakRock.com

- and -

Kirkland & Ellis LLP
601 Lexington Avenue
New York, New York 10022
Attention: Joshua A. Sussberg, P.C.
Email: joshua.sussberg@kirkland.com

- and -

Kirkland & Ellis LLP
300 North LaSalle
Chicago, Illinois 60654
Attention: Chad J. Husnick, P.C., ~~Robert Britton,~~ and Emily E. Geier
E-mail: chad.husnick@kirkland.com
robert.britton@kirkland.com
emily.geier@kirkland.com

- and -

Malfitano Advisors, LLC
747 Third Ave., 2nd Floor
New York, NY 10017
Attention: Joseph Malfitano
E-mail: jm@malfitanopartners.com

Schedule 4

Authorized Approver List

Exhibit B

Canadian Equity Bidding Procedures Order

Edward O. Sassower, P.C.
Joshua A. Sussberg, P.C. (admitted *pro hac vice*)
KIRKLAND & ELLIS LLP
KIRKLAND & ELLIS INTERNATIONAL LLP
601 Lexington Avenue
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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)
)	

**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 1** (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: March 26, 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: March 27, 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: March 29, 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 5, 2018, at 10:00 a.m., prevailing Eastern Time**, is the deadline to object to the Sale.

8. **Assumption Objection Deadline**: if applicable, **April 5, 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 12, 2018**, as the date by which the Debtors shall seek approval from this Court to designate the Successful Bidders in connection with the Sales.

II. Auction and Bidding Procedures.

10. The Bidding Procedures as set forth in the Motion 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. If the Debtors do not receive any Qualified Bid by the Bid Deadline, the Auction shall be cancelled. If the Debtors receive one or more Qualified Bids, the Debtors will conduct the Auction in accordance with the Bidding Procedures.

12. The Debtors may choose a Stalking Horse Bidder from March 15, 2018 up to two days prior to the Auction.

13. 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.

14. At or following the Auction, the Debtors may, in consultation with the Consultation Parties: (a) select, in its 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.

15. 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, and Tru Taj Finance, Inc. shall not be authorized to make any payments under this Order, including any payments in respect of the Bid Protections.

III. Auction and Hearing.

16. The Auction and Hearing Notice, attached as Schedule 1 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.

17. 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 Sales with respect to known interested parties.

18. As soon as reasonably practicable after the conclusion of the Auction, but no later than March 30, 2018, the Debtors will file on the docket, but not serve, a notice identifying the Successful Bidder(s) (the “Post-Auction Notice”), identifying, as applicable, the Successful Bidder(s), any subset of U.S. stores included in the Successful Bid, 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 2.

19. The Debtors shall seek approval of any Bid Protections at the Sale Hearing, *provided*, that, for the avoidance of doubt, the amount of the Bid Protections shall not exceed three percent (3%) of any proposed Stalking Horse Bidder Purchase Price.

20. Parties objecting to approval of the proposed 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 5 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 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) 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; 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.

IV. Miscellaneous.

21. 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.

22. 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.

23. In the event of any inconsistencies between this Order and the Motion, this Order shall govern.

24. The requirement under Local Bankruptcy Rule 9013-1(b) to file a memorandum of law in connection with the Motion is waived.

25. 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.

26. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

27. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Motion.

28. 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

Auction and Hearing Notice

Edward O. Sassower, P.C.
 Joshua A. Sussberg, P.C. (admitted *pro hac vice*)
 Nicole L. Greenblatt, P.C.
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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 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”),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. [•]] (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, liquidation, or other disposition of certain of Toys Canada 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 March 29, 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 12, 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 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 5, 2018, at 5:00 p.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; and (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.

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

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Peter J. Barrett (VA 46179)

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Schedule 2

Post-Auction Notice

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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. [•]] (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 March 29, 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 Toys Canada 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 12, 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/tovsrus>**; or (c) for a fee via PACER by visiting <http://www.vaeb.uscourts.gov>.

Richmond, Virginia

Dated: _____, 2018

/s/

KUTAK ROCK LLP

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

Schedule 3

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 Toys Canada on an as-is, where-is basis, with no contingencies.
- (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 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: _____