

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

J. C. PENNEY COMPANY, INC.,

by \_\_\_\_\_

Name:

Title:

J. C. PENNEY CORPORATION, INC.,

by \_\_\_\_\_

Name:

Title:

J. C. PENNEY PURCHASING CORPORATION,

by \_\_\_\_\_

Name:

Title:

JCP REAL ESTATE HOLDINGS, INC.,

by \_\_\_\_\_

Name:

Title:

J. C. PENNEY PROPERTIES, INC.,

by \_\_\_\_\_

Name:

Title:

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WELLS FARGO BANK, NATIONAL ASSOCIATION, as  
Administrative Agent,

by \_\_\_\_\_  
Name:  
Title:

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**SCHEDULE I**  
to the Guarantee and Collateral Agreement

Subsidiary Grantors

JCP Real Estate Holdings, Inc.

J. C. Penney Properties, Inc.

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**SCHEDULE II**  
to the Guarantee and Collateral Agreement

Subsidiary Guarantors

JCP Real Estate Holdings, Inc.

J. C. Penney Properties, Inc.

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**EXHIBIT A**  
to the Guarantee and Collateral Agreement

GUARANTEE SUPPLEMENT NO. \_\_ dated as of [•], to the Guarantee and Collateral Agreement dated as of June 20, 2014, among J. C. PENNEY COMPANY, INC., a Delaware corporation (“Holdings”), J. C. PENNEY CORPORATION, INC., a Delaware corporation (the “Parent Borrower”), J. C. PURCHASING CORPORATION, a New

York corporation (“Purchasing”), each subsidiary of Holdings listed on Schedule I thereto (together with Holdings, the Parent Borrower and Purchasing, the “Parties”)), and WELLS FARGO BANK, NATIONAL ASSOCIATION, as administrative agent (in such capacity, the “Administrative Agent”) for the Secured Parties (as defined therein).

A. Reference is made to the Credit Agreement dated as of June 20, 2014 (as amended, supplemented or otherwise modified from time to time, the “Credit Agreement”), among Holdings, the Parent Borrower, Purchasing, the lenders from time to time party thereto (the “Lenders”), the Administrative Agent and the other agents thereunder (collectively, the “Agents”).

B. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement and the Collateral Agreement referred to therein.

C. The Parties have entered into the Collateral Agreement in order to induce the Lenders to make Loans and the Issuing Banks to issue Letters of Credit. Section 6.16 of the Collateral Agreement provides that additional Subsidiaries of Holdings may become Subsidiary Guarantors under the Collateral Agreement by execution and delivery of an instrument in the form of this Supplement. The undersigned Subsidiary (the “New Subsidiary”) is executing this Supplement in accordance with the requirements of the Credit Agreement to become a Subsidiary Guarantor under the Collateral Agreement in order to induce the Lenders to make additional Loans and the Issuing Banks to issue additional Letters of Credit and as consideration for Loans previously made and Letters of Credit previously issued.

Accordingly, the Administrative Agent and the New Subsidiary agree as follows:

SECTION 1. In accordance with Section 6.16 of the Collateral Agreement, the New Subsidiary by its signature below becomes a Subsidiary Guarantor (and accordingly, becomes a Guarantor) under the Collateral Agreement with the same force and effect as if originally named therein as a Guarantor and the New Subsidiary hereby (a) agrees to all the terms and provisions of the Collateral Agreement applicable to it as a Guarantor thereunder and (b) represents and warrants that the representations and warranties made by it as a Guarantor thereunder are true and correct on and as of the date hereof. Each reference to a “Loan Party”, “Subsidiary Guarantor” or “Guarantor” in the

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Collateral Agreement shall be deemed to include the New Subsidiary. The Collateral Agreement is hereby incorporated herein by reference.

SECTION 2. The New Subsidiary represents and warrants to the Administrative Agent and the other Secured Parties that this Supplement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms.

SECTION 3. This Supplement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Supplement shall become effective when (a) the Administrative Agent shall have received a counterpart of this Supplement that bears the signature of the New Subsidiary and (b) the Administrative Agent has executed a counterpart hereof. Delivery of an executed signature page to this Supplement by facsimile or electronic transmission shall be as effective as delivery of a manually signed counterpart of this Supplement.

SECTION 4. Except as expressly supplemented hereby, the Collateral Agreement shall remain in full force and effect.

**SECTION 5. THIS SUPPLEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK (excluding any principles of conflicts of law or other rule of law that would cause the application of the law of any jurisdiction other than the State of New York).**

SECTION 6. In case any one or more of the provisions contained in this Supplement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and in the Collateral Agreement shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties hereto shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 7. All communications and notices hereunder shall be in writing and given as provided in Section 6.01 of the Collateral Agreement.

SECTION 8. The New Subsidiary agrees that the Administrative Agent and the other Agents shall be entitled to reimbursement for their respective expenses in connection with this Supplement, in each case as provided in Section 9.03 of the Credit Agreement.

*[The remainder of this page has been left blank intentionally.]*

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IN WITNESS WHEREOF, the New Subsidiary and the Administrative Agent have duly executed this Supplement to the Collateral Agreement as of the day and year first above written.

[Name Of New Subsidiary],

by

Name:

Title:

WELLS FARGO BANK, NATIONAL ASSOCIATION, as  
Administrative Agent,

by

Name:

Title:

GRANTOR SUPPLEMENT NO. \_\_\_\_ dated as of [•], to the Guarantee and Collateral Agreement dated as of June 20, 2014, among J. C. PENNEY COMPANY, INC., a Delaware corporation (“Holdings”), J. C. PENNEY CORPORATION, INC., a Delaware corporation (the “Parent Borrower”), J. C. PURCHASING CORPORATION, a New York corporation (“Purchasing”), each subsidiary of Holdings listed on Schedule I thereto (together with Holdings, the Parent Borrower and Purchasing, the “Parties”), and WELLS FARGO BANK, NATIONAL ASSOCIATION, as administrative agent (in such capacity, the “Administrative Agent”) for the Secured Parties (as defined therein).

A. Reference is made to the Credit Agreement dated as of June 20, 2014 (as amended, supplemented or otherwise modified from time to time, the “Credit Agreement”), among Holdings, the Parent Borrower, Purchasing, the lenders from time to time party thereto (the “Lenders”), the Administrative Agent and the other agents thereunder (collectively, the “Agents”).

B. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement and the Collateral Agreement referred to therein.

C. The Parties have entered into the Collateral Agreement in order to induce the Lenders to make Loans and the Issuing Banks to issue Letters of Credit. Section 6.17 of the Collateral Agreement provides that Additional Grantors may become Subsidiary Grantors under the Collateral Agreement by execution and delivery of an instrument in the form of this Supplement. The undersigned Additional Grantor (the “New Subsidiary”) is executing this Supplement in accordance with the requirements of the Credit Agreement to become a Subsidiary Grantor under the Collateral Agreement in order to induce the Lenders to make additional Loans and the Issuing Banks to issue additional Letters of Credit and as consideration for Loans previously made and Letters of Credit previously issued.

Accordingly, the Administrative Agent and the New Subsidiary agree as follows:

SECTION 1. In accordance with Section 6.17 of the Collateral Agreement, the New Subsidiary by its signature below becomes a Subsidiary Grantor (and accordingly, becomes a Grantor) under the Collateral Agreement with the same force and effect as if originally named therein as a Grantor and the New Subsidiary hereby (a) agrees to all the terms and provisions of the Collateral Agreement applicable to it as a Subsidiary Grantor thereunder and (b) represents and warrants that the representations and warranties made by it as a Subsidiary Grantor thereunder are true and correct on and as of the date hereof. In

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furtherance of the foregoing, the New Subsidiary, as security for the payment or performance, as the case may be, in full of the Obligations, hereby assigns and pledges to the Administrative Agent, its successors and assigns, for the ratable benefit of the Secured Parties, and hereby grants to the Administrative Agent, its successors and assigns, for the ratable benefit of the Secured Parties, a security interest in, all of its right, title and interest in, to and under the Collateral of the New Subsidiary. Each reference to a “Loan Party”, “Subsidiary Grantor” or “Grantor” in the Collateral Agreement shall be deemed to include the New Subsidiary. The Collateral Agreement is hereby incorporated herein by reference.

SECTION 2. The New Subsidiary represents and warrants to the Administrative Agent and the other Secured Parties that this Supplement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms.

SECTION 3. This Supplement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Supplement shall become effective when (a) the Administrative Agent shall have received a counterpart of this Supplement that bears the signature of the New Subsidiary and (b) the Administrative Agent has

executed a counterpart hereof. Delivery of an executed signature page to this Supplement by facsimile or electronic transmission shall be as effective as delivery of a manually signed counterpart of this Supplement.

SECTION 4. The New Subsidiary hereby represents and warrants that Schedule I attached hereto is a completed Perfection Certificate in the form of Exhibit C to the Collateral Agreement (but solely with respect to such New Subsidiary and its assets and not with respect to any other Grantor or its assets) dated the date hereof and signed by an executive officer or Financial Officer of the New Subsidiary.

SECTION 5. Except as expressly supplemented hereby, the Collateral Agreement shall remain in full force and effect.

**SECTION 6. THIS SUPPLEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK (excluding any principles of conflicts of law or other rule of law that would cause the application of the law of any jurisdiction other than the State of New York).**

SECTION 7. In case any one or more of the provisions contained in this Supplement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and in the Collateral Agreement shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties hereto shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

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SECTION 8. All communications and notices hereunder shall be in writing and given as provided in Section 6.01 of the Collateral Agreement.

SECTION 9. The New Subsidiary agrees that the Administrative Agent and the other Agents shall be entitled to reimbursement for their respective expenses in connection with this Supplement, in each case as provided in Section 9.03 of the Credit Agreement.

*[The remainder of this page has been left blank intentionally.]*

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IN WITNESS WHEREOF, the New Subsidiary and the Administrative Agent have duly executed this Supplement to the Collateral Agreement as of the day and year first above written.

[Name Of New Subsidiary],

by

Name:

Title:

WELLS FARGO BANK, NATIONAL ASSOCIATION, as  
Administrative Agent,

by

Name:

Title:

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**SCHEDULE I**

to Grantor Supplement No.  
to the Guarantee and  
Collateral Agreement

Executed Perfection Certificate

[See attached]

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**EXHIBIT C**

to the Guarantee and  
Collateral Agreement

**PERFECTION CERTIFICATE**

Reference is made to the Credit Agreement dated as of June 20, 2014 (as amended, supplemented or otherwise modified from time to time, the “Credit Agreement”), among J. C. Penney Company, Inc. (“Holdings”), J. C. Penney Corporation, Inc. (the “Parent Borrower”), J. C. Penney Purchasing Corporation (“Purchasing”), the lenders from time to time party thereto (the “Lenders”), Wells Fargo Bank, National Association, as administrative agent (the “Administrative Agent”), Wells Fargo Bank, National Association and Bank of America, N.A., as co-collateral agents, and the other agents thereunder. Capitalized terms used but not defined herein have the meanings assigned in the Credit Agreement or the Collateral Agreement referred to therein, as applicable. [As used herein the term “Grantors” shall mean Holdings, the Parent Borrower, Purchasing, the Subsidiary Grantors and, to the extent there are any Additional Grantors, such Additional Grantors.] [As used herein the term “Grantors” means [each Additional Grantor].]

The undersigned, an executive officer or Financial Officer of [the Parent Borrower] [applicable Additional Grantor(s)], hereby certifies to the Administrative Agent and each other Secured Party as follows:

1. Names. (a) The exact legal name and the type of entity of each Grantor, as such appears in its respective certificate of formation or incorporation, is as follows:

Exact Legal Name of Each Grantor      Type of Entity of Such Grantor

- (b) Set forth below is each other legal name each Grantor has had in the past five years, together with the date of the relevant change:

| <u>Grantor</u> | <u>Other Legal Name in Past 5 Years</u> | <u>Date of Name Change</u> |
|----------------|---|----------------------------|
|                |   |                            |
|                |   |                            |
|                |   |                            |
|                |   |                            |

- (c) Except as set forth below, no Grantor has changed its identity or corporate structure in any way within the past five years. Changes in identity or corporate structure would include mergers, consolidations and acquisitions, as well as any change in the form, nature or jurisdiction of corporate organization.

- (d) The following is a list of all other names (including trade names or similar appellations) used by each Grantor or any of its divisions or other business units in connection with the conduct of its business or the ownership of its properties at any time during the past five years:

| <u>Grantor</u> | <u>Other Name Used</u> |
|----------------|------------------------|
|                |                        |
|                |                        |
|                |                        |
|                |                        |

- (e) Set forth below is the organizational identification number, if any, issued by the jurisdiction of formation of each Grantor:



| <u>Grantor</u> | <u>Organizational Identification Number</u> |
|----------------|---|
|                |   |
|                |   |
|                |   |
|                |   |

(f) Set forth below is the Federal Taxpayer Identification Number of each Grantor:

| <u>Grantor</u> | <u>Federal Taxpayer Identification Number</u> |
|----------------|---|
|                |   |
|                |   |
|                |   |
|                |   |

2. Current Locations. (a) The chief executive office of each Grantor is located at the address set forth opposite its name below:

Grantor   Mailing Address   County   State

(b) The jurisdiction of formation of each Grantor is set forth opposite its name below: Grantor      Jurisdiction

(c) The jurisdiction(s) in which each Grantor is qualified to do business is set forth opposite its name below:

Grantor      Jurisdiction

(d) Set forth below opposite the name of each Grantor are all the locations where a Grantor maintains any Inventory not located at the chief executive offices listed in 2(a) above:

Grantor   Mailing Address   County   State

(e) Set forth below opposite the name of each Grantor are all the locations where the Grantor maintains any books or records relating to any Collateral not located at the chief executive offices listed in 2(a) above:

| <u>Grantor</u> | <u>Mailing Address</u> | <u>County</u> | <u>State</u> |
|----------------|------------------------|---------------|--------------|
|----------------|------------------------|---------------|--------------|

(f) Set forth below are the names and addresses of all Persons other than a Grantor (and other than any international transportation service provider to whom Inventory has been temporarily delivered for final receipt by a Grantor or any port authority while inventory is pending clearance and entry into U.S. commerce) that have possession of any of Inventory

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with an aggregate retail value of more than \$30,000,000 as of [the end of immediately preceding fiscal quarter].

| <u>Name</u> | <u>Mailing Address</u> | <u>County</u> | <u>State</u> |
|-------------|------------------------|---------------|--------------|
|-------------|------------------------|---------------|--------------|

3. Unusual Transactions. All Inventory has been acquired by the Grantors in the ordinary course of business.
4. File Search Reports. As of the Closing Date, file search reports have been obtained from each Uniform Commercial Code filing office identified with respect to each Grantor in Section 2(b) hereof, and as of the Closing Date such search reports reflect no liens against any of the Collateral other than those permitted under the Credit Agreement.
5. UCC Filings. As of the Closing Date, UCC financing statements in substantially the form of Schedule 5 hereto have been prepared for filing in the proper Uniform Commercial Code filing office in the jurisdiction in which each Grantor is organized as set forth with respect to such Grantor in Section 2(b) hereof.
6. Schedule of Filings. As of the Closing Date, attached hereto as Schedule 6 is a schedule setting forth, with respect to the filings described in Section 5 above, each filing and the filing office in which such filing is to be made.
7. Deposit Accounts. Set forth on Schedule 7 is a complete and correct list of all Deposit Accounts maintained by each Grantor that meet the description set forth on Schedule 5.16 of the Credit Agreement as of the date hereof (the "Initial Control Accounts"). The amounts received in the Initial Control Accounts represent more than 95% of the aggregate proceeds from the sale of Inventory and the collections of Accounts (including in respect of credit card receivables, whether or not constituting Eligible Credit Card Receivables) of the Grantors.
8. Securities Accounts. None of the accounts described on Schedule 5.16 of the Credit Agreement are Securities Accounts as of the date hereof.

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IN WITNESS WHEREOF, the undersigned has duly executed this Perfection Certificate on this day of , 2014.