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United States Bankruptcy Court  
Northern District of Illinois  
Eastern Division

Case Number: 02-02474

Case Name: Kmart

1.60 "Exhibits" Means an Exhibit annexed to either this Plan or as an appendix to the Disclosure Statement.

Sign by Ilase Bartlett  
Dated June 8, 2009

2 United States Bankruptcy Court  
Northern District of Illinois  
Eastern Division

Case Number: 02-02474

Case Name: Kmart

1.81 "Investment Agreement" means that certain Investment, dated as of January 24, 2003, between the Plan Investors and Kmart, a copy of which is attached hereto as Exhibit E, as the same may be amended, modified, or supplemented from time to time.

1.64 "Exit Financing Facility" means a new financing facility a copy of which will be attached hereto as Exhibit D-2 pursuant to the terms of (a) that certain Commitment Letter, dated January 13, 2003, between Kmart, as borrower, and General Electric Capital Corporation, Fleet Retail Finance, Inc., and Bank of America, N.A. as initial lenders, as the same may be amended, modified, or supplemented from time to time, a copy of which is attached hereto as Exhibit D-1, and (b) any and all additional documents related hereto.

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filed in accordance with Article 7.12 of This Plan.

7.12 Post Effective Date Financing. On the Effective Date, the Reorganized Debtors shall enter into Exit Financing Facility in order to obtain the funds necessary to repay the DIP Facility Claims, make other payments required to be made on the Effective Date, and conduct their post-reorganization operations. The Reorganized Debtors may enter into all documents necessary and appropriate in connection with the Exit Financing Facility. The Commitment letter with respect to such Facility, and principle documents with respect thereto, shall be filed by the Debtors with the Bankruptcy Court no later than the Exhibit filing Date and will be deemed attached hereto as Exhibit D-1 and Exhibit D-2. In the Confirmation Order, the Bankruptcy Court shall approve the terms of the Exit Financing Facility in substantially the form filed with the Bankruptcy Court (and with such changes as to which the applicable Debtors and respective agents and lenders parties thereto may agree) and authorized the applicable

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Rearranged Debtors and the applicable lenders may reasonably require in order to effectuate the treatment afforded to such parties under the Exit Financing Facility.

1.131 "Registration Rights Agreement" means an agreement, a form of which will be attached to this Plan on or prior to the Exhibit Filing Date as Exhibit G, whereby New Holding Company will be obligated to register certain shares of New Holding Company Stock pursuant to the terms and conditions of such Agreement.

1.51 "Disclosure Statement" means the written disclosure statement that relates to this Plan, as approved by the Bankruptcy Court pursuant to section 1125 of the Bankruptcy Code and Bankruptcy Rule 3017, as such disclosure statement may be amended, modified or supplemented from time to time

1.138 "Restructuring Transaction Notice" means the notice filed with the Bankruptcy Court on or before the Exhibit Filing Date as Exhibit 11 to this Plan listing the Restructuring Debtors and briefly describing

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The relevant Restructuring Transactions, including the corporate structure of the Reorganized Debtor as described in Exhibit 1 to this Plan.

1.156 "Trust Agreement" means that certain Trust agreement that will govern the Kmart Creditor Trust, a form of which is attached to this Plan as Exhibit K

1.9 "Articles of Incorporation and Bylaws" means the Articles of Incorporation and Bylaws (or other similar documents) of New Holding Company, New Operating Company and the other Reorganized Debtors, in substantially the form attached hereto as Exhibit A, Exhibit B and Exhibit C respectively, which Articles of Incorporation and Bylaws (or other similar documents) shall be in a form acceptable to the Plan Investors and reasonable acceptable to the Creditors Committees.

1.154 "Trade Vendors' Lien" means any liens granted to the Trade Vendors Collateral Agent, as of the Effective Date, pursuant to Article 7.13 of this Plan and Exhibit J-2 to this Plan

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1.60 "Exhibit" means an exhibit annexed to either this Plan or as an appendix to the Disclosure Statement.

Federal Bankruptcy Rule or Order  
Bankruptcy Code

Core proceedings take place under 28 U.S.C. Section 157(b)(2) and 1334(a).

The applicable provision of 11 U.S.C. Section 506(b) of Chapter 11 Title 11 as amended (The Bankruptcy Code) and shall be confirmed

"The Bankruptcy Code" means the Bankruptcy Reform Act of 1978, as amended and codified in title 11 of the United States Code 11 U.S.C. §§ 101-1330, as in effect on the date hereof.

1.102 "Ordinary Course Professional Order" means the Bankruptcy Court's Order Pursuant to 11 U.S.C. §§ 105(a) 327(c), and 331 Authorizing Retention of Professionals by the Debtors in the Ordinary Course of Business (Docket No. 682)

I certify that a true copy of Exhibits along with the Disclosure Statement 15.2 Dated February 25, 2003 was sent along with 1.60 Exhibits means an exhibit annexed to either this Plan or as an appendix to the Disclosure Statement on 6-10-09 to The United States Bankruptcy Court Northern District of Illinois, Eastern Division at 219 South Dearborn Street, Chicago, Illinois 60604

and to

Mr. William Barrett, Barack Ferrazzano, Kirshbourn and Neigelberg LLP at 200 West Madison Street, Suite 3000 Chicago, Illinois 60606

dated June 4, 2009

sent 6-10-2009 Please Bert letter

15.12 **Conflicts.** In the event that the provisions of the Disclosure Statement and the provisions of the Plan conflict, the terms of the Plan shall govern.

Dated: February 25, 2003  
Chicago, Illinois

Respectfully submitted,

**KMART CORPORATION AND THE  
DEBTOR AFFILIATES**

By: /s/ Julian C. Day  
Julian C. Day  
Chief Executive Officer of Kmart Corporation  
and authorized signatory for each of the other Debtors

John Wm. Butler, Jr.  
J. Eric Ivester  
Mark A. McDermott  
Samuel S. Ory  
**SKADDEN, ARPS, SLATE, MEAGHER  
& FLOM (ILLINOIS)**  
333 West Wacker Drive, Suite 2100  
Chicago, Illinois 60606-1285  
(312) 407-0700

**ATTORNEYS FOR KMART CORPORATION  
AND THE DEBTOR AFFILIATES**



**EXHIBIT J-1**

**TRADE VENDORS' LIEN PROGRAM TERM SHEET**

**EXHIBIT K**

**FORM OF KMART CREDITOR TRUST AGREEMENT**

**EXHIBIT L-2**

**LIST OF ASSUMED EMPLOYEE-RELATED AGREEMENTS**

**EXHIBIT F**

**INTENTIONALLY OMITTED**

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**EXHIBIT II**

**RESTRUCTURING TRANSACTION NOTICE**

*[Faint, illegible text, possibly a signature or stamp]*

**EXHIBIT C**

**FORM OF CERTIFICATE OF INCORPORATION  
AND BY-LAWS OF OTHER REORGANIZED DEBTORS**

**EXHIBIT D-2**

**EXIT FINANCING FACILITY AGREEMENT**

**EXHIBIT A**

**FORM OF ARTICLES OF INCORPORATION  
AND BY-LAWS OF NEW HOLDING COMPANY**