

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

In re:) Case No. 02-02474
) Chapter 11
KMART CORPORATION,)
) Honorable Susan Pierson Sonderby
Debtor.)
)

**STIPULATION RESOLVING CLAIM OF BOROUGH OF LANSDOWNE,
PENNSYLVANIA (CLAIM NO. 42220)**

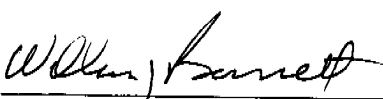
Kmart Corporation, reorganized Debtor ("Kmart"), and the Borough of Lansdowne, Pennsylvania ("Claimant") hereby stipulate and agree that the claimant shall have an allowed Class 6 claim in this bankruptcy case of \$300,000. Kmart and the Claimant further stipulate and agree that:

1. Kmart shall make a distribution on the allowed claim, in accordance with the provisions for Class 6 claim in the Kmart Plan of Reorganization, as soon as practicable upon entry of this Order (provided that Claimant shall furnish Kmart with a federal taxpayer identification number and payment instructions);

2. The Claimant shall have relief from the injunctive provisions of Kmart's Plan of Reorganization, from the Order confirming the Plan of Reorganization, and from Section 524(a) of the United States Bankruptcy Code, for the purpose of continuing the litigation previously filed against Glimcher Holdings Limited Partnership (but not Kmart), case no. 01-1971, In the Court of Common Pleas, Delaware County, Pennsylvania. Claimant shall bring no action against the current owner(s) (including Gator Clifton Partners, Ltd.) of the property on which the Kmart store in Clifton Heights, Pennsylvania is located;

3. Except for the parties obligations under this Stipulation, Kmart and Claimant release each other of all claims and liabilities, of any nature whatsoever, from the beginning of time through the date this Stipulation is entered by the Court; and

4. Nothing herein shall be construed as an admission by Kmart of any responsibility for the occurrence that is the subject of the claim made by the Claimant in this bankruptcy case or an admission by the Claimant of the extent of its damages caused by such occurrence.

By 

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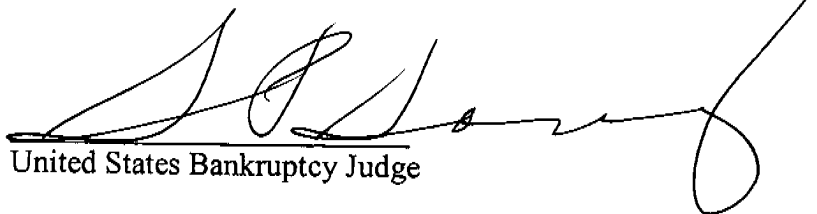
Counsel for Kmart Corporation

By 

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IT IS SO ORDERED.


United States Bankruptcy Judge

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