

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

In re:

**BSCV, Inc. (f/k/a Boscov's, Inc.),
a Pennsylvania Corporation, et al.,**

Debtors.

**BSCV Investment Company (f/k/a Bosco's
Investment Company)**

BSCV Finance Company, Inc. (f/k/a Boscov's Finance Company, Inc.)

BSCV Department Store, LLC (f/k/a Boscov's Department Store, LLC)

BSCV Transportation Company LLC (f/k/a Boscov's Transportation Company LLC)

BSCV PSI Inc. (f/k/a Boscov's PSI Inc.)

BSCV II, Inc. (f/k/a SDS, Inc.)

Retail Construction & Development, Inc.

Chapter 11

**Jointly Administered
Case No. 08-11637 (KG)**

08-11635 (KG)

08-11636 (KG)

08-11638 (KG)

08-11639 (KG)

08-11640 (KG)

08-11641 (KG)

08-11642 (KG)

JOINT PLAN OF BSCV, INC. (F/K/A BOSCOV'S, INC.) AND ITS DEBTOR AFFILIATES

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February 6, 2009



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TABLE OF EXHIBITS¹

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Exhibit II	Form of Newco Bylaws (or Comparable Constituent Documents)
Exhibit III	Executory Contracts and Unexpired Leases to be Assumed
Exhibit IV	Retained Causes of Action

¹ All exhibits to this joint plan shall be filed with the Bankruptcy Court no later than ten (10) days before the deadline to vote to accept or reject the plan. The exhibits shall be made available on the internet site address www.kccllc.net/boscov once they are filed. Old Boscov's and its debtor affiliates reserve the right to modify, amend, supplement, restate or withdraw the exhibits after they are filed and shall promptly make such changes available on the internet site address www.kccllc.net/boscov.

INTRODUCTION

BSCV, INC. (f/k/a Boscov's, Inc.) ("Old Boscov's") and the other above-captioned debtors (collectively, the "Debtors") propose the following joint plan (the "Plan") for the resolution of the outstanding claims against and equity interests in the Debtors. The Debtors are proponents of the Plan within the meaning of section 1129 of the Bankruptcy Code, 11 U.S.C. § 1129. Reference is made to the Debtors' Disclosure Statement (as such term is defined below) for a discussion of the Debtors' history, businesses, assets, and other pertinent information, and for a summary and analysis of the Plan. There also are other agreements and documents, which are or shall be filed with the United States Bankruptcy Court for the District of Delaware, that are referenced in the Plan or the Disclosure Statement and that shall be available for review.

ARTICLE I DEFINED TERMS, RULES OF INTERPRETATION AND COMPUTATION OF TIME

A. Defined Terms

As used in the Plan, capitalized terms have the meanings set forth below. Any term that is not otherwise defined herein, but that is used in the Bankruptcy Code or the Bankruptcy Rules (as each term is defined below), shall have the meaning given to that term in the Bankruptcy Code or the Bankruptcy Rules, as applicable.

1. "Administrative Claim" means a Claim for costs and expenses of administration allowed under sections 503(b), 503(c), 507(a) or 507(b) of the Bankruptcy Code, including: (a) the actual and necessary costs and expenses incurred after the Petition Date of preserving the respective Estates and operating the businesses of the Debtors (such as wages, salaries, commissions for services and payments for inventories, leased equipment and premises); (b) compensation for legal, financial advisory, accounting and other services and reimbursement of expenses awarded or allowed under sections 330(a) or 331 of the Bankruptcy Code, including Professional Fee Claims; (c) Claims, pursuant to section 503(b)(9) of the Bankruptcy Code, for the value of goods received by the Debtors in the 20 days immediately prior to the Petition Date and sold to the Debtors in the ordinary course of the Debtors' businesses; (d) all fees and charges assessed against the Estates under chapter 123 of title 28, United States Code, 28 U.S.C. §§ 1911-1930; and (e) all Postpetition Intercompany Claims.

2. "Allowed Claim" means:

a. a Claim that (i) has been listed by a particular Debtor on its Schedules as other than disputed, contingent or unliquidated and (ii) is not a Disputed Claim;

b. a Claim (i) for which a proof of Claim or request for payment of Administrative Claim (or similar request) has been Filed by the applicable Bar Date or otherwise has been deemed timely Filed under applicable law and (ii) that is not a Disputed Claim;

c. a Claim that is allowed: (i) in any Stipulation of Amount and Nature of Claim executed by or on behalf of the applicable Debtor and Claim holder on or after the Effective Date; (ii) in any contract, instrument or other agreement entered into in connection with the Plan and, if prior to the Effective Date, approved by the Bankruptcy Court; (iii) pursuant to a Final Order; or (iv) pursuant to the terms of the Plan; or

d. a Claim listed by a particular Debtor on its Schedules as other than disputed, contingent or unliquidated or a Claim that the Debtors determine prior to the Claims Objection Bar Date (i) shall not be subject to an objection or to an amendment to the Schedules and (ii) shall be satisfied in accordance with the terms of the Plan on or after the Effective Date.

3. "Allowed . . . Claim" means an Allowed Claim in the particular Class or category specified. Any reference herein to a particular Allowed Claim includes both the secured and unsecured portions of such Claim.

4. "Ballot" means the form or forms distributed to each holder of an impaired Claim entitled to vote on the Plan on which the holder may indicate acceptance or rejection of the Plan or any election for treatment of such Claim under the Plan.

5. "Bankruptcy Case" means: (a) when used with reference to a particular Debtor, the chapter 11 case pending for that Debtor in the Bankruptcy Court; and (b) when used with reference to all Debtors, the chapter 11 cases pending for the Debtors in the Bankruptcy Court.

6. "Bankruptcy Code" means title 11 of the United States Code, 11 U.S.C. §§ 101-1532, as now in effect or hereafter amended, applicable to these Bankruptcy Cases.

7. "Bankruptcy Court" means the United States District Court having jurisdiction over the Bankruptcy Cases and, to the extent of any reference made pursuant to 28 U.S.C. § 157, the bankruptcy unit of such District Court.

8. "Bankruptcy Rules" means, collectively, the Federal Rules of Bankruptcy Procedure and the local rules of the Bankruptcy Court, as now in effect or hereafter amended, applicable to these Bankruptcy Cases.

9. "Bar Date" means the applicable bar date by which a proof of Claim or request for payment of Administrative Claim must be or must have been Filed, as established by an order of the Bankruptcy Court, including a Bar Date Order and the Confirmation Order.

10. "Bar Date Order" means an order of the Bankruptcy Court establishing Bar Dates for Filing proofs of Claim or requests for payment of Administrative Claims in the Bankruptcy Cases, as the same may be amended, modified or supplemented.

11. "Business Day" means any day, other than a Saturday, Sunday or "legal holiday" (as defined in Bankruptcy Rule 9006(a)).

12. "Cash" means legal tender of the United States of America and equivalents thereof.

13. "Cash Investment Yield" means the net yield earned by Newco from the investment of Cash held pending distribution pursuant to the Plan. Any such investment shall be in a manner consistent with the Debtors' investment and deposit guidelines and Section VI.C. Net yield means the cash yield net of any investment expenses and taxes payable thereon.

14. "Catch-Up Distribution" means, with respect to each holder of an Allowed Claim in Class 4 that was previously a Disputed Claim, an amount of Disputed Unsecured Claims Reserve Cash equal to the amount of Distributable Cash that such holder would have received if its Claim had been an Allowed Claim on each Distribution Date preceding the date the Claim became an Allowed Claim.

15. "Causes of Action" means claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action and liabilities, arising on, prior to or after the Petition Date, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising in law, equity or otherwise, that are based in whole or in part on any act, omission, transaction or other occurrence in any way relating to any Debtor or the Plan.

16. "Chapter 5 Claims" means all of the Estates' claims and rights of action arising under chapter 5 of the Bankruptcy Code.

17. "Claim" means a "claim," as defined in section 101(5) of the Bankruptcy Code, against any Debtor.

18. "Claims Objection Bar Date" means, for all Claims, other than Administrative Claims, unless otherwise extended by order of the Bankruptcy Court, 180 days after the Effective Date.

19. "Class" means a class of Claims or Interests, as described in Article II.

20. "Collateral" means any property or interest in property, whether tangible, intangible or otherwise, pledged by a Debtor to a creditor as security for a Secured Claim.

21. "Confirmation" means the entry of the Confirmation Order on the docket of the Bankruptcy Court.

22. "Confirmation Date" means the date on which the Bankruptcy Court enters the Confirmation Order on its docket, within the meaning of Bankruptcy Rules 5003 and 9021.

23. "Confirmation Hearing" means the hearing held by the Bankruptcy Court on confirmation of the Plan, as such hearing may be continued from time to time.

24. "Confirmation Order" means the order of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code.

25. "Creditors' Committee" means the statutory official committee of unsecured creditors of the Debtors appointed by the United States Trustee in the Bankruptcy Cases pursuant to section 1102 of the Bankruptcy Code, as such committee may be reconstituted from time to time.

26. "Cure Amount Claim" means a Claim based upon a Debtor's monetary defaults under an Executory Contract or Unexpired Lease at the time such contract or lease is assumed by that Debtor under section 365 of the Bankruptcy Code.

27. "Debtors" means, collectively, the above-captioned debtors and debtors in possession specifically identified on the cover page to this Plan.

28. "Disallowed," when used with respect to a Claim, means a Claim that has been disallowed by a Final Order.

29. "Disclosure Statement" means the disclosure statement (including all exhibits and schedules thereto or referenced therein) that relates to the Plan and has been prepared and distributed by the Debtors, as plan proponents, as approved by the Bankruptcy Court pursuant to section 1125 of the Bankruptcy Code, as the same may be amended, modified or supplemented.

30. "Disputed Claim" means:

a. if no proof of Claim or request for payment of Administrative Claim has been Filed by the applicable Bar Date or has otherwise been deemed timely Filed under applicable law, (i) a Claim that is listed on a Debtor's Schedules as disputed, contingent or unliquidated or (ii) a Claim that is not listed on a Debtor's Schedules;

b. if a proof of Claim or request for payment of Administrative Claim has been Filed by the applicable Bar Date or has otherwise been deemed timely Filed under applicable law, a Claim for which an objection, complaint or request for estimation has been Filed by the applicable Debtor or Newco or, prior to the Confirmation Date, any other party in interest, by the Claims Objection Bar Date, and such objection has not been withdrawn or denied in its entirety by a Final Order;

c. a Claim for which a proof of Claim or request for payment of Administrative Claim is required to be Filed under the Plan and no such proof of Claim or request for payment of Administrative Claim is timely Filed; or

d. a Tort Claim.

31. "Disputed Insured Claim" means an Insured Claim that also is a Disputed Claim.

32. "Disputed Unsecured Claims Reserve Account" means the account established pursuant to Section VI.D.2.b of the Plan to fund the distribution of Disputed Unsecured Claims Reserve Cash and any related Cash Investment Yield to holders of Disputed Claims that become Allowed Claims in Class 4.

33. "Disputed Unsecured Claims Reserve Cash" means the funds deposited in the Disputed Unsecured Claims Reserve Account.

34. "Distributable Cash" means all Cash of Newco; net of all distributions to holders of Allowed Secured Claims, Administrative Claims, Professional Fee Claims, Priority Tax Claims and Priority Claims.

35. "Distribution Date" means a date or dates when Newco shall make distributions of Distributable Cash in accordance with the Bankruptcy Code's priority scheme and the Plan.

36. "Distribution Record Date" means the Confirmation Date.

37. "Document Website" means the internet site address www.kccllc.net/boscov at which all of the exhibits and schedules to the Plan and the Disclosure Statement shall be available, without charge, to any party in interest and the public.

38. "Effective Date" means a day, as determined by the Debtors, that is a Business Day no earlier than the date on which all conditions to the effective date in Section IX.B have been met or waived in accordance with Section IX.C.

39. "Estate" means, as to each Debtor, the estate created for that Debtor in its Bankruptcy Case pursuant to section 541 of the Bankruptcy Code.

40. "Exculpated Parties" means, collectively and individually, the Debtors, Newco, the Creditors' Committee and its members (solely in their capacity as such), the Responsible Person, the Oversight Committee and its members (solely in their capacity as such) and the Representatives of each of the foregoing.

41. "Executory Contract or Unexpired Lease" means a contract or lease to which a Debtor is a party that is subject to assumption, assumption and assignment or rejection under section 365 of the Bankruptcy Code and includes any modifications, amendments, addenda or supplements thereto or restatements thereof.

42. "Exhibit" means the exhibits to the Plan as identified on the Table of Exhibits, as the same may be amended, modified or supplemented.

43. "Face Amount" means either (a) the full stated amount claimed by the holder of such Claim in any proof of Claim Filed by the applicable Bar Date or otherwise deemed timely Filed under applicable law, if the proof of Claim specifies only a liquidated amount; (b) if no proof of Claim is Filed by the applicable Bar Date or otherwise deemed timely Filed under applicable law, the full amount of the Claim listed on the Debtors' Schedules, provided that such amount is not listed as disputed, contingent or unliquidated; or (c) if the proof of Claim specifies an unliquidated amount (in whole or in part), the amount of the Claim (i) estimated by the Bankruptcy Court for such purpose pursuant to section 502(c) of the Bankruptcy Code, or, in the case of Tort Claims for personal injury or wrongful death, estimated by the District Court for the District of Delaware or (ii) proposed by the Debtors or Newco.

44. "File," "Filed" or "Filing" means file, filed or filing with the Bankruptcy Court or its authorized designee in the Bankruptcy Cases.

45. "Final DIP Order" means the Final Order Pursuant to 11 U.S.C. Sections 105, 361, 362, 363 and 364 and Rules 2002, 4001 and 9014 of the Federal Rules of Bankruptcy Procedure (1) Authorizing Incurrence by the Debtor of Post-Petition Secured Indebtedness with Priority Over All Other Secured Indebtedness and with Administrative Superpriority, (2) Granting Liens, (3) Authorizing Use of Cash Collateral by the Debtor Pursuant to

11 U.S.C. Section 363 and Providing for Adequate Protection and (4) Modifying the Automatic Stay (Docket No. 267), entered by the Bankruptcy Court on August 29, 2008, as amended.

46. "Final Order" means an order or judgment of the Bankruptcy Court, or other court of competent jurisdiction, as entered on the docket in any Bankruptcy Case or the docket of any other court of competent jurisdiction, that has not been reversed, stayed, modified or amended, and as to which the time to appeal or seek certiorari or move for a new trial, reargument or rehearing has expired, and no appeal or petition for certiorari or other proceedings for a new trial, reargument or rehearing has been timely taken, or as to which any appeal that has been taken or any petition for certiorari that has been timely filed has been withdrawn or resolved by the highest court to which the order or judgment was appealed or from which certiorari was sought or the new trial, reargument or rehearing shall have been denied or resulted in no modification of such order.

47. "General Unsecured Claim" means any Claim that is not a Secured Claim, Administrative Claim, Priority Claim, Priority Tax Claim, Cure Amount Claim, Subordinated Claim or Intercompany Claim.

48. "Insured Claim" means that portion of any Claim arising from an incident or occurrence alleged to have occurred prior to the Effective Date that is covered under an insurance policy applicable to the Debtors or their businesses.

49. "Intercompany Claim" means any Claim held by any Debtor against another Debtor.

50. "Interest" means the rights and interests of the holders of the common stock of any Debtor, any other instruments evidencing an ownership interest in a Debtor and the rights of any entity to purchase or demand the issuance of any of the foregoing, including: (a) redemption, conversion, exchange, voting, participation and dividend rights (including any rights in respect of accrued and unpaid dividends); (b) liquidation preferences; and (c) stock options and warrants.

51. "Liens" means any mortgage, pledge, deed of trust, assessment, security interest, lease, lien, adverse claim, levy, charge or other encumbrance of any kind, including any "lien" as defined in section 101(37) of the Bankruptcy Code, or a conditional sale contract, title retention contract or other contract to give any of the foregoing.

52. "Merger" means the merger of Old Boscov's into Newco, with Newco as the surviving corporation.

53. "Newco" means a Delaware corporation to be formed by the Responsible Person prior to the Effective Date and into which Old Boscov's will be merged, with Newco surviving, immediately upon and after the Effective Date.

54. "Newco Bylaws" means the bylaws (or comparable constituent documents) for Newco.

55. "Newco Certificate of Incorporation" means the certificate of incorporation for Newco.

56. "Newco Charter" means the corporate charter for Newco.

57. "Newco Common Stock" means the share of common stock issued on or prior to the Effective Date, \$0.01 par value, of Newco, authorized pursuant to the Newco Certificate of Incorporation, issued as of the Effective Date to the Responsible Person, pursuant to the Plan.

58. "Newco Expenses" means (a) all amounts for unpaid Secured Claims, Administrative Claims, Professional Fee Claims, Priority Tax Claims and Priority Claims, if any, that become Allowed Claims and (b) any and all fees, costs and expenses incurred by Newco (or any person, entity or professional engaged by Newco) on or after the Effective Date in connection with any of its duties under the Plan, including, but not limited to, any administrative fees, attorneys' fees and expenses, United States Trustee fees, insurance fees, taxes and escrow

expenses or other such expenses related to the wind down of the Estates, including expenses incurred by the Creditors Committee and the Oversight Committee.

59. "Newco Expense Reserve Account" means that account established as of the Effective Date pursuant to Section IV.C.4 to fund the payment of Newco Expenses.

60. "Newco Expense Reserve Cash" means the funds deposited in the Newco Expense Reserve Account.

61. "Old Boscov's" means Debtor, BSCV, Inc. (f/k/a/ Boscov's, Inc.)

62. "Old Common Stock" means the common stock, membership interests, partnership interests or similar ownership interests, including options, warrants or rights to acquire or convert any such interests, issued by Old Boscov's and outstanding immediately prior to the Petition Date.

63. "Ordinary Course Professionals Order" means the Order Authorizing the Retention and Payment of Professionals Utilized by the Debtors in the Ordinary Course of Business (Docket No. 288), entered by the Bankruptcy Court on September 8, 2008.

64. "Oversight Committee" has the meaning assigned to it in Article XIII.A.

65. "Petition Date" means August 4, 2008, the date on which the Debtors Filed their petitions for relief commencing their Bankruptcy Cases.

66. "Plan" means this joint plan of the Debtors, to the extent applicable to any Debtor, and all Exhibits attached hereto or referenced herein, as the same may be amended, modified or supplemented.

67. "Post-Effective Date Transactions" means those transactions necessary to effect the provisions of the Plan.

68. "Postpetition Intercompany Claim" means any Intercompany Claim that is not a Prepetition Intercompany Claim.

69. "Prepetition First Lien Credit Agreement" means, collectively: (a) that certain five-year revolving credit facility, dated as of January 27, 2006, among Boscov's Department Store, LLC and SDS, Inc. (as borrowers), the other Debtors (as guarantors), Bank of America, N.A. (as administrative agent and collateral agent), The CIT Group/Business Credit, Inc. (as syndication agent), Banc of America Securities, LLC (as lead arranger and bookrunner) and the other lenders party thereto; (b) any and all amendments thereto and extensions thereof; and (c) all security agreements and instruments related to the documents identified in (a) and (b).

70. "Prepetition First Lien Lender Claims" means any Claims against a Debtor under or evidenced by the Prepetition First Lien Credit Agreement.

71. "Prepetition Intercompany Claim" means an Intercompany Claim that arose prior to the Petition Date.

72. "Prepetition First Lien Lenders" means those lenders under the Prepetition First Lien Credit Agreement.

73. "Priority Claim" means an unsecured Claim that is entitled to priority in payment pursuant to section 507(a) of the Bankruptcy Code that is not an Administrative Claim or a Priority Tax Claim.

74. "Priority Tax Claim" means a Claim that is entitled to priority in payment pursuant to section 507(a)(8) of the Bankruptcy Code.

75. "Professional" means any professional employed in the Bankruptcy Cases pursuant to sections 327, 328 or 1103 of the Bankruptcy Code or any professional or other entity seeking compensation or reimbursement of expenses from the Debtors in connection with the Bankruptcy Cases pursuant to section 503(b)(4) of the Bankruptcy Code.

76. "Professional Fee Claim" means a Claim against one or more of the Debtors under sections 328, 330(a), 331, 503 or 1103 of the Bankruptcy Code for compensation of a Professional or other entity for services rendered or expenses incurred in the Bankruptcy Cases.

77. "Professional Fee Order" means the Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals (Docket No. 256), entered by the Bankruptcy Court on August 28, 2008.

78. "Pro Rata" means, when used in reference to a distribution of property pursuant to Article VI to holders of Allowed Claims in a particular Class or other specified group of Claims, a proportionate distribution so that with respect to a particular Allowed Claim in such Class or group of Claims, the ratio of (a)(i) the amount of property distributed on account of such Claim to (ii) the amount of such Claim, is the same as the ratio of (b)(i) the amount of property distributed on account of all Allowed Claims in such Class or group of Claims to (ii) the amount of all Allowed Claims in such Class or group of Claims. Until all Disputed Claims in a Class are resolved, Disputed Claims shall be treated as Allowed Claims in their Face Amount for purposes of calculating Pro Rata distribution of property to holders of Allowed Claims in such Class.

79. "Purchaser" means BLF Acquisition, Inc., a Delaware corporation.

80. "Purchaser Note" means that certain note dated as of the Sale Effective Date in the face amount of \$4 million by and between the Purchaser, as payor, and Old Boscov's, as payee.

81. "Representatives" means, with respect to any entity: successor, predecessor, officer, director, partner, employee, agent, attorney, advisor, investment banker, financial advisor, accountant or other Professional of such entity, and committee of which such entity is a member, in each case in such capacity, serving on or after the Petition Date.

82. "Responsible Person" shall have the meaning ascribed to it in the Newco Charter.

83. "Retained Causes of Action" means those Causes of Action retained by Newco, including, but not limited to, those Causes of Action listed on Exhibit IV hereto.

84. "Sale" means the sale of substantially all of the Debtors' assets free and clear of all liens and encumbrances to BLF Acquisition, Inc., which sale closed on December 4, 2008.

85. "Sale Agreement" means that certain Asset Purchase Agreement by and Among the Debtors and the Purchaser, dated as of November 3, 2008 (as amended).

86. "Sale Effective Date" means December 4, 2008, the effective date of the Sale.

87. "Sale Order" means that certain Order (I) Approving Asset Purchase Agreement and Authorizing the Sale of Assets of Debtors Outside the Ordinary Course of Business, (II) Authorizing the Sale of Assets Free and Clear of All Liens, Claims, Encumbrances and Interests, (III) Authorizing the Assumption and Sale and Assignment of Certain Executory Contracts and Unexpired Leases and (IV) Granting Related Relief, dated November 21, 2008 (Docket No. 729), which approved the Sale.

88. "Schedules" means the schedules of assets and liabilities and the statements of financial affairs Filed by the Debtors, as required by section 521 of the Bankruptcy Code, as the same may have been or may be amended, modified or supplemented.

89. "Secondary Liability Claim" means a Claim that arises from a Debtor being liable as a guarantor of, or otherwise being jointly, severally or secondarily liable for, any contractual, tort, guaranty or other obligation of another Debtor, including any Claim based on: (a) vicarious liability; (b) liabilities arising out of piercing the corporate veil, alter ego liability or similar legal theories; (c) guaranties of collection, payments or performance; (d) indemnity bonds, obligations to indemnify or obligations to hold harmless; (e) performance bonds; (f) contingent liabilities arising out of contractual obligations or out of undertakings (including any assignment or transfer) with respect to leases, operating agreements or other similar obligations made or given by a Debtor or relating to the obligations or performance of another Debtor; (g) several liability of a member of a consolidated (or equivalent) group of corporations for Taxes of other members of the group or of the entire group; or (h) any other joint or several liability, including Claims for indemnification or contribution, that any Debtor may have in respect of any obligation that is the basis of a Claim.

90. "Secured Claim" means a Claim that is secured by a Lien on property in which an Estate has an interest or that is subject to setoff under section 553 of the Bankruptcy Code, to the extent of the value of the Claim holder's interest in such Estate's interest in such property or to the extent of the amount subject to setoff, as applicable, as determined pursuant to sections 506(a) and, if applicable, 1129(b) of the Bankruptcy Code.

91. "Settlement Order" means that certain Order Approving Joint Motion of Debtors and Official Committee of Unsecured Creditors for an Order Authorizing Settlement with Certain Current and Former Shareholders of the Debtors, dated November 21, 2008 (Docket No. 730).

92. "Share Cancellation and Reissuance" means the cancellation of all of the outstanding shares of Old Common Stock and the issuance of a single share of new Old Boscov's common stock to the Responsible Person.

93. "Stipulation of Amount and Nature of Claim" means a stipulation or other agreement between the applicable Debtor or Newco and a holder of a Claim or Interest, or an agreed order of the Bankruptcy Court, establishing the Allowed amount and nature of a Claim or Interest.

94. "Subordinated Claim" means any Claim subordinated by Final Order pursuant to sections 510(b) or 510(c) of the Bankruptcy Code or any penalty arising with respect to or in connection with allowed Priority Tax Claims.

95. "Subsidiary Debtor" means any Debtor other than Old Boscov's.

96. "Subsidiary Debtor Equity Interests" means, as to a particular Subsidiary Debtor, any Interests in such Debtor.

97. "Tax" means (a) any net income, alternative or add-on minimum, gross income, gross receipts, sales, use, ad valorem, value added, transfer, franchise, profits, license, property, environmental or other tax, assessment or charge of any kind whatsoever (together in each instance with any interest, penalty, addition to tax or additional amount) imposed by any federal, state or local taxing authority; or (b) any liability for payment of any amounts of the foregoing types as a result of being a member of an affiliated, consolidated, combined or unitary group, or being a party to any agreement or arrangement whereby liability for payment of any such amounts is determined by reference to the liability of any other entity.

98. "Tort Claim" means any Claim that has not been settled, compromised or otherwise resolved that: (a) arises out of allegations of personal injury, wrongful death, property damage, products liability or similar legal theories of recovery; or (b) arises under any federal, state or local statute, rule, regulation or ordinance governing, regulating or relating to health, safety, hazardous substances or the environment.

99. "Uninsured Claim" means any Claim that is not an Insured Claim.

100. "United States Trustee" means the Office of the United States Trustee for the District of Delaware.

101. "Voting Deadline" means the deadline for submitting Ballots to either accept or reject the Plan in accordance with section 1126 of the Bankruptcy Code that is specified in the Disclosure Statement, the Ballots or related solicitation documents approved by the Bankruptcy Court.

B. Rules of Interpretation and Computation of Time

1. Rules of Interpretation

For purposes of the Plan, unless otherwise provided herein: (a) whenever from the context it is appropriate, each term, whether stated in the singular or the plural, shall include both the singular and the plural; (b) unless otherwise provided in the Plan, any reference in the Plan to a contract, instrument, release or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions; (c) any reference in the Plan to an existing document or Exhibit Filed or to be Filed means such document or Exhibit, as it may have been or may be amended, modified or supplemented pursuant to the Plan or Confirmation Order; (d) any reference to an entity as a holder of a Claim or Interest includes that entity's successors, assigns and affiliates; (e) all references in the Plan to Sections, Articles and Exhibits are references to Sections, Articles and Exhibits of or to the Plan; (f) the words "herein," "hereunder" and "hereto" refer to the Plan in its entirety rather than to a particular portion of the Plan; (g) captions and headings to Articles and Sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of the Plan; (h) subject to the provisions of any contract, certificates of incorporation, bylaws, similar constituent documents, instrument, release or other agreement or document entered into or delivered in connection with the Plan, the rights and obligations arising under the Plan shall be governed by, and construed and enforced in accordance with, federal law, including the Bankruptcy Code and the Bankruptcy Rules; and (i) the rules of construction set forth in section 102 of the Bankruptcy Code shall apply.

2. Computation of Time

In computing any period of time prescribed or allowed by the Plan, the provisions of Bankruptcy Rule 9006(a) shall apply.

ARTICLE II
CLASSES OF CLAIMS AND INTERESTS

All Claims and Interests, except Administrative Claims and Priority Tax Claims, are placed in the following Classes. In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims and Priority Tax Claims, as described in Section III.A, have not been classified and thus are excluded from the following Classes. A Claim or Interest is classified in a particular Class only to the extent that the Claim or Interest qualifies within the description of that Class and is classified in other Classes to the extent that any remainder of the Claim or Interest qualifies within the description of such other Classes.

- 1. Class 1 (Prepetition First Lien Lender Claims):** Prepetition First Lien Lender Claims against any Debtor.
- 2. Class 2 (Miscellaneous Secured Claims):** Secured Claims against any Debtor other than Claims in Class 1.
- 3. Class 3 (Priority Claims):** Unsecured Claims against any Debtor that are entitled to priority under section 507(a) of the Bankruptcy Code, other than Administrative Claims and Priority Tax Claims.
- 4. Class 4 (General Unsecured Claims):** General Unsecured Claims against any Debtor.
- 5. Class 5 (Subordinated Claims):** Subordinated Claims against any Debtor.

6. **Class 6 (Prepetition Intercompany Claims):** Prepetition Intercompany Claims against any Debtor.
7. **Class 7 (Old Common Stock Interests):** Interests on account of the Old Common Stock.
8. **Class 8 (Subsidiary Debtor Equity Interests):** Subsidiary Debtor Equity Interests held directly or indirectly by Old Boscov's.

ARTICLE III **TREATMENT OF CLAIMS AND INTERESTS**

A. Unclassified Claims

1. Payment of Administrative Claims

a. Administrative Claims in General

Except as specified in this Section III.A.1, and subject to the Bar Date provisions herein, unless otherwise agreed by the holder of an Administrative Claim and the applicable Debtor or Newco, or unless an order of the Bankruptcy Court provides otherwise, each holder of an Allowed Administrative Claim shall receive, in full satisfaction of its Administrative Claim, Cash equal to the amount of such Allowed Administrative Claim either (i) on the Effective Date or (ii) if the Administrative Claim is not allowed as of the Effective Date, 30 days after the date on which such Administrative Claim becomes an Allowed Administrative Claim.

b. Statutory Fees

On or before the Effective Date, Administrative Claims for fees payable pursuant to 28 U.S.C. § 1930 shall be paid in Cash equal to the amount of such Administrative Claims. All fees payable pursuant to 28 U.S.C. § 1930 after the Effective Date shall be paid by Newco in accordance therewith until the earlier of the conversion or dismissal of the applicable Bankruptcy Case under section 1112 of the Bankruptcy Code, or the closing of the applicable Bankruptcy Case pursuant to section 350(a) of the Bankruptcy Code.

c. Ordinary Course Liabilities

Allowed Administrative Claims based on liabilities incurred by a Debtor in the ordinary course of its business after the Sale Effective Date, including Administrative Claims arising from or with respect to the sale of goods or provision of services in the ordinary course of the applicable Debtor's business, Administrative Claims of governmental units for Taxes (including Tax audit Claims), and Administrative Claims arising from those contracts and leases of the kind described in Section V.C shall be paid by Newco pursuant to the terms and conditions of the particular transaction giving rise to those Administrative Claims, without further action by the holders of such Administrative Claims or further approval by the Bankruptcy Court.

d. Bar Dates for Administrative Claims

i. General Bar Date Provisions

Except as otherwise provided in Section III.A.1.d.ii or in a Bar Date Order or other order of the Bankruptcy Court, unless previously Filed, requests for payment of Administrative Claims arising after the Sale Effective Date must be Filed and served on Newco pursuant to the procedures specified in the Confirmation Order and the notice of occurrence of the Effective Date, no later than 30 days after the Effective Date. Holders of such Administrative Claims that are required to File and serve a request for payment of such Administrative Claims and that do not File and serve such a request by the applicable Bar Date shall be forever barred from asserting such Administrative Claims against the Debtors, Newco or their respective property, and such Administrative Claims shall be deemed discharged as of the Effective Date. Objections to such requests must be Filed and served on the requesting party no later than 120 days after the Effective Date.

ii. **Bar Dates for Certain Administrative Claims**

A. Professional Fee Claims

Professionals or other entities asserting a Professional Fee Claim for services rendered before the Effective Date must File and serve on Newco and such other entities who are designated by the Bankruptcy Rules, the Professional Fee Order, the Confirmation Order or other order of the Bankruptcy Court an application for final allowance of such Professional Fee Claim no later than 60 days after the Effective Date; *provided, however,* that any professional who may receive compensation or reimbursement of expenses pursuant to the Ordinary Course Professionals Order may continue to receive such compensation and reimbursement of expenses for services rendered before the Effective Date pursuant to the Ordinary Course Professionals Order without further Bankruptcy Court review or approval (except as provided in the Ordinary Course Professionals Order). Objections to any Professional Fee Claim must be Filed and served on Newco and the requesting party by the later of (1) 90 days after the Effective Date, (2) 30 days after the Filing of the applicable request for payment of the Professional Fee Claim or (3) such other period of limitation as may be specifically fixed by a Final Order for objecting to such Professional Fee Claims. To the extent necessary, the Confirmation Order shall amend and supersede any previously entered order of the Bankruptcy Court regarding the payment of Professional Fee Claims.

B. Ordinary Course Liabilities

Except as otherwise provided in the Confirmation Order, holders of Administrative Claims arising from liabilities incurred by a Debtor in the ordinary course of its business after the Sale Effective Date, including Administrative Claims arising from or with respect to the sale of goods or provision of services in the ordinary course of the applicable Debtor's business, Administrative Claims of governmental units for Taxes including Tax audit Claims related to, and Administrative Claims arising from those contracts and leases of the kind described in Section V.C shall not be required to File or serve any request for payment of such Administrative Claims. Such Administrative Claims shall be satisfied pursuant to Section III.A.1.c. Any Administrative Claims that are filed contrary to this Section III.A.1.d.ii.B shall be deemed disallowed and expunged, subject to resolution and satisfaction in the ordinary course outside these Bankruptcy Cases.

2. Payment of Priority Tax Claims

a. Priority Tax Claims

Unless otherwise agreed by the holder of a Priority Tax Claim and the applicable Debtor or Newco, each holder of an Allowed Priority Tax Claim shall receive, in full satisfaction of its Priority Tax Claim, payment, in full in Cash, of such Priority Tax Claim on the Effective Date.

b. Other Provisions Concerning Treatment of Priority Tax Claims

Notwithstanding the provisions of Section III.A.2.a, the holder of an Allowed Priority Tax Claim shall not be entitled to receive any payment on account of any penalty arising with respect to or in connection with the Allowed Priority Tax Claim, and such penalty shall be treated as a Class 5 Claim. The holder of an Allowed Priority Tax Claim shall not assess or attempt to collect such penalty from the Debtors, Newco or their respective property (other than as provided herein).

B. Classified Claims and Interests

1. Class 1 Claims (Prepetition First Lien Lender Claims) are unimpaired. All agreed Prepetition First Lien Lender Claims were paid pursuant to the Final DIP Order. Disputed Prepetition First Lien Lender Claims for prepayment penalties that become Allowed Claims will be paid pursuant to the terms of the Final DIP Order and Sale Order from the indemnity account established for such claims.

2. Class 2 Claims (Miscellaneous Secured Claims) are unimpaired. On the Effective Date, each holder of an Allowed Claim in Class 2 will be paid in full in Cash with postpetition interest if allowed.

3. **Class 3 Claims (Priority Claims) are impaired.** On the Effective Date, each holder of an Allowed Claim in Class 3 shall receive Cash equal to the amount of such Allowed Claim without postpetition interest, unless the holder of such Priority Claim and the applicable Debtor or Newco agree to a different treatment.

4. **Class 4 Claims (General Unsecured Claims) are impaired.** Each holder of an Allowed General Unsecured Claim shall receive its Pro Rata share of Distributable Cash as set forth in, and on the terms of, Section VI.D.

5. **Class 5 Claims (Subordinated Claims) are impaired.** No property will be distributed to or retained by the holders of Allowed Subordinated Claims on account of such Claims.

6. **Class 6 Claims (Prepetition Intercompany Claims) are impaired.** No property shall be distributed to or retained by the holders of Allowed Prepetition Intercompany Claims on account of such Claims. Notwithstanding this treatment of Class 6 Claims, each holder of a Prepetition Intercompany Claim shall be deemed to have accepted the Plan.

7. **Class 7 Interests (Old Common Stock Interests) are impaired.** No property shall be distributed to or retained by the holders of Old Common Stock on account of such stock, and such Interests shall be terminated and cancelled as of the Effective Date.

8. **Class 8 Interests (Subsidiary Debtor Equity Interests) are impaired.** No property shall be distributed to or retained by the holders of Subsidiary Debtor Equity Interests on account of such Interests, and such Interests shall be terminated and cancelled as of the Effective Date. Notwithstanding this treatment of Class 8 Interests, each holder of a Subsidiary Debtor Equity Interest shall be deemed to have accepted the Plan.

C. Maximum Recovery for Secondary Liability Claims

Holders of Allowed Secondary Liability Claims against any Debtor shall be entitled to only one distribution in respect of the liabilities related to such Allowed Secondary Liability Claim and shall be deemed satisfied in full by the distributions on account of the related underlying Allowed Claim. Notwithstanding the existence of a Secondary Liability Claim, no multiple recovery on account of any Allowed Claim against any Debtor shall be provided or permitted.

ARTICLE IV MEANS FOR IMPLEMENTATION OF THE PLAN

A. Continued Corporate Existence and Vesting of Assets in Newco

On or immediately after the Effective Date, other than the transactions effectuated by the Merger, all of the Debtors shall be fully liquidated and dissolved except for Old Boscov's, which shall be merged with and into Newco, with Newco as the surviving corporation. All assets of each dissolved Debtor's Estate will be transferred to, and vest in, Newco as successor to Old Boscov's, free and clear of any and all Claims, liens, charges, other encumbrances, Interests and other interests to effectuate distributions to creditors under the Plan. Except as otherwise provided in the Plan, (1) Newco, as successor to Old Boscov's, shall continue to exist after the Effective Date as a separate legal entity, with all of the powers of such a legal entity under applicable law and without prejudice to any right to alter or terminate such existence (whether by merger, dissolution or otherwise) under applicable state law; and (2) on the Effective Date and after the effectiveness of the Merger under applicable state law, all property of Old Boscov's, unless used to satisfy Claims under the Plan or to be paid under the Plan on the Effective Date, will vest in Newco free and clear of any and all Claims, liens, charges, other encumbrances, Interests and other interests.

Prior to the Merger, the Share Cancellation and Reissuance shall occur. The cancellation of all of the outstanding shares of Old Common Stock and the issuance of a single share of common stock of Old Boscov's (which will be subsequently cancelled by the Merger) to the Responsible Person as part of the Share Cancellation and Reissuance shall be exempt from registration under the Securities Act of 1933 and section 4(2) of the Securities

Act of 1933. In addition, the issuance of one share of Newco Common Stock to the Responsible Person after the Merger shall be exempt from registration pursuant to Section 4(2) of the Securities Act of 1933.

Because Newco will not have any securities outstanding after the Share Cancellation and Reissuance and the Merger other than the share of Newco Common Stock issued to the Responsible Person, Newco shall not be subject to the periodic reporting requirements under Section 13(a) or 15(d) of the Securities Exchange Act of 1934.

B. Other Means for Implementation of the Plan

1. Post-Effective Date Transactions

Prior to the Confirmation Date, the Debtors disposed of substantially all of their material assets pursuant to the Sale and Sale Order. Upon the effectiveness of the Plan, Newco shall wind-down the Estates and dispose of any remaining assets pursuant to the Plan and the distribution scheme contained herein.

After the Effective Date, Newco may enter into such Post-Effective Date Transactions and may take such actions as it may determine to be necessary or appropriate to effect, in accordance with applicable non-bankruptcy law, the terms of the Plan. Notwithstanding the foregoing and regardless of whether any Post-Effective Date Transactions have yet been taken with respect to a particular Debtor, upon the transfer of the Debtors' assets to Newco under the Plan, the Debtors shall be deemed dissolved and their business operations withdrawn for all purposes without any necessity of filing any document, taking any further action or making any payment to any governmental authority in connection therewith.

The actions to effect the Post-Effective Date Transactions described above may include: (i) the execution and delivery of appropriate agreements or other documents of transfer, merger, consolidation, disposition, liquidation or dissolution, containing terms that are consistent with the terms of the Plan and that satisfy the requirements of applicable law, as well as other terms to which these entities may agree; (ii) the execution and delivery of appropriate instruments of transfer, assignment, assumption or delegation of any asset, property, right, liability, duty or obligation on terms consistent with the terms of the Plan and having such other terms as these entities may agree; (iii) the filing of appropriate certificates or articles of merger, consolidation, continuance or dissolution or similar instruments with the applicable governmental authorities; and (iv) the taking of all other actions that these entities determine to be necessary or appropriate, including making other filings or recordings that may be required by applicable law in connection with the Post-Effective Date Transactions.

The Post-Effective Date Transactions shall result in all of the respective assets, properties, rights, liabilities, duties and obligations of each Debtor, as of the Effective Date, vesting in Newco. Newco shall perform all obligations pursuant to the Plan to pay or otherwise satisfy the Allowed Claims against any such Debtor, except as provided in the Plan.

2. Corporate Governance and Directors and Officers

a. Newco Charter and Bylaws of Newco

As of the Effective Date, and pursuant to the Plan, the Newco Charter and Newco Bylaws shall be substantially in the forms set forth in Exhibits I and II. The Newco Charter and Newco Bylaws shall: (a) prohibit the issuance of nonvoting equity securities to the extent required by section 1123(a)(6) of the Bankruptcy Code; and (b) set forth the duties and responsibilities of the Responsible Person. On or prior to the Effective Date, Newco shall file the Newco Charter with the Secretary of State of the State of Delaware in accordance with the applicable corporate law of such state. On or prior to the Effective Date, Newco and Old Boscov's shall file a Certificate of Merger with the Secretary of State of the State of Delaware and Articles of Merger with the Secretary of State of the State of Pennsylvania in accordance with the applicable corporate laws of such states in order to effect the Merger. The Certificate of Merger and Articles of Merger shall each provide that the Newco Charter and Newco Bylaws shall survive the Merger as the charter and bylaws of Newco. After the Merger, Newco may amend and restate its

Certificate of Incorporation or bylaws as permitted by applicable state law, subject to the terms and conditions of such constituent documents.

b. Director and Officer of Newco

From and after the Effective Date: (a) the initial officer of Newco shall be the Responsible Person identified on Exhibit I to the Plan and (b) the initial board of directors of Newco shall consist of the Responsible Person. The Responsible Person shall serve from and after the Effective Date (both before and after the effectiveness of the Merger) until the earlier of (a) his or her successor is duly elected or appointed and qualified or until his or her earlier death, resignation or removal in accordance with the terms of the Newco Charter, Newco Bylaws and applicable state law; or (b) the closing of the Bankruptcy Cases. The initial Responsible Person identified on Exhibit I to the Plan shall be selected by the Creditors' Committee and any subsequent Responsible Person (if any) shall be selected by the Oversight Committee in accordance with the terms of the Newco Charter, Newco Bylaws and applicable state law.

3. Workers' Compensation Programs; No Change in Control

a. From and after the Effective Date, with respect to employees retained by Newco, if any, to effect the Plan, Newco shall continue to administer and pay all valid claims for benefits and liabilities arising under the Debtors' workers' compensation programs for which Newco is responsible under applicable state workers' compensation law, regardless of when the applicable injuries were incurred, in accordance with the Debtors' repetition practices and procedures and governing state workers' compensation law. Newco expressly reserves the right to challenge the validity of any claim for benefits or liabilities arising under any workers' compensation program.

b. The consummation of the Plan, the implementation of the Post-Effective Date Transactions or assumption and assignment of any Executory Contract or Unexpired Lease to Newco is not intended to, and shall not, constitute a change in ownership or change in control under any employee benefit plan or program, financial instrument, loan or financing agreement, Executory Contract or Unexpired Lease or contract, lease or agreement in existence on the Effective Date to which a Debtor is a party.

4. Termination of All Employee Benefit Plans and Workers' Compensation Benefits

Except as otherwise determined by Newco, all existing employee benefit plans and workers' compensation benefits not previously expired or terminated by the Debtors will be terminated on or before the Effective Date.

5. Compliance with Section 1114 of the Bankruptcy Code

Notwithstanding Section IV.B.4 from and after the Effective Date, Newco shall be obligated to pay retiree benefits (as defined in section 1114(a) of the Bankruptcy Code), if any, in accordance with the terms of any of the Debtors' retiree benefit plans or other agreements governing the payment of such benefits, subject to any rights to amend, modify or terminate such benefits under the terms of the applicable retiree benefits plan, other agreement or applicable nonbankruptcy law.

6. Corporate Action Deemed as of the Effective Date; Duties and Powers of Newco

With respect to the Post-Effective Date Transactions; the adoption of the Newco certificate of incorporation, Newco Charter and Newco Bylaws; the initial selection of the Responsible Person; the distribution of Cash pursuant to the Plan; the adoption, execution, delivery and implementation of all contracts, leases, instruments, releases and other agreements or documents related to any of the foregoing; and the other matters provided for under the Plan involving the corporate structure of the Debtors and Newco or corporate action to be taken by or required of a Debtor or Newco shall be deemed to occur and be effective as of the Effective Date, if no such other date is

specified in such other documents, and shall be authorized and approved in all respects and for all purposes without any requirement of further action by the stockholders or directors of the Debtors or Newco.

On and after the Effective Date, Newco shall be responsible for, and have the authority to: resolve all Disputed Claims, make all distributions to holders of Allowed Claims in accordance with the terms of the Plan and otherwise implement the Plan and administer the Debtors' Estates. Subject to and to the extent set forth in the Plan, the Confirmation Order, or other agreement (or any other order of the Bankruptcy Court entered pursuant to or in furtherance hereof), Newco shall be empowered to: (i) effect all actions and execute all agreements, instruments and other documents necessary to implement the Plan; (ii) accept, preserve, receive, collect, manage, invest, supervise, prosecute, settle and protect the Distributable Cash and the proceeds of the Sale, each in accordance with the Plan; (iii) sell, liquidate, transfer, distribute or otherwise dispose of any assets or any part thereof or any interest therein pursuant to the procedures for allowing Claims and making distributions prescribed in the Plan; (iv) calculate and make distributions to holders of Allowed Claims pursuant to the procedures for allowing Claims and making distributions as provided in the Plan; (v) comply with the Plan and exercise its rights in accordance with the Newco Certificate of Incorporation, Newco Charter and Newco Bylaws; (vi) review, reconcile, settle or object to Claims and resolve such objections as set forth in the Plan; (vii) employ professionals as necessary to discharge its duties and obligations; (viii) file appropriate Tax returns and other reports on behalf of the Debtors and pay Taxes or other obligations owed by the Debtors; (ix) exercise such other powers as may be vested in Newco or as deemed by such person to be necessary and proper to implement the provisions of the Plan; (x) take such actions as are necessary or appropriate to close or dismiss any or all of the Bankruptcy Cases; and (xi) dissolve Newco.

C. Obtaining Cash for Plan Distributions; Funding of Newco

1. Cash for Plan Distributions

The sources of the Cash necessary for Newco to make the distributions called for under the Plan shall include the proceeds of the Sale, the Purchaser Note, the proceeds of any tax refunds received by the Debtors and the disposition of all other assets of Newco.

2. Recourse Solely to Distributable Cash

All Claims against the Debtors are deemed fully satisfied, waived and released in exchange for the treatment of such Claims under the Plan, and holders of Allowed Claims against any Debtor will have recourse solely to the applicable Distributable Cash for the payment of their Allowed Claims in accordance with the terms of the Plan.

3. Funding of Newco

Newco shall be funded as provided herein in accordance with the Plan and will be vested with responsibility for implementing the Plan and administering the Debtors' Estates.

4. Newco Expense Reserve Account

On the Effective Date, Newco shall establish the Newco Expense Reserve Account to fund all Newco Expenses in an aggregate amount to be agreed upon by the Debtors and the Committee. To the extent the funds deposited in the Newco Expense Reserve Account are not sufficient to pay all Newco Expenses, the Responsible Person, in consultation with the Oversight Committee, shall have the authority to transfer funds from the Disputed Unsecured Claims Reserve Account to the Newco Expense Reserve Account to pay all such Newco Expenses.

5. Purchaser Note

Newco shall receive and distribute in accordance with the Plan all payments required to be made by the Purchaser under the Purchaser Note and shall have the authority to enforce the terms of the Purchaser Note in consultation with the Oversight Committee.

6. Reports to be Filed by the Responsible Person

The Responsible Person shall File with the Bankruptcy Court quarterly reports regarding the administration of property vested in Newco pursuant to the Plan, distributions made, and other matters relating to the implementation of the Plan.

7. Expenses for Professionals of Newco

Newco, in consultation with the Oversight Committee, may employ, without further order of the Bankruptcy Court, professionals to assist in carrying out its duties hereunder and may compensate and reimburse the expenses of these professionals without further order of the Bankruptcy Court in accordance with the Plan.

D. Effect of Confirmation of the Plan

1. Sale and Settlement of Causes of Action by the Debtors

Pursuant to the Sale and Settlement Orders, respectively, the Debtors have resolved substantially all Causes of Action belonging to the Estates. Notwithstanding the immediate preceding sentence, in accordance with section 1123(b) of the Bankruptcy Code, Newco shall retain all Retained Causes of Action that the Debtors or the Estates may hold against any entity, which were not resolved pursuant to the Sale Order, the Settlement Order or any other order of the Bankruptcy Court, including, but not limited to, those Retained Causes of Action listed on Exhibit IV hereto. In consultation with the Oversight Committee, Newco shall have authority to prosecute or settle all such Retained Causes of Action for the benefit of the Estates.

2. Comprehensive Settlement of Claims and Controversies

Pursuant to Bankruptcy Rule 9019 and in consideration for the distributions and other benefits provided under the Plan, the provisions of the Plan shall constitute a good faith compromise and settlement of all claims or controversies relating to the rights that a holder of a Claim or Interest may have with respect to any Allowed Claim or Allowed Interest or any distribution to be made pursuant to the Plan on account of any Allowed Claim or Allowed Interest. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, as of the Effective Date, of the compromise or settlement of all such claims or controversies and the Bankruptcy Court's finding that such compromise or settlement is in the best interests of the Debtors, Newco, the Estates and their respective property and Claim and Interest holders and is fair, equitable and reasonable.

E. Special Provisions Regarding Insured Claims

Distributions under the Plan to each holder of an Allowed Insured Claim shall be in accordance with the treatment provided under the Plan for the Class in which such Allowed Insured Claim is classified, but solely to the extent that such Allowed Insured Claim is not satisfied from proceeds payable to the holder thereof under any pertinent insurance policies and applicable law. Nothing in this Section IV E shall constitute a waiver of any claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action or liabilities that any entity may hold against any other entity, including the Debtors' insurance carriers.

F. Cancellation of Old Common Stock and Subsidiary Debtor Equity Interests

The Old Common Stock and Subsidiary Debtor Equity Interests shall be deemed canceled and of no further force and effect upon the Effective Date. The holders of, or parties to, such canceled securities and other documentation shall have no rights arising from or relating to such securities and other documentation or the cancellation thereof. As of the close of business on the Distribution Record Date, the transfer registers for the Old Common Stock and the Subsidiary Debtor Equity Interests, respectively, shall be closed.

G. Release of Liens

Except as otherwise provided in the Plan or in any contract, instrument, release or other agreement or document entered into or delivered in connection with the Plan, on the Effective Date and consistent with the treatment provided for Claims and Interests in Article III, all mortgages, deeds of trust, liens or other security interests against the property of any Estate shall be fully released and discharged, and all of the right, title and interest of any holder of such mortgages, deeds of trust, liens or other security interests, including any rights to any Collateral thereunder, shall revert to the applicable Newco and its successors and assigns. As of the Effective Date, Newco shall be authorized but not required to execute and file on behalf of creditors Form UCC-3 Termination Statements or such other forms as may be necessary or appropriate to implement the provisions of this Section IV.G.

H. Effectuating Documents; Further Transactions; Exemption from Certain Transfer Taxes

The Responsible Person shall be authorized to execute, deliver, file or record such contracts, instruments, releases and other agreements or documents and take such actions as may be necessary or appropriate to effectuate and implement the provisions of the Plan. The Responsible Person shall be authorized to certify or attest to any of the foregoing actions. Pursuant to section 1146(c) of the Bankruptcy Code, the following shall not be subject to any stamp Tax, real estate transfer Tax, mortgage recording Tax, sales or use Tax or similar Tax: (1) the issuance, transfer or exchange of Newco Common Stock; (2) any Post-Effective Date Transaction; or (3) the making or delivery of any deed or other instrument of transfer under, in furtherance of or in connection with the Plan, including any merger agreements, agreements of consolidation, restructuring, disposition, liquidation or dissolution, deeds, bills of sale or assignments executed in connection with any of the foregoing or pursuant to the Plan.

ARTICLE V TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

A. Executory Contracts and Unexpired Leases to Be Rejected

On the Effective Date, except for the Executory Contracts or Unexpired Leases listed on Exhibit III, if any, and except to the extent that a Debtor either previously has assumed, assumed and assigned or rejected an Executory Contract or Unexpired Lease by an order of the Bankruptcy Court, including, but not limited to, the Sale Order, or has filed a motion to assume or assume and assign an Executory Contract or Unexpired Lease prior to the Effective Date, each Executory Contract and Unexpired Lease entered into by a Debtor prior to the Petition Date that has not previously expired or terminated pursuant to its own terms will be rejected pursuant to section 365 of the Bankruptcy Code. Each contract and lease will be rejected only to the extent that any such contract or lease constitutes an Executory Contract or Unexpired Lease. The Confirmation Order will constitute an order of the Bankruptcy Court approving such rejections, pursuant to section 365 of the Bankruptcy Code, as of the Effective Date.

B. Bar Date for Rejection Claims

Notwithstanding anything in the Bar Date Order to the contrary, if the rejection of an Executory Contract or Unexpired Lease pursuant to the Plan gives rise to a Claim by the other party or parties to such contract or lease, such Rejection Claim will be forever barred and will not be enforceable against Newco unless a proof of Claim is Filed and served on Newco, pursuant to the procedures specified in the Confirmation Order and the notice of the Effective Date or another order of the Bankruptcy Court, no later than 30 days after the Effective Date.

C. Executory Contracts and Unexpired Leases to Be Assumed

1. Assumption Generally

Except as otherwise provided in the Plan or in any contract, instrument, release or other agreement or document entered into in connection with the Plan, on the Effective Date, pursuant to section 365 of the Bankruptcy Code, Newco shall assume each of the respective Executory Contracts and Unexpired Leases, if any, listed on Exhibit III; *provided, however*, that the Debtors reserve the right, at any time prior to the Effective Date, to amend Exhibit III to: (a) delete any Executory Contract or Unexpired Lease listed therein, thus providing for its rejection pursuant hereto; or (b) add any Executory Contract or Unexpired Lease to Exhibit III, thus providing for its assumption pursuant to this Section V.C.1. The Debtors shall provide notice of any amendments to Exhibit III to the parties to the Executory Contracts or Unexpired Leases affected thereby and to the parties on the then-applicable service list in the Bankruptcy Cases. Nothing herein shall constitute an admission by a Debtor that any contract or lease is an Executory Contract or Unexpired Lease or that a Debtor has any liability thereunder.

2. Assumptions of Executory Contracts and Unexpired Leases

Each Executory Contract or Unexpired Lease assumed under Section V.C.1 shall include any modifications, amendments, supplements or restatements to such contract or lease.

3. Assignments Related to Post-Effective Date Transactions

As of the Effective Date, any Executory Contract or Unexpired Lease assumed under Section V.C.1 shall be deemed assigned to Newco, pursuant to section 365 of the Bankruptcy Code.

4. Approval of Assumptions and Assumption Procedures

The Confirmation Order shall constitute an order of the Bankruptcy Court approving the assumptions described in Section V.C.1, pursuant to section 365 of the Bankruptcy Code, as of the Effective Date. The procedures for assumption of an Executory Contract or Unexpired Lease are as follows:

a. After the entry of the Confirmation Order, the Debtors shall serve upon each party to an Executory Contract or Unexpired Lease being assumed pursuant to the Plan notice of: (i) the contract or lease being assumed or assumed and assigned; (ii) the Cure Amount Claim, if any, that the applicable Debtor believes it would be obligated to pay in connection with such assumption; and (iii) the procedures for such party to object to the assumption or assumption and assignment of the applicable contract or lease or the amount of the proposed Cure Amount Claim.

b. Any entity wishing to object to (i) the proposed assumption of an Executory Contract or Unexpired Lease under the Plan or (ii) the proposed amount of the related Cure Amount Claim must File and serve on counsel to Newco a written objection setting forth the basis for the objection within 20 days of service of the notice described in Section V.C.4.a.

c. If no objection to the proposed assumption or Cure Amount Claim is properly Filed and served prior to the objection deadline with respect to an Executory Contract or Unexpired Lease: (i) the proposed assumption of the Executory Contract or Unexpired Lease shall be approved in accordance with the Plan and the Confirmation Order, effective as of the Effective Date, without further action of the Bankruptcy Court; and (ii) the Cure Amount Claim identified by the Debtors in the notice shall be fixed and shall be paid in accordance with the Plan on or after the Effective Date, without further action of the Bankruptcy Court, to the appropriate contract or lease party identified on the notice.

d. If an objection to the proposed assumption or Cure Amount Claim is properly Filed and served prior to the objection deadline with respect to an Executory Contract or Unexpired Lease, Newco and the objecting party may resolve such objection by stipulation, without further action of the Bankruptcy Court.

e. If an objection to the proposed assumption or Cure Amount Claim is properly Filed and served prior to the objection deadline with respect to an Executory Contract or Unexpired Lease and the parties are unable to resolve such objection: (i) Newco may File a reply to such objection no later than 30 days after the Filing and service of such objection and ask the Bankruptcy Court to schedule a hearing on the particular objection and the related reply at an appropriate time; or (ii) Newco may designate the Executory Contract or Unexpired Lease underlying such objection for rejection pursuant to Section V.A and amend Exhibit III accordingly.

D. Payments Related to the Assumption of Executory Contracts and Unexpired Leases

To the extent that such Claims constitute monetary defaults, the Cure Amount Claims associated with each Executory Contract and Unexpired Lease to be assumed pursuant to the Plan shall be satisfied, pursuant to section 365(b)(1) of the Bankruptcy Code: (1) by payment of the Cure Amount Claim in Cash on or after the Effective Date; or (2) on such other terms as are agreed to by the parties to such Executory Contract or Unexpired Lease. Pursuant to section 365(b)(2)(D) of the Bankruptcy Code, no Cure Amount Claim shall be allowed for a penalty rate or other form of default rate of interest. If there is an unresolved dispute regarding: (1) the amount of any Cure Amount Claim; (2) the ability of Newco or any assignee to provide "adequate assurance of future performance" (within the meaning of section 365 of the Bankruptcy Code) under the contract or lease to be assumed; or (3) any other matter pertaining to assumption of such contract or lease, the payment of any Cure Amount Claim required by section 365(b)(1) of the Bankruptcy Code shall be made following the entry of a Final Order resolving the dispute and approving the assumption.

ARTICLE VI
PROVISIONS GOVERNING DISTRIBUTIONS

A. Distributions for Claims Allowed as of the Effective Date

Except as otherwise provided in this Article VI, distributions of Cash to be made on the Effective Date to holders of Claims as provided by Article III or Article V that are allowed as of the Effective Date shall be deemed made on the Effective Date if made on the Effective Date or as promptly thereafter as practicable, but in any event no later than: (1) 60 days after the Effective Date; or (2) with respect to any particular Claim, such later date as specified in the Plan. Distributions on account of Claims that become Allowed Claims after the Effective Date shall be made pursuant to Section VI.D.2.c.

B. Method of Distributions to Holders of Claims

The Responsible Person, on behalf of Newco, shall make all distributions on account of Allowed Claims under the Plan. At the sole discretion of the Oversight Committee, the Responsible Person may serve with a bond or similar financial instrument, and the Responsible Person, in consultation with the Oversight Committee, may employ or contract with other entities to assist it making distributions required by the Plan.

C. Delivery of Distributions and Undeliverable or Unclaimed Distributions

1. Delivery of Distributions

Distributions to holders of Allowed Claims shall be made by the Responsible Person, on behalf of Newco, on each Distribution Date: (a) at the addresses set forth on the respective proofs of Claim Filed by holders of such Claims; (b) at the addresses set forth in any written certification of address change delivered to the Responsible Person; (c) at the addresses reflected in the applicable Debtor's Schedules if no proof of Claim has been Filed and the Responsible Person has not received a written notice of a change of address; or (d) if clauses (a), (b) and (c) are not applicable, at the last address directed by such holder after such Claim becomes an Allowed Claim.

2. Undeliverable Distributions Held by Newco

a. Holding of Undeliverable Distributions

Subject to Section VI.C.2.c, distributions returned to Newco or otherwise undeliverable shall remain in the possession of Newco pursuant to this Section VI.C.2.a until such time as a distribution becomes deliverable. Subject to Section VI.C.2.c, undeliverable Cash shall be held by Newco for the benefit of the potential claimants of such Distributable Cash. Newco shall invest such Cash in a manner consistent with the Debtors' previous investment and deposit guidelines.

b. After Distributions Become Deliverable

On each Distribution Date, the Responsible Person, on behalf of Newco, shall make all distributions that become deliverable to holders of Allowed Claims since the preceding Distribution Date. Each such distribution shall include, to the extent applicable, a Pro Rata share of the Cash Investment Yield from the investment of any undeliverable Cash from the date that such distribution would have first been due had it then been deliverable to the date that such distribution becomes deliverable.

c. Failure to Claim Undeliverable Distributions

Any holder of an Allowed Claim that does not assert a claim pursuant to the Plan for an undeliverable distribution to be made by Newco within one year after the later of (i) the Effective Date and (ii) the last date on which a distribution was deliverable to such holder shall have its claim for such undeliverable distribution discharged and shall be forever barred from asserting any such claim against Newco or its property. In such cases, unclaimed Distributable Cash shall be distributed by Newco to all other known holders of Allowed Class 4 Claims on a Pro Rata basis. Nothing contained in the Plan shall require Newco to attempt to locate any holder of an Allowed Claim.

D. Timing and Calculation of Amounts to Be Distributed

1. Allowed Claims

Subject to Section VI.A and the treatment of Claims described in Article III, on or after the Effective Date, each holder of an Allowed Claim (other than holders of Claims in Class 4) shall receive the full amount of the distributions that the Plan provides for Allowed Claims. Subject to Section III.A on each Distribution Date, distributions also shall be made, pursuant to Section VI.D.2.c, to holders of Disputed Claims that were allowed since the preceding Distribution Date. Such distributions also shall be in the full amount that the Plan provides for Allowed Claims.

2. Distributions to Holders of Allowed Claims in Class 4

a. Distributions of Distributable Cash

Pursuant to the Plan and the priority scheme contained in the Bankruptcy Code, Newco, on each Distribution Date, shall, through the Responsible Person, distribute to each holder of an Allowed Claim in Class 4 its Pro Rata share of the Distributable Cash.

b. Creation and Funding of Disputed Unsecured Claims Reserve Account

On and after the Effective Date, after the creation and funding of the Newco Expense Reserve Account pursuant to Section IV.C.4, the Disputed Unsecured Claims Reserve Account shall be funded by the transfer of Disputed Unsecured Claims Reserve Cash from Newco for the benefit of holders of Disputed Claims that become Allowed Claims in Class 4. For the purpose of calculating the amount of Disputed Unsecured Claims Reserve Cash to be contributed to the Disputed Unsecured Claims Reserve Account, all Disputed Claims in Class 4 shall be treated (solely for purposes of funding the Disputed Unsecured Claims Reserve Account) as Allowed

Claims in the Face Amount of such Claims or as otherwise agreed to by the holder of such Disputed Unsecured Claim and the applicable Debtor or Newco, or as determined by further order of the Bankruptcy Court. In addition, Disputed Claims rendered duplicative as a result of the consolidation of the Debtors pursuant to Section VIII.A shall only be counted once for purposes of funding the Disputed Unsecured Claims Reserve Account. Newco shall invest any Cash held in the Disputed Unsecured Claims Reserve Account in a manner consistent with the Debtors' prior investment and deposit guidelines.

c. Distributions of Disputed Unsecured Claims Reserve Cash

On each Distribution Date, a holder of an Allowed Claim in Class 4 that ceased being a Disputed Claim subsequent to the most recent prior Distribution Date shall receive a Catch-Up Distribution from the Disputed Unsecured Claims Reserve Account. Subject to this Section VI.D.2.c, if, prior to a Distribution Date, a Disputed Claim in Class 4 is Allowed in an amount that is less than the Face Amount of such Disputed Claim, an amount of Disputed Unsecured Claims Reserve Cash equal to the difference between amount of Cash distributable on the Allowed amount and the reserved amount of such Disputed Claim will be distributed Pro Rata to the holders of Allowed Claims in Class 4 on the next Distribution Date.

d. Record Dates for Distributions; Postponement of Distribution Dates

Newco may establish a record date prior to each Distribution Date such that only Claims Allowed as of the record date shall participate in such distribution. Notwithstanding the foregoing, the Responsible Person, on behalf of Newco, reserves the right, to the extent it determines a distribution on any Distribution Date is uneconomical or unfeasible, or is otherwise unadvisable, to postpone a Distribution Date.

3. De Minimis Distributions

Newco shall not distribute Cash to the holder of an Allowed Claim in an impaired Class if the amount of Cash to be distributed on account of such Claim is less than \$25. Any holder of an Allowed Claim on account of which the amount of Cash to be distributed is less than \$25 shall have its claim for such distribution discharged and shall be forever barred from asserting any such claim against Newco or its property. Any Cash not distributed pursuant to this Section VI.D.3 shall be the property of Newco, free of any restrictions thereon.

4. Compliance with Tax Requirements

a. In connection with the Plan, to the extent applicable, Newco shall comply with all Tax withholding and reporting requirements imposed on it by any governmental unit, and all distributions pursuant to the Plan shall be subject to such withholding and reporting requirements. Newco shall be authorized to take any actions that may be necessary or appropriate to comply with such withholding and reporting requirements.

b. Notwithstanding any other provision of the Plan, each entity receiving a distribution of Cash pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any Tax obligations imposed on it by any governmental unit on account of such distribution, including income, withholding and other Tax obligations.

E. Distribution Record Date

1. Newco shall have no obligation to, and shall not, recognize the transfer of, or the sale of any participation in, any Allowed Claim that occurs after the Distribution Record Date and shall be entitled for all purposes herein to recognize and make distributions only to those holders of Allowed Claims that are holders of such Claims, or participants therein, as of the Distribution Record Date.

2. Except as otherwise provided in a Final Order, the transferees of Claims that are transferred pursuant to Bankruptcy Rule 3001 prior to the Distribution Record Date shall be treated as the holders of such Claims for all purposes, notwithstanding that any period provided by Bankruptcy Rule 3001 for objecting to such transfer has not expired by the Distribution Record Date.

F. Means of Cash Payments

Except as otherwise specified herein, Cash payments made pursuant to the Plan shall be in U.S. currency by checks drawn on a domestic bank selected by Newco or, at the option of Newco, by wire transfer from a domestic bank; *provided, however,* that Cash payments to foreign holders of Allowed Claims may be made, at the option of Newco, in such funds and by such means as are necessary or customary in a particular foreign jurisdiction.

G. Setoffs

Except with respect to (1) claims of a Debtor or Newco released pursuant to the Plan or any contract, instrument, release or other agreement or document entered into or delivered in connection with the Plan; or (2) the Chapter 5 Claims purchased by the Purchaser pursuant to section 2.1(b)(xiii) of the Sale Agreement, Newco may, pursuant to section 553 of the Bankruptcy Code or applicable nonbankruptcy law, set off against any Allowed Claim and the distributions to be made pursuant to the Plan on account of the Claim (before any distribution is made on account of the Claim) the claims, rights and Causes of Action of any nature that the applicable Debtor or Newco may hold against the holder of the Allowed Claim; *provided, however,* that neither the failure to effect a setoff nor the allowance of any Claim hereunder shall constitute a waiver or release by the applicable Debtor or Newco of any claims, rights and Causes of Action that the Debtor or Newco may possess against the Claim holder.

ARTICLE VII PROCEDURES FOR RESOLVING DISPUTED CLAIMS

A. Treatment of Disputed Claims

1. Tort Claims

After the Effective Date, at Newco's option, any unliquidated Tort Claim (as to which a proof of Claim was timely filed in the Bankruptcy Cases) not resolved through Final Order of the Bankruptcy Court or as agreed to by the holder of such unliquidated Tort Claim and the applicable Debtor or Newco, shall be determined and liquidated in the administrative or judicial tribunal(s) in which it is pending on the Effective Date or, if no action was pending on the Effective Date, in any administrative or judicial tribunal of appropriate jurisdiction. Newco may exercise the above option by service upon the holder of the applicable Tort Claim of a notice informing the holder of such Tort Claim that Newco has exercised such option. Upon Newco's service of such notice, the injunction set forth in Section XI.A and the automatic stay imposed by operation of section 362 of the Bankruptcy Code, shall be deemed modified, without the necessity for further Bankruptcy Court approval, solely to the extent necessary to allow the parties to determine or liquidate the Tort Claim in the applicable administrative or judicial tribunal(s). Notwithstanding the foregoing, at all times prior to or after the Effective Date, the Bankruptcy Court shall retain jurisdiction relating to Tort Claims, including the Debtors' or Newco's rights to have such Claims determined and/or liquidated in the Bankruptcy Court (or the United States District Court having jurisdiction over the Bankruptcy Cases) pursuant to section 157(b)(2)(B) of title 28 of the United States Code, as may be applicable. Any Tort Claim determined and liquidated pursuant to a judgment obtained in accordance with this Section VII.A.1 and applicable non-bankruptcy law that is no longer appealable or subject to review shall be deemed an Allowed Claim, as applicable, in Class 4 against the applicable Debtor in such liquidated amount, provided that only the amount of such Allowed Claim that is less than or equal to the Debtor's self-insured retention or deductible in connection with any applicable insurance policy and is not satisfied from proceeds of insurance payable to the holder of such Allowed Claim under the Debtors' insurance policies shall be treated as an Allowed Claim for the purposes of distributions under the Plan. In no event shall a distribution be made under the Plan to the holder of a Tort Claim on account of any portion of an Allowed Claim in excess of the applicable Debtor's deductible or self-insured retention under any applicable insurance policy. In the event a Tort Claim is determined and liquidated pursuant to a judgment or order that is obtained in accordance with this Section VII.A.1 and is no longer appealable or subject to review, and applicable non-bankruptcy law provides for no recovery against the applicable Debtor, such Tort Claim shall be deemed expunged without the necessity for further Bankruptcy Court approval upon the applicable Debtor's service of a copy of such judgment or order upon the holder of such Tort Claim. Nothing contained in this Section shall constitute or be deemed a waiver of any claim, right or Cause of Action that a Debtor may have against any person or entity in connection with or arising out of any Tort Claim, including but not limited to any rights under

section 157(b)(5) of title 28 of the United States Code. All claims, demands, rights, defenses and Causes of Action that the Debtors or Newco may have against any person or entity in connection with or arising out of any Tort Claim are expressly retained and preserved.

2. Disputed Insured Claims

The resolution of Disputed Insured Claims, including Tort Claims, pursuant to this Section VII.A.2 shall be subject to the provisions of Section IV.E of the Plan.

3. No Distributions Pending Allowance; Partial Distributions

a. Notwithstanding any other provision of the Plan, except as provided in Article VI, no payments or distributions shall be made on account of a Disputed Claim until such Claim becomes an Allowed Claim. In lieu of distributions under the Plan to holders of Disputed Claims in Class 4, the Disputed Unsecured Claims Reserve Account shall be established on the Effective Date to hold the Disputed Unsecured Claims Reserve Cash for the benefit of those Claim holders.

b. Notwithstanding Section VII.A.3a., Holders of Disputed Claims in Class 4 in an amount less than \$100,000 shall be entitled to distributions on account of the Allowed portion, if any, of such Disputed Claims pending final resolution of the disputed portion of such claim.

B. Prosecution of Objections to Claims

1. Objections to Claims

All objections to Claims must be Filed and served on the holders of such Claims by the Claims Objection Bar Date. If an objection has not been Filed to a proof of Claim or a scheduled Claim by the Claims Objection Bar Date, the Claim to which the proof of Claim or scheduled Claim relates shall be treated as an Allowed Claim if such Claim has not been allowed earlier. An objection is deemed to have been timely Filed as to all Tort Claims, thus making each such Claim a Disputed Claim as of the Claims Objection Bar Date. Each such Tort Claim shall remain a Disputed Claim until it becomes an Allowed Claim in accordance with Section I.A.2.

2. Authority to Prosecute Objections

After the Effective Date, only Newco shall have the authority to File, settle, compromise, withdraw or litigate to judgment objections to Claims, including pursuant to any alternative dispute resolution or similar procedures approved by the Bankruptcy Court. Newco may settle or compromise any Disputed Claim up to an Allowed Amount of \$500,000 or less or any objection or controversy relating to any Claim without approval of the Bankruptcy Court.

3. Authority to Amend Schedules

After the Effective Date, Newco, in consultation with the Oversight Committee, shall have the authority to amend the Schedules with respect to any Claim and to make distributions based on such amended Schedules without approval of the Bankruptcy Court. If any such amendment to the Schedules or reduces the amount of a Claim or changes the nature or priority of a Claim, Newco shall provide the holder of such Claim with notice of such amendment and such holder shall have 20 days to File an objection to such amendment with the Bankruptcy Court. If no such objection is Filed, Newco may proceed with distributions based on such amended Schedules without approval of the Bankruptcy Court.

4. Distributions on Account of Disputed Claims Once Allowed

Distributions on account of Disputed Claims that become Allowed Claims after the Effective Date shall be made in accordance with Article VI of the Plan.

ARTICLE VIII **CONSOLIDATION OF THE DEBTORS**

A. Consolidation

The Confirmation Order shall approve the consolidation of the Debtors solely for the purpose of implementing the Plan, including for purposes of voting, Confirmation and distributions to be made under the Plan. Pursuant to such order: (1) all assets and liabilities of the Debtors shall be deemed merged; (2) all guarantees by one Debtor of the obligations of any other Debtor shall be deemed eliminated so that any Claim against any Debtor and any guarantee thereof executed by any other Debtor and any joint or several liability of any of the Debtors shall be deemed to be one obligation of the Debtors; and (3) each and every Claim Filed or to be Filed in the Bankruptcy Case of any of the Debtors shall be deemed Filed against the Debtors and shall be deemed one Claim against, and a single obligation of the Debtors.

Such consolidation (other than for the purpose of implementing the Plan) shall not affect: (1) the legal and corporate structures of the Debtors, subject to the right of the Debtors to effect dissolutions or mergers as provided in Section IV.B; (2) distributions from any insurance policies or proceeds of such policies; or (3) the revesting of assets in Newco pursuant to Section IV.A. In addition, such consolidation shall not constitute a waiver of the mutuality requirement for setoff under section 553 of the Bankruptcy Code.

B. Order Granting Consolidation and Closing of Cases

This Plan serves as a motion seeking entry of an order consolidating the Debtors, as described and to the limited extent set forth in Section VIII.A above and the closing of the Cases for the Subsidiary Debtors. Unless an objection to such consolidation or case closing is made in writing by any creditor affected by the Plan, Filed with the Bankruptcy Court and served on the parties listed in Section XIII.F on or before five days before either the Voting Deadline or such other date as may be fixed by the Bankruptcy Court, the consolidation and case closing order (which may be the Confirmation Order) may be entered by the Bankruptcy Court. In the event any such objections are timely Filed, a hearing with respect thereto shall occur at or before the Confirmation Hearing.

ARTICLE IX **CONDITIONS PRECEDENT TO CONFIRMATION AND CONSUMMATION OF THE PLAN**

A. Conditions to Confirmation

The Bankruptcy Court shall not be requested to enter the Confirmation Order, unless and until the following conditions have been satisfied or duly waived pursuant to Section IX.C:

1. The Confirmation Order shall be reasonably acceptable in form and substance to the Debtors and the Creditors' Committee.

2. All Exhibits to the Plan are in form and substance reasonably satisfactory to the Debtors and the Creditors' Committee.

B. Conditions to the Effective Date

The Effective Date shall not occur, and the Plan shall not be consummated unless and until the following conditions have been satisfied or duly waived pursuant to Section IX.C:

1. The Bankruptcy Court shall have entered the Confirmation Order, which shall be a Final Order.

2. The Newco Charter and Newco Bylaws are in full force and effect and Newco has been vested with the authority to carry out the Post-Effective Date Transactions.

C. Waiver of Conditions to the Confirmation or Effective Date

The conditions to Confirmation and the conditions to the Effective Date may be waived in whole or part at any time by the Debtors and the Creditors' Committee, without an order of the Bankruptcy Court.

D. Effect of Nonoccurrence of Conditions to the Effective Date

If each of the conditions to the Effective Date is not satisfied or duly waived in accordance with Section IX.C, then upon motion by the Debtors or any party in interest made before the time that each of such conditions has been satisfied and upon notice to such parties in interest as the Bankruptcy Court may direct, the Confirmation Order shall be vacated by the Bankruptcy Court; *provided, however*, that, notwithstanding the Filing of such motion, the Confirmation Order may not be vacated if each of the conditions to the Effective Date is satisfied before the Bankruptcy Court enters an order granting such motion. If the Confirmation Order is vacated pursuant to this Section IX.D: (1) the Plan shall be null and void in all respects and (2) nothing contained in the Plan shall (a) constitute a waiver or release of any claims by or against, or any Interest in, any Debtor or (b) prejudice in any manner the rights of the Debtors or any other party in interest.

ARTICLE X CRAMDOWN

The Debtors request Confirmation under section 1129(b) of the Bankruptcy Code with respect to any impaired Class that has not accepted or is deemed not to have accepted the Plan pursuant to section 1126 of the Bankruptcy Code.

ARTICLE XI INJUNCTION AND SUBORDINATION RIGHTS

A. Injunction

Except as provided in the Plan or the Confirmation Order and other than with respect to a right of recoupment or a setoff, as of the Effective Date, all entities that have held, currently hold or may hold a Claim or other debt or liability subject to the Plan or an Interest or other right of an equity security holder that is terminated pursuant to the terms of the Plan will be permanently enjoined from taking any of the following actions in respect of any such Claims, debts, liabilities, Interests or rights: (a) commencing or continuing in any manner any action or other proceeding against the Debtors or Newco, other than to enforce any right pursuant to the Plan to a distribution from Newco; (b) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against the Debtors or Newco other than as permitted pursuant to (a) above; (c) creating, perfecting or enforcing any Lien or encumbrance against the Debtors or their respective property; (d) asserting a right of subrogation of any kind against any debt, liability or obligation due to the Debtors; and (e) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of the Plan.

B. Subordination Rights

The classification and manner of satisfying Claims and Interests under the Plan does not take into consideration subordination rights, and nothing in the Plan or Confirmation Order shall affect any subordination rights that a holder of a Claim may have with respect to any distribution to be made pursuant to the Plan, whether arising under general principles of equitable subordination, contract, section 510(c) of the Bankruptcy Code or otherwise.

C. Automatic Stay

Except as provided herein or otherwise determined by order of the Bankruptcy Court, the automatic stay imposed by operation of section 362 of the Bankruptcy Code shall remain in full force and effect until the earlier of the time the Bankruptcy Cases are closed or dismissed.

ARTICLE XII **RETENTION OF JURISDICTION**

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court shall retain such exclusive jurisdiction over the Bankruptcy Cases after the Effective Date as is legally permissible, including jurisdiction to:

1. allow, disallow, determine, liquidate, reduce, classify, re-classify, estimate or establish the priority or secured or unsecured status of any Claim or Interest, including the resolution of any request for payment of any Administrative Claim and the resolution of any objections to the amount, allowance, priority or classification of Claims or Interests;
2. grant or deny any applications for allowance of compensation or reimbursement of expenses authorized pursuant to the Bankruptcy Code or the Plan for periods ending on or before the Effective Date;
3. resolve any matters related to the assumption, assumption and assignment or rejection of any Executory Contract or Unexpired Lease to which any Debtor is a party or with respect to which any Debtor or Newco may be liable and to hear, determine and, if necessary, liquidate any Claims arising therefrom, including any Cure Amount Claims;
4. ensure that distributions to holders of Allowed Claims are accomplished pursuant to the provisions of the Plan;
5. decide or resolve any motions, adversary proceedings, contested or litigated matters and any other matters and grant or deny any applications involving any Debtor or Newco that may be pending on the Effective Date or brought thereafter;
6. enter such orders as may be necessary or appropriate to implement or consummate the provisions of the Plan and all contracts, instruments, releases and other agreements or documents entered into or delivered in connection with the Plan, the Disclosure Statement or the Confirmation Order;
7. resolve any cases, controversies, suits or disputes that may arise in connection with the consummation, interpretation or enforcement of the Plan or any contract, instrument, release or other agreement or document that is entered into or delivered pursuant to the Plan or any entity's rights arising from or obligations incurred in connection with the Plan or such documents;
8. modify the Plan before or after the Effective Date pursuant to section 1127 of the Bankruptcy Code; modify the Confirmation Order or any contract, instrument, release or other agreement or document entered into or delivered in connection with the Plan, or the Confirmation Order; or remedy any defect or omission or reconcile any inconsistency in any Bankruptcy Court order, the Plan, the Confirmation Order or any contract, instrument, release or other agreement or document entered into, delivered or created in connection with the Plan or the Confirmation Order, in such manner as may be necessary or appropriate to consummate the Plan;
9. issue injunctions, enforce the injunctions contained in the Plan and the Confirmation Order, enter and implement other orders or take such other actions as may be necessary or appropriate to restrain interference by any entity with consummation, implementation or enforcement of the Plan or the Confirmation Order;
10. enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason or in any respect modified, stayed, reversed, revoked or vacated or distributions pursuant to the Plan are enjoined or stayed;
11. determine any other matters that may arise in connection with or relate to the Plan, the Confirmation Order or any contract, instrument, release or other agreement or document entered into or delivered in connection with the Plan or the Confirmation Order;

12. enter a final decree closing the Bankruptcy Cases;
13. determine matters concerning state, local and federal Taxes in accordance with sections 346, 505 and 1146 of the Bankruptcy Code, including any Disputed Claims for Taxes;
14. adjudicate any matters delegated or transferred to the Oversight Committee, including, but not limited to, the prosecution of any Retained Causes of Action;
15. recover all assets of the Debtors and their Estates, wherever located; and
16. hear any other matter not inconsistent with the Bankruptcy Code.

ARTICLE XIII **MISCELLANEOUS PROVISIONS**

A. Dissolution of Creditors' Committee; Oversight Committee

On the Effective Date, the Creditors' Committee, except as set forth below shall dissolve, and the members thereof shall be released and discharged from all duties and obligations arising from or related to the Bankruptcy Cases. The Professionals retained by the Creditors' Committee and the respective members thereof shall not be entitled to assert any Fee Claims for any services rendered or expenses incurred after the Effective Date, except for fees for time spent and expenses incurred: (a) in connection with any applications for allowance of compensation and reimbursement of expenses pending on the Effective Date or Filed and served after the Effective Date pursuant to Section III.A.1.d.ii.A; (b) in connection with any appeal pending as of the Effective Date, including any appeal of the Confirmation Order; or (c) in connection with the resolution of any disputed Prepetition First Lien Lenders Claims.

The Oversight Committee shall be formed on the Effective Date and shall consist of up to nine (9) members. Each member of the Creditors' Committee is entitled to be a member of the Oversight Committee. Each such member's appointment to the Oversight Committee shall be subject to the consent (which shall not unreasonably be withheld) of the Debtors and the Creditors' Committee, respectively. The members of the Oversight Committee shall be identified by the Debtors at least ten days before the Confirmation Hearing. The duties of the Oversight Committee shall be limited to: (a) overseeing the General Unsecured Claims reconciliation and settlement process conducted by Newco; (b) formulating with Newco appropriate procedures for the settlement of Claims; (c) overseeing the distributions to the holders of General Unsecured Claims under this Plan; (d) investigating and prosecuting any Retained Causes of Action; (e) appearing before and being heard by the Bankruptcy Court and other courts of competent jurisdiction in connection with the above limited duties; (f) implementing the provisions of the Plan, authorized and directed by order of the Bankruptcy Court; and (g) such other matters as may be agreed upon between Newco and the Oversight Committee or specified in this Plan. For so long as the Claims reconciliation process shall continue, Newco shall make regular reports to the Oversight Committee as and when Newco and the Oversight Committee may reasonably agree upon. The Oversight Committee may employ, without further order of the Court, professionals to assist it in carrying out its duties as limited above, including any professionals retained in these Bankruptcy Cases, and Newco shall pay the reasonable costs and expenses of the Oversight Committee, including reasonable professional fees, in the ordinary course without further order of the Bankruptcy Court. Nothing herein shall disqualify Newco or the Responsible Person from retaining the same professionals as those employed or retained by the Creditors' Committee.

B. Limitation of Liability

1. From and after the Effective Date, the Exculpated Parties shall neither have nor incur any liability to any entity for any act taken or omitted to be taken in connection with, related to or arising out of the Bankruptcy Cases, the Debtors, their Estates, or the consideration, formulation, preparation, dissemination, implementation, Confirmation, consummation or administration of the Plan, the Disclosure Statement, the Sale, or any transaction proposed in connection with the Bankruptcy Cases or any contract, instrument, release or other agreement or document created or entered into, or any other act taken or omitted to be taken, in connection therewith; *provided*,

however, that the foregoing provisions of this Section XIII.B.1 shall have no effect on: (a) the liability of any entity that would otherwise result from the failure to perform or pay any obligation or liability under the Plan or any contract, instrument, release or other agreement or document to be entered into or delivered in connection with the Plan or (b) the liability of any entity that would otherwise result from any such act, omission or occurrence to the extent that such act, omission or occurrence is determined in a Final Order to have constituted gross negligence or willful misconduct.

2. Notwithstanding any other provision of this Plan, no holder of a Claim or Interest, no other party in interest, none of their respective agents, employees, representatives, financial advisors, attorneys or affiliates, and no successors or assigns of the foregoing, shall have any right of action against any Exculpated Party for any act or omission in connection with, relating to or arising out of the Bankruptcy Cases, the Debtors, their Estates, or the consideration, formulation, preparation, dissemination, implementation, Confirmation, consummation or administration of the Plan, the Disclosure Statement, any Sale Transaction, or any transaction or document created or entered into, or any other act taken or omitted to be taken, in connection therewith, except for: (a) the liability of any entity that would otherwise result from the failure to perform or pay any obligation or liability under the Plan or any contract, instrument, release or other agreement or document to be entered into or delivered in connection with the Plan or (b) the liability of any entity that would otherwise result from any such act, omission or occurrence to the extent that such act, omission or occurrence is determined in a Final Order to have constituted gross negligence or willful misconduct.

C. Modification of the Plan

Subject to the restrictions on modifications set forth in section 1127 of the Bankruptcy Code, the Debtors, in consultation with the Creditors' Committee, reserve the right to alter, amend or modify the Plan before the Effective Date.

D. Revocation of the Plan

The Debtors, in consultation with the Creditors' Committee, reserve the right to revoke or withdraw the Plan prior to the Effective Date. If the Debtors revoke or withdraw the Plan, or if Confirmation does not occur, then the Plan shall be null and void in all respects, and nothing contained in the Plan shall: (1) constitute a waiver or release of any claims by or against, or any Interests in, any Debtor; (2) prejudice in any manner the rights of any Debtor or any other party in interest; or (3) constitute an admission of any sort by any Debtor or any other party in interest.

E. Successors and Assigns

The rights, benefits and obligations of any entity named or referred to in the Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor or assign of such entity.

F. Service of Documents

Any pleading, notice or other document required by the Plan or the Confirmation Order to be served on or delivered to the Debtors, Newco, or the Creditors' Committee must be sent by overnight delivery service, facsimile transmission, courier service or messenger to those parties specified in the Confirmation Order.

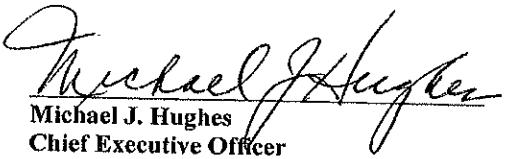
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Dated: February 6, 2009

Respectfully submitted,

BSCV, INC., on its own behalf and on behalf of each affiliate
Debtor

By:
Name:
Title:


Michael J. Hughes
Chief Executive Officer