

Exhibit A

The Plan

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re)	Chapter 11
THE IT GROUP, INC.,)	Case No. 02-10118 (MFW)
<i>et al.</i> ,)	(Jointly Administered)
Debtors.)	

**JOINT CHAPTER 11 PLAN
FOR THE IT GROUP, INC. AND ITS AFFILIATED DEBTORS
PROPOSED BY THE DEBTORS AND THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS**

The IT Group, Inc. and its affiliated debtors and debtors in possession in the above-captioned jointly administered chapter 11 cases and the Official Committee of Unsecured Creditors hereby collectively and jointly propose the following joint chapter 11 plan of reorganization:

ARTICLE I
DEFINITIONS AND INTERPRETATION

1.1 Definitions.

The capitalized terms used herein shall have the respective meanings set forth below:

(a) "Administrative Bar Date Order" means the Final Order dated November 24, 2003 fixing January 15, 2004 as the last day to file administrative expense claims against the Debtors that arose, accrued, or otherwise became due and payable on and between January 16, 2002 and November 15, 2003 in the Chapter 11 Cases.

(b) "Administrative Claim" means (i) a Claim incurred by a Debtor (or its Estate) on or after the Petition Date and before the Effective Date for a cost or expense of administration in the Chapter 11 Cases entitled to priority under sections 503(b) and 507(a)(1) of the Bankruptcy Code, including, without limitation, Cure Claims, Fee Claims and Statutory Fees, if any, (ii) reasonable pre-Committee fees and expenses of White & Case LLP up to \$53,000 and The Bayard Firm up to \$11,000 as counsel to the ad hoc committee of holders of the Old 11 ¼% Notes in connection with these Chapter 11 Cases, (iii) reasonable fees and expenses of Raymond Pompe and Charles Brewer up to \$60,000 in the aggregate as consultants to the Committee, and (iv) reasonable fees and expenses of counsel to the Agent incurred through the Effective Date.

(c) "Administrative Reserve" means \$1,500,000 of the Cash on hand in the Estates as of the Effective Date to fund all reasonable costs and expenses incurred after the Effective Date associated with implementation and administration of the Plan, including, without limitation, prosecution of Causes of Action of the Debtors.

(d) "Administrative Surcharge" means the surcharge, if any, of the Litigation Recoveries approved by the Bankruptcy Court to the extent necessary to fund implementation and administration of the Plan after the Effective Date in excess of the Administrative Reserve in accordance with Section 7.23 of the Plan.

(e) "Affiliate" means, with respect to any Person, all Persons that would fall within the definition assigned to such term in section 101(2) of the Bankruptcy Code, if such Person were a debtor in a case under the Bankruptcy Code.

(f) "Agent" means Citicorp USA, Inc. in its capacity as administrative agent for the Prepetition Lenders under the Prepetition Credit Facility.

(g) "Allowed," when used

(i) with respect to any Claim, except for a Claim that is an Administrative Claim, means such Claim (A) to the extent it is not a Contested Claim as of the Effective Date; (B) to the extent it is allowed pursuant to any stipulation or agreement that has been approved by Final Order; (C) to the extent it is a Contested Claim as of the Effective Date, proof of which was filed timely with the Bankruptcy Court, and (I) as to which the Objection Deadline passed and no objection has been filed, unless the Bankruptcy Court determines that such Claim is to be determined in a forum other than the Bankruptcy Court, in which case such Claim shall not become Allowed until determined by Final Order of such other forum and allowed by Final Order of the Bankruptcy Court; or (II) as to which an objection was filed by the Objection Deadline, to the extent allowed by a Final Order; or (D) which otherwise becomes an Allowed Claim as provided in the Plan; and

(ii) with respect to an Administrative Claim, means an Administrative Claim that has become "Allowed" pursuant to the procedures set forth in Section 5.1 of the Plan.

(h) "Assets" means all of the Debtors' right, title and interest of any nature in property, wherever located, as specified in section 541 of the Bankruptcy Code.

(i) "Available Proceeds" means, at any time, the amount of Cash on hand in the Estates and Reorganized IT Group on and after the Effective Date, including, without limitation, any recovery from the Severson request for equitable adjustment to the U.S. Army Corps of Engineers, excluding (i) the Administrative Reserve (but only to the extent used to fund all reasonable costs and expenses incurred after the Effective Date associated with implementation and administration of the Plan), (ii) the Administrative Surcharge, if any, (iii) the projected Oversight Committee Compensation (in an amount agreed to by the Agent and the Committee), (iv) the IT Environmental Liquidating Trust Funding, (v) the Environmental Liquidating Trust Assets, (vi) Litigation Recoveries, and (vii) an amount sufficient to pay in Cash in full all Allowed Non-Lender Secured Claims, Allowed Administrative Claims, Allowed Tax Claims and Allowed Priority Claims.

(j) "Avoidance Actions" means all Causes of Action of the Estates that arise under chapter 5 of the Bankruptcy Code.

(k) "Avoidance Action Recoveries" means, at any time, the amount of Cash or other consideration obtained by or paid to the Estates associated with any judgment, settlement or other disposition of Avoidance Actions, less the Administrative Surcharge, if any.

(l) "Bankruptcy Code" means the Bankruptcy Reform Act of 1978, as amended and codified at title 11 of the United States Code and as applicable to the Chapter 11 Cases.

(m) "Bankruptcy Court" means the Bankruptcy Court unit of the United States District Court for the District of Delaware, or such other court having jurisdiction over the Chapter 11 Cases.

(n) "Bankruptcy Rules" means the Federal Rules of Bankruptcy Procedure, as prescribed by the United States Supreme Court pursuant to section 2075 of title 28 of the United States Code and as applicable to the Chapter 11 Cases.

(o) "Bar Date Order" means the Final Order dated May 24, 2002 fixing July 15, 2002 as the last day to file proofs of claim against the Debtors in the Chapter 11 Cases.

- (p) "Business Day" means any day on which commercial banks are open for business in New York, New York.
- (q) "Cash" means legal tender of the United States of America or readily marketable direct obligations of, or obligations guaranteed by, the United States of America.
- (r) "Cash Collateral Orders" means, collectively, the orders of the Bankruptcy Court in the Chapter 11 Cases authorizing and approving the Debtors' use of cash collateral under the Prepetition Credit Facility.
- (s) "Causes of Action" means all claims, rights, actions, causes of action, including Avoidance Actions, liabilities, obligations, suits, debts, remedies, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages or judgments, whether known or unknown and whether asserted or unasserted.
- (t) "Chapter 11 Cases" means the cases under chapter 11 of the Bankruptcy Code pending before the Bankruptcy Court with respect to each of the Debtors.
- (u) "Chief Litigation Officer" means AlixPartners LLC or such other Person identified at or prior to the Confirmation Hearing and selected by the Committee (in consultation with the Agent).
- (v) "Claim" means (i) any right to payment from a Debtor, whether or not such right is known or unknown, reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured; (ii) any right to an equitable remedy for breach of performance if such breach gives rise to a right of payment from a Debtor, whether or not such right to an equitable remedy is known or unknown, reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured; or (iii) any right under section 502(h) of the Bankruptcy Code.
- (w) "Committee" means the Official Committee of Unsecured Creditors appointed in the Chapter 11 Cases by the Office of the United States Trustee in accordance with section 1102(a) of the Bankruptcy Code.
- (x) "Committee Designees" means two individuals selected by the Committee to serve as members of the Oversight Committee from and after the Effective Date.
- (y) "Committee Lawsuit" means the adversary proceeding pending before the Bankruptcy Court in the Chapter 11 Cases, which was commenced by the Committee against certain of the Prepetition Lenders and styled Official Committee of Unsecured Creditors vs. Citicorp USA, Inc., Adv. No. 02-04761 (MFW), as it may be amended from time to time.
- (z) "Confirmation Date" means the date on which the Clerk of the Bankruptcy Court enters the Confirmation Order.
- (aa) "Confirmation Hearing" means the hearing held by the Bankruptcy Court, as it may be continued from time to time, on confirmation of the Plan.
- (bb) "Confirmation Order" means the order of the Bankruptcy Court confirming the Plan.
- (cc) "Consent Order" means that certain consent order between IT Corporation and the State of California in California v. International Technology Corp., No. 509105 (Super. Ct., June 27, 1989), as amended by stipulation, Sept. 30, 1999), pursuant to which the Debtors consent to certain terms under the California Hazardous Waste Control Act, which require, *inter alia*, closure and post-closure care of the Landfills as well as financial assurance with respect to those obligations.
- (dd) "Contested Claim" means a Claim (i) to the extent it is listed in the Schedules as disputed, contingent, or unliquidated, in whole or in part; (ii) that is listed in the Schedules as undisputed, liquidated,

and not contingent and as to which a proof of claim has been filed with the Bankruptcy Court, to the extent the proof of claim amount exceeds the scheduled amount; (iii) that is not listed in the Schedules, but as to which a proof of claim has been filed with the Bankruptcy Court; or (iv) as to which an objection has been filed on or before the Objection Deadline; provided, that a Claim that is Allowed by Final Order or pursuant to the Plan on or before the Effective Date shall not be a Contested Claim.

(ee) "Cure Claims" means all amounts required to be paid by any Debtor pursuant to sections 365(b)(1)(A) and (B) of the Bankruptcy Code as a consequence of the assumption pursuant to Article XI of the Plan of any executory contract or unexpired lease of any Debtor, excluding any amounts to be paid by Shaw in accordance with the Shaw Sale.

(ff) "Debtors" means, collectively, the IT Group and each of its affiliates listed on Exhibit 1 hereto, each in its respective capacity as a debtor and a debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code in the Chapter 11 Cases.

(gg) "Disallowed," when used with respect to a Claim, means a Claim, or such portion of a Claim, that has been disallowed by a Final Order.

(hh) "Disbursing Agent" means Reorganized IT Group, or such other Person identified at or prior to the Confirmation Hearing and selected by the Committee and the Agent, in which capacity, it shall (i) make the Distributions contemplated under the Plan, the Confirmation Order, or any other relevant Final Order; (ii) perform any other act or task that is or may be delegated to the Disbursing Agent under the Plan; and (iii) perform any other act or task necessary or appropriate to implement and administer the Plan on behalf of the Estates.

(ii) "Disclosure Statement" means the disclosure statement respecting the Plan, as approved by the Bankruptcy Court as containing adequate information in accordance with section 1125 of the Bankruptcy Code, all exhibits and annexes thereto and any amendments or modifications thereof.

(jj) "Distribution" means the payment or distribution under the Plan of property or interests in property to any holder of an Allowed Claim. Unless otherwise agreed by the holder of an Allowed Claim, any payment in Cash to be made by the Disbursing Agent shall be made, at the election of the Disbursing Agent, by check drawn on a domestic bank or by wire transfer from a domestic bank.

(kk) "Distribution Date" means, with respect to any Claim, (i) the Effective Date, if such Claim is then an Allowed Claim, (ii) the first Business Day occurring three (3) full months after the immediately preceding Distribution Date after the date such Claim becomes Allowed, if not Allowed on the Effective Date or (iii) such other date that the Oversight Committee determines in its reasonable discretion that Distribution to the holders of Allowed Claims should be made in accordance with the Plan.

(ll) "DTSC" means the California Department of Toxic Substances Control.

(mm) "Effective Date" means the date selected by the Plan Proponents (in consultation with the Agent) which is no later than thirty (30) days after all of the conditions specified in Section 9.2 of the Plan have been satisfied or waived.

(nn) "Environmental Unsecured Claim" means a Claim against any Debtor arising under, related to or in connection with alleged contamination under the federal or state environmental laws or regulations.

(oo) "Equity Interest" means any ownership or equity interest in any of the Debtors, including without limitation, interests evidenced by common or preferred stock, warrants, options, limited liability company membership interests or other rights to purchase any ownership or equity interest in any of the Debtors.

(pp) "Estate" means the estate of any Debtor created by section 541 of the Bankruptcy Code upon the commencement of the Chapter 11 Cases.

(qq) "Estate Causes of Action" means Causes of Action of the Debtors (other than the Avoidance Actions).

(rr) "Estate Cause of Action Recoveries" means, at any time, the amount of Cash or other consideration obtained by or paid to the Estates associated with any judgment, settlement or other disposition of Estate Causes of Action, less the Administrative Surcharge, if any.

(ss) "Estimated Claims Order" means any order of the Bankruptcy Court estimating any Claim or the aggregate amount of all Claims in any class created under the Plan to aid in the confirmation of the Plan, or the calculation of Distributions under the Plan.

(tt) "Fee Application" means an application for allowance and payment of a Fee Claim.

(uu) "Fee Claim" means a Claim of a Professional Person under section 330 or 503 of the Bankruptcy Code for final allowance of compensation for services rendered and reimbursement of expenses incurred in the Chapter 11 Cases from the Petition Date to the Effective Date.

(vv) "Final Decree" means the final decree of the Bankruptcy Court entered in the Chapter 11 Cases pursuant to Bankruptcy Rule 3022.

(ww) "Final Order" means (i) an order or judgment of the Bankruptcy Court or any other court or adjudicative body having jurisdiction over a proceeding or matter as to which the time to appeal, petition for certiorari, or move for reargument or rehearing has expired and as to which no appeal, petition for certiorari, or other proceedings for reargument or rehearing shall then be pending; or (ii) in the event that an appeal, writ of certiorari, reargument, or rehearing thereof has been sought, such order of the Bankruptcy Court or any other court or adjudicative body shall have been affirmed by the highest court to which such order was appealed, or certiorari has been denied, or from which reargument or rehearing was sought, and the time to take any further appeal, petition for certiorari or move for reargument or rehearing shall have expired; provided, that no order shall fail to be a Final Order solely because of the possibility that a motion pursuant to Rule 60 of the Federal Rules of Civil Procedure or Bankruptcy Rule 9024 may be filed with respect to such order.

(xx) "General Unsecured Claim" means an Unsecured Claim other than a Litigation Claim, a Securities Litigation Claim and a Subordinated Claim.

(yy) "Indenture Trustee" means the Bank of New York, as indenture trustee under the Old Notes.

(zz) "Indemnified CLO Parties" means those parties identified in Section 7.10 of the Plan.

(aaa) "Indemnified ELT Parties" means those parties identified in Section 7.11 of the Plan.

(bbb) "Indemnified OC Parties" means those parties identified in Section 7.8 of the Plan.

(ccc) "Indemnified PA Parties" means those parties identified in Section 7.9 of the Plan.

(ddd) "Insured Claim" means any Claim against a Debtor for which the Debtor is entitled to indemnification, reimbursement, contribution or other payment under a policy of insurance wherein a Debtor is an insured or beneficiary of the coverage of any of the Debtors.

(eee) "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended, and any applicable rulings, regulations (including temporary and proposed regulations) promulgated thereunder, judicial decisions, and notices, announcements, and other releases of the United States Treasury Department or the IRS.

(fff) "IRS" means the United States Internal Revenue Service.

(ggg) "IT Group" means The IT Group, Inc., a Delaware corporation, as a debtor and debtor in possession in jointly administered Case No. 02-10118 (MFW).

(hhh) "IT Environmental Liquidating Trust" means the trust to be established on the Effective Date pursuant to the Plan and the IT Environmental Liquidating Trust Agreement.

(iii) "IT Environmental Liquidating Trust Agreement" means the trust agreement to be entered into pursuant to the Plan to be filed as a Plan Document, under which the powers, duties and responsibilities of the IT Environmental Liquidating Trust shall be set forth.

(jjj) "IT Environmental Liquidating Trust Assets" means such Assets of the Debtors which shall be transferred to the IT Environmental Liquidating Trust in accordance with the IT Environmental Liquidating Trust Agreement and Section 7.11 of the Plan.

(kkk) "IT Environmental Liquidating Trust Funding" means \$1,000,000 of the Cash on hand in the Estate as of the Effective Date to be transferred to the IT Environmental Liquidating Trust in accordance with the IT Environmental Liquidating Trust Agreement and Section 7.11 of the Plan.

(lll) "IT Environmental Liquidating Trustee" means Brian Fournier or such other Person identified at or prior to the Confirmation Hearing and selected by the Committee and the Agent, provided that the DTSC does not object.

(mmm) "Landfills" means those certain four landfills in Northern California known as Montezuma Hills, Benson Ridge, Vine Hill Complex, and Panoche owned and maintained by the Debtors IT Corporation, IT Lake Herman Road, LLC; and IT Vine Hill, LLC, which are the subject of the Consent Order.

(nnn) "Lender Claim" means a Claim of the Agent and the Prepetition Lenders under the Prepetition Credit Facility and Cash Collateral Orders.

(ooo) "Lender Designees" means two individuals selected by the Agent and/or the Prepetition Lenders to serve as members of the Oversight Committee from and after the Effective Date.

(ppp) "Litigation Recoveries" means, collectively, the Avoidance Action Recoveries and the Estate Cause of Action Recoveries.

(qqq) "Litigation Unsecured Claim" means an Environmental Unsecured Claim, a Tort Unsecured Claim and any other Unsecured Claim, except a Securities Litigation Claim and a Subordinated Claim, against any Debtor asserted in any court, tribunal or proceeding pending as of the Petition Date.

(rrr) "LLCs" means IT Vine Hill, LLC and the IT Lake Herman Road, LLC, which own the real property containing two of the Landfills.

(sss) "New By-Laws" means the by-laws of Reorganized IT Group, as amended and restated in accordance with Section 7.14 of the Plan. The New By-Laws shall be in substantially the form filed with the Bankruptcy Court as a Plan Document.

(ttt) "New Charter" means the certificates of incorporation of Reorganized IT Group, as amended and restated in accordance with Section 7.14 of the Plan. The New Charter shall be in substantially the form filed with the Bankruptcy Court as a Plan Document.

(uuu) "New Common Stock" means the shares of common stock of Reorganized IT Group to be authorized for issuance pursuant to the Plan, which shares (upon issuance) shall evidence a 100% common ownership interest in Reorganized IT Group.

(vvv) "Non-Lender Secured Claim" means, excluding Lender Claims, (i) a Claim secured by a Lien on any Assets, which lien is valid, perfected, and enforceable under applicable law and is not subject to avoidance under the Bankruptcy Code or applicable non-bankruptcy law, and which is duly established in the Chapter 11 Cases, but only to the extent of the value of the holder's interest in the collateral that secures payment of the Claim; (ii) a Claim against the Debtors that is subject to a valid right of recoupment or setoff under section 553 of the Bankruptcy Code, but only to the extent of the Allowed amount subject to recoupment or setoff as provided in section 506(a) of the Bankruptcy Code; and (iii) a Claim allowed under the Plan as a Non-Lender Secured Claim.

(www) "Northern District of California" means the United States District Court for the Northern District of California.

(xxx) "Objection Deadline" means the deadline for filing objections to Claims as set forth in Section 8.1 of the Plan.

(yyy) "Old 11 ¼% Notes" means collectively the 11 ¼% Senior Subordinated Notes of the IT Group due 2009 in the aggregate principal amount of \$225,000,000.

(zzz) "Old 8% Notes" means collectively the 8% Subordinated Notes of the IT Group due 2005 in the aggregate principal amount of \$31,622,000.

(aaaa) "Old Notes" means, collectively, the Old 11 ¼% Notes and the Old 8% Notes.

(bbbb) "Oversight Committee" means the committee consisting of four members, two selected by the Committee and two selected by the Prepetition Lenders, which shall oversee the administration and implementation of the Plan and the liquidation of the Debtors' Assets in accordance with the Plan.

(cccc) "Oversight Committee Compensation" means the compensation disclosed at or prior to the Confirmation Hearing and agreed to by the Committee and the Agent to be paid to Oversight Committee members in accordance with Section 7.8 of the Plan.

(dddd) "Person" means an individual, corporation, partnership, limited liability company, joint venture, trust, estate, unincorporated association, unincorporated organization, governmental entity, or political subdivision thereof, or any other entity that would fall within the definition assigned to such term in section 101(41) of the Bankruptcy Code.

(eeee) "Petition Date" means the date on which the Chapter 11 Cases were commenced, January 16, 2002.

(ffff) "Plan" means this chapter 11 plan, either in its present form or as it may be amended, supplemented, or otherwise modified from time to time, and the exhibits and schedules to the foregoing, as the same may be in effect at the time such reference becomes operative.

(gggg) "Plan ADR" means the alternative dispute resolution procedures to be filed with the Bankruptcy Court as a Plan Document, pursuant to which all Litigation Unsecured Claims shall be liquidated and satisfied, unless the holder of a Litigation Unsecured Claim obtained relief from the automatic stay to prosecute its claim in a non-bankruptcy forum and does not consent to participate in the Plan ADR.

(hhhh) "Plan Administrator" means AlixPartners LLC or such other Person identified at or prior to the Confirmation Hearing and selected by the Committee and the Agent.

(iiii) "Plan Documents" means the documents that aid in effectuating the Plan as specifically identified as such herein and filed with the Bankruptcy Court as specified in Section 1.5 of the Plan.

(jjjj) "Plan Proponents" means, collectively, the Debtors and the Committee.

(kkkk) "Plan Settlement" means the compromise and settlement between the Agent, the Prepetition Lenders, the Debtors, the Subsidiaries that are not Debtors, and the Committee (and its respective members) as set forth in Section 7.4 of the Plan.

(llll) "Post Closure Insurance Policies" means the Debtors' interest in AIG Post Closure Policy 4762403 and AIG Post Closure Excess Policy 4760892, and any other insurance policies belonging to the Debtors at any time which provide coverage for post-closure costs at the Landfills.

(mmmm) "Post-Confirmation Interest" means simple interest at the rate of 1.0% per annum or such other rate as the Bankruptcy Court may determine at the Confirmation Hearing is appropriate, such interest to accrue from the Distribution Date with respect to any Allowed Tax Claim.

(nnnn) "Prepetition Credit Facility" means that certain Second Amended and Restated Credit Agreement dated as of March 7, 2000 between the Prepetition Lenders with Citicorp USA, Inc., as administrative agent and Fleet National Bank, N.A. as documentation agent and the institutions listed therein as co-agents, and certain of the Debtors, together with all documents, instruments, and agreements executed or entered into in connection therewith, and any amendments thereto.

(oooo) "Prepetition Lenders" means those lenders who are parties to the Prepetition Credit Facility.

(pppp) "Priority Claim" means any Claim to the extent such Claim is entitled to priority in right of payment under section 507(a) of the Bankruptcy Code, other than the Lender Claims, Non-Lender Secured Claims, Administrative Claims, and Tax Claims.

(qqqq) "Professional Person" means a Person retained or to be compensated for services rendered or costs incurred on or after the Petition Date and on or prior to the Effective Date pursuant to sections 327, 328, 330, 503(b), or 1103 of the Bankruptcy Code in these Chapter 11 Cases.

(rrrr) "Pro Rata Share" means the proportion that the amount an Allowed Claim bears to the aggregate amount of all Claims in a particular class, including Contested Claims, but not including Disallowed Claims, (i) as calculated by the Disbursing Agent on or before any Distribution Date; or (ii) as determined by the Bankruptcy Court in an Estimated Claims Order, if such an order is sought and obtained.

(ssss) "Reorganized IT Group" means, collectively, the Debtors as reorganized from and after the Effective Date pursuant to Article VII of the Plan.

(tttt) "Schedules" means the schedules of assets and liabilities and the statements of financial affairs filed by the Debtors with the Bankruptcy Court, as required by section 521 of the Bankruptcy Code and the Official Bankruptcy Forms of the Bankruptcy Rules, as such schedules and statements may be amended by the Debtors from time to time in accordance with Bankruptcy Rule 1009.

(uuuu) "Securities Litigation" means the following securities-related actions: (i) Civil Action No. 02-1927 pending in the United States District Court for The Western District of Pennsylvania, styled Thomas L. Payne, et al., v. Anthony J. DeLuca, et al.; (ii) Civil Action No. 03-0288 pending in the United States District Court for The Western District of Pennsylvania, styled Howard G. Clair, et al., v. Anthony J. DeLuca, et al.; (iii) Case No. 03-04530 pending in the District Court of Dallas County, Texas, styled Highland Capital Management, L.P., et al., v. Ernst & Young, LLP and The Carlyle Group; and (iv) Civil Action No. 02-0886 pending in the District Court for the Western District of Pennsylvania, styled Staro Asset Management, LLC, v. Anthony J. DeLuca, et al.

(vvvv) "Securities Litigation Claims" means any claim or Cause of Action against the Debtors, their predecessors, successors, or their present or former officers, directors or employees arising from rescission of a purchase or sale of the Old Notes or Equity Interests of any Debtor, or for damages arising from the purchase or sale of the Old Notes or Equity Interests of any Debtor in accordance with section 510(b) of the Bankruptcy Code,

including without limitation, a claim arising from the Securities Litigation, but excluding any Avoidance Actions and Estate Causes of Action.

(www) "Subordinated Claims" means any Claim subordinated pursuant to a Final Order under section 510(c) of the Bankruptcy Code.

(xxxx) "Shaw" means The Shaw Group, Inc., or its designee.

(yyyy) "Shaw Sale" means the sale of substantially all of the Assets of the Debtors to Shaw approved by order of the Bankruptcy Court dated April 25, 2002.

(zzzz) "Shaw Stock" means the common stock of Shaw received by the Debtors pursuant to the Shaw Sale.

(aaaa) "Soose Loans" means, collectively, the certain loan agreements between IT Group and Harry Soose, Jr., dated July 1999 and May 2000.

(bbbb) "Statutory Fees" means all fees payable by the Debtors pursuant to section 1930 of title 28 of the United States Code, as determined by the Bankruptcy Court at the Confirmation Hearing,

(cccc) "Subsidiary" means any entity of which IT Group owns directly or indirectly all of the outstanding capital stock or limited liability company membership interests.

(dddd) "Tax Claim" means a Claim against any of the Debtors that is of a kind specified in section 507(a)(8) of the Bankruptcy Code.

(eeee) "Tort Unsecured Claim" means an Unsecured Claim (other than an Environmental Unsecured Claim) against any Debtor for personal injury or property damage allegedly arising from the tortious actions or inactions of any of the Debtors, their agents or any other person.

(ffff) "Trust" means the trust to be established on the Effective Date pursuant to the Plan and the Trust Agreement, which shall be vested with the New Common Stock.

(gggg) "Trust Agreement" means the trust agreement to be entered into pursuant to the Plan and filed as a Plan Document, under which the powers, duties and responsibilities of the Trustee shall be set forth.

(hhhh) "Trustee" means The Northern Trust Company or such other Person identified at or prior to the Confirmation Hearing and selected by the Committee and the Agent to administer the Trust.

(iiii) "Unsecured Claim" means any Claim other than a Lender Claim, a Non-Lender Secured Claim, an Administrative Claim, a Priority Claim, or a Tax Claim.

(jjjj) "Voting Procedures Order" means the Final Order of the Bankruptcy Court approving procedures relating to the solicitation and tabulation of votes with respect to the Plan.

1.2 Interpretation.

Unless otherwise specified, all section, article, and exhibit references in the Plan are to the respective section in, article of, or exhibit to, the Plan, as the same may be amended, waived, or modified from time to time. Words denoting the singular number shall include the plural number and vice versa, and words denoting one gender shall include the other gender. The Disclosure Statement may be referred to for purposes of interpretation to the extent any term or provision of the Plan is determined by the Bankruptcy Court to be ambiguous.

1.3 Application of Definitions and Rules of Construction Contained in the Bankruptcy Code.

Words and terms defined in section 101 of the Bankruptcy Code shall have the same meaning when used in the Plan, unless a different definition is given in the Plan. The rules of construction contained in section 102 of the Bankruptcy Code shall apply to the construction of the Plan.

1.4 Other Terms.

The words "herein," "hereof," "hereto," "hereunder," and others of similar import refer to the Plan as a whole and not to any particular section, subsection, or clause contained in the Plan. A term used herein that is not defined herein shall have the meaning ascribed to that term, if any, in the Bankruptcy Code.

1.5 Appendices and Plan Documents.

All appendices to the Plan and the Plan Documents are incorporated into the Plan by this reference and are a part of the Plan as if set forth in full herein. All Plan Documents shall be in a form reasonably acceptable to the Plan Proponents and the Agent. The Plan Documents shall be filed with the Clerk of the Bankruptcy Court not less than ten (10) days prior to the commencement of the Confirmation Hearing. Holders of Claims and Equity Interests may obtain a copy of the Plan Documents, once filed, by a written request sent to the following address:

White & Case LLP
200 South Biscayne Boulevard
Miami, Florida 33131
Attention: Mark B. Fuhr
Telephone: (305) 371-2700
Facsimile: (305) 358-5744

**ARTICLE II.
CLASSIFICATION OF CLAIMS AND EQUITY INTERESTS**

2.1 Claims and Equity Interests Classified.

For purposes of organization, voting and all confirmation matters, except as otherwise provided herein, all Claims (except for Administrative Claims and Tax Claims) and all Equity Interests shall be classified as set forth in this Article II of the Plan.

2.2 Administrative Claims and Tax Claims.

As provided in section 1123(a)(1) of the Bankruptcy Code, Administrative Claims and Tax Claims are not classified for purposes of voting or receiving distributions under the Plan. All such Claims shall be treated separately as unclassified Claims on the terms set forth in Article V of the Plan.

2.3 Claims and Equity Interests.

The Plan classifies the Claims against and Equity Interests in the each of the Debtors as follows:

- (a) Class 1: Priority Claims
- (b) Class 2: Non-Lender Secured Claims
- (c) Class 3: Lender Claims
- (d) Class 4A: General Unsecured Claims

- (e) Class 4B: Litigation Unsecured Claims
- (f) Class 4C: Securities Litigation Claims
- (g) Class 4D: Subordinated Claims
- (h) Class 5: Equity Interests

2.4 Consolidated Plan.

Although the Plan has been filed as a joint Plan for all of the Debtors for purposes of administrative convenience and efficiency, the Plan provides for the substantive consolidation of the Debtors for all purposes under the Plan. Voting on the Plan, confirmation of the Plan, and Distributions under the Plan will be considered and accomplished on a consolidated basis.

2.5 Separate Classification of Secured Claims.

Although Non-Lender Secured Claims against each Debtor have been placed in one class for purposes of convenience, each Non-Lender Secured Claim shall be treated as though in a separate class for purposes of voting and receiving Distributions under the Plan.

**ARTICLE III.
IDENTIFICATION OF IMPAIRED
CLASSES OF CLAIMS AND EQUITY INTERESTS**

3.1 Unimpaired Classes of Claims and Equity Interests.

Class 1 (Priority Claims) against each of the Debtors is not impaired under the Plan.

3.2 Impaired Classes of Claims and Equity Interests.

With the exception of Class 1 (Priority Claims) against each of the Debtors, all classes of Claims against and Equity Interests in each of the Debtors are impaired under the Plan.

3.3 Impairment Controversies.

If a controversy arises as to whether any Claim or Equity Interest, or any class of Claims or Equity Interests, is impaired under the Plan, the Bankruptcy Court shall, after notice and a hearing, determine such controversy.

**ARTICLE IV.
PROVISIONS FOR TREATMENT OF CLAIMS
AND EQUITY INTERESTS UNDER THE PLAN**

4.1 Treatment of Claims and Equity Interests.

The classes of Claims against and Equity Interests in each of the Debtors shall be treated under the Plan as follows:

(a) Class 1 – Priority Claims. Each holder of an Allowed Priority Claim against a Debtor shall be unimpaired under the Plan and, pursuant to section 1124 of the Bankruptcy Code, all of the legal, equitable and contractual rights of each holder of an Allowed Priority Claim in respect of such Claim shall be fully reinstated and retained, except as provided in section 1124(2)(A)-(C) of the Bankruptcy Code, and the holders of such Allowed Priority Claims shall be paid in full in accordance with such reinstated rights.

(b) Class 2 – Non-Lender Secured Claims. Each holder of an Allowed Non-Lender Secured Claim against a Debtor shall be impaired under the Plan and, pursuant to section 1129(b) of the Bankruptcy Code, shall, at the election of the Plan Proponents or Reorganized IT Group (as applicable) in consultation with the Agent, receive one of the following treatment options: (i) each Allowed Non-Lender Secured Claim retains its liens securing its Allowed Non-Lender Secured Claim and receives on account of its Allowed Non-Lender Secured Claim deferred cash payments having a present value on the Effective Date equal to the amount of its Allowed Non-Lender Secured Claim, (ii) each Allowed Non-Lender Secured Claim realizes the “indubitable equivalent” of its Allowed Non-Lender Secured Claim, or (iii) the property securing the Allowed Non-Lender Secured Claim is sold free and clear of liens with such liens to attach to the proceeds of the sale and the treatment of such liens on proceeds as provided in clause (i) or (ii) of this subparagraph.

(c) Class 3 – Lender Claims. In accordance with the Plan Settlement, the Lender Claims shall be Allowed in full under the Plan and each holder of an Allowed Lender Claim against a Debtor shall receive on the Effective Date, in full and complete satisfaction of such Claims, a Pro Rata Share of (i) 87.5% of the Available Proceeds, (ii) 90% of the Shaw Stock, (iii) 20% of Avoidance Action Recoveries, and (iv) 75% of the first \$10,000,000 of Estate Cause of Action Recoveries and 50% of Estate Cause of Action Recoveries thereafter.

(d) Class 4A – General Unsecured Claims. Each holder of an Allowed General Unsecured Claim against a Debtor shall receive on the Distribution Dates on account of its Allowed General Unsecured Claim, its Pro Rata Share of (i) 12.5% of the Available Proceeds, (ii) the proceeds from the sale or other disposition of 10% of the Shaw Stock in accordance with Section 7.5, (iii) 80% of Avoidance Action Recoveries, and (iv) 25% of the first \$10,000,000 of Estate Cause of Action Recoveries and 50% of Estate Cause of Action Recoveries thereafter.

(e) Class 4B – Litigation Unsecured Claims. Each Litigation Unsecured Claim shall be liquidated and satisfied pursuant to the Plan ADR and to the extent any such Claim becomes an Allowed Litigation Unsecured Claim as provided in the Plan ADR in excess of available insurance proceeds (net of any deductible or self-insured retention payments) to pay such Claim, if applicable, the holder of such Claim shall receive on the Distribution Dates on account of its Allowed Litigation Unsecured Claim, its Pro Rata Share of the Distributions to holders of Allowed General Unsecured Claims in Section 4.1(d) of the Plan.

(f) Class 4C – Securities Litigation Claims. In accordance with section 510(b) of the Bankruptcy Code, an Allowed Securities Litigation Claim shall be subordinated to all senior classes; accordingly, each holder of an Allowed Securities Litigation Claim shall not receive or retain any Distribution on account of such Allowed Securities Litigation Claim.

(g) Class 4D – Subordinated Claims. Each holder of an Allowed Subordinated Claim shall not receive or retain any Distribution on account of such Allowed Subordinated Claim.

(h) Class 5 – Equity Interests. All Equity Interests in each of the Debtors shall be cancelled, annulled and extinguished on the Effective Date, and the Holders of such Equity Interests shall not receive or retain any property under the Plan.

ARTICLE V.
PROVISIONS FOR TREATMENT
OF UNCLASSIFIED CLAIMS UNDER THE PLAN

5.1 Treatment of Administrative Claims.

All Administrative Claims shall be treated as follows:

(a) Time for Filing Administrative Claims. Except as otherwise provided in the Administrative Bar Date Order, the holder of an Administrative Claim, other than (i) the Lender Claims, (ii) a Fee Claim, (iii) a liability incurred and payable in the ordinary course of business by a Debtor (and not past due), or (iv) an Administrative Claim that has been Allowed on or before the Effective Date, must file with the Bankruptcy Court and serve on the Debtors and the Office of the United States Trustee, notice of such Administrative Claim

within thirty (30) days after service of notice of entry of the Confirmation Order. Such notice must include at a minimum (A) the name of the holder of the Claim, (B) the amount of the Claim, and (C) the basis of the Claim. **Failure to file and serve such notice timely and properly shall result in the Administrative Claim being forever barred and discharged.**

(b) **Time for Filing Fee Claims.** Each Professional Person shall be required to file with the Bankruptcy Court, and serve on all parties required to receive notice, a final Fee Application within sixty (60) days after the Effective Date. As soon as practicable, but in no event later than thirty (30) days after the filing of a final Fee Application, objections to final Fee Applications shall be filed with the Bankruptcy Court and served upon the Professional Person who filed the final Fee Application. **The failure to file timely and serve such final Fee Application shall result in the Fee Claim being forever barred and discharged.**

(c) **Allowance of Administrative Claims.** An Administrative Claim with respect to which notice has been properly filed and served pursuant to Section 5.1(a) of the Plan shall become an Allowed Administrative Claim if no objection is filed within ninety (90) days after the deadline for filing and serving the notice of such Administrative Claim specified in Section 5.1(a) hereof, or such later date as may be approved by the Bankruptcy Court on motion of a party in interest, without notice or a hearing. If an objection is filed within such ninety-day period (or any extension thereof), the Administrative Claim shall become an Allowed Administrative Claim only to the extent allowed by Final Order. An Administrative Claim with respect to which a Fee Application has been properly filed pursuant to Section 5.1(b) of the Plan shall become an Allowed Administrative Claim only to the extent allowed by Final Order.

(d) **Payment of Allowed Administrative Claims.** On the Distribution Date, each holder of an Allowed Administrative Claim shall receive (i) the amount of such holder's Allowed Claim in one Cash payment, or (ii) such other treatment as may be agreed upon in writing by Reorganized IT Group and such holder; provided, that an Administrative Claim representing a liability incurred in the ordinary course of business of the Debtors may be paid at Reorganized IT Group's election in the ordinary course of business.

5.2 Treatment of Tax Claims.

At the election of the Debtors, each holder of an Allowed Tax Claim shall receive in full satisfaction of such holder's Allowed Tax Claim, (a) the amount of such holder's Allowed Tax Claim, with Post-Confirmation Interest thereon, in equal annual Cash payments on each anniversary of the Effective Date, until the sixth anniversary of the date of assessment of such Tax Claim (provided that the Disbursing Agent may prepay the balance of any such Allowed Tax Claim at any time without penalty); (b) a lesser amount in one Cash payment as may be agreed upon in writing by such holder and Reorganized IT Group; or (c) such other treatment as may be agreed upon in writing by such holder and Reorganized IT Group. The Confirmation Order shall enjoin any holder of a Tax Claim from commencing or continuing any action or proceeding against any responsible person or officer or director of the Debtors that otherwise would be liable to such holder for payment of a Tax Claim so long as no default has occurred with respect to such Tax Claim under this Section 5.2 of the Plan.

ARTICLE VI. ACCEPTANCE OR REJECTION OF THE PLAN; EFFECT OF REJECTION BY ONE OR MORE CLASSES OF CLAIMS OR EQUITY INTERESTS

6.1 Classes Entitled to Vote.

Class 2 (Non-Lender Secured Claims), Class 3 (Lender Claims), Class 4A (General Unsecured Claims), and Class 4B (Litigation Unsecured Claims) are impaired under the Plan, and the holders of such Claims shall be entitled to vote to accept or reject the Plan. Class 1 (Priority Claims) is unimpaired under the Plan, and the holders of such Claims are conclusively presumed to have accepted the Plan. Class 4C (Securities Litigation Claims), Class 4D (Subordinated Claims) and Class 5 (Equity Interests) are impaired under the Plan, and the holders of such Claims and Equity Interests shall not receive a Distribution or retain any property under the Plan and are deemed not to have accepted the Plan.

6.2 Class Acceptance Requirement.

Absent an order of the Court, only holders of Claims that are of record and as to which an objection is not pending as set forth in the Voting Procedures Order shall be entitled to accept or reject the Plan. A class of Claims shall have accepted the Plan if it is accepted by at least two-thirds (2/3) in amount and more than one-half (1/2) in number of the Allowed Claims in such class that have voted on the Plan.

6.3 Confirmation Without Acceptance by All Impaired Classes.

The Plan shall constitute a request that the Bankruptcy Court confirm the Plan over the rejection of any Class in accordance with section 1129(b) of the Bankruptcy Code.

**ARTICLE VII.
MEANS FOR IMPLEMENTATION OF THE PLAN**

7.1 Substantive Consolidation of Debtors.

Except as otherwise provided in the Plan, all Assets and liabilities of the Debtors shall be substantively consolidated. On the Effective Date (i) all intercompany claims by and among the Debtors shall be eliminated; (ii) all Assets and liabilities of the Debtors other than IT Group shall be merged or treated as though they were merged into and with the Assets and liabilities of IT Group; (iii) all guarantees of the Debtors of the obligations of any other Debtor and any joint or several liability of any of the Debtors will be deemed to be one obligation of the consolidated Debtors; (iv) all Equity Interests owned by any of the Debtors in any other Debtor shall be treated as though they were eliminated; and (v) each and every Claim filed or to be filed in the Chapter 11 Cases against any of the Debtors shall be deemed filed against the consolidated Debtors, and shall be deemed one Claim against and obligation of the consolidated Debtors.

7.2 IT Group Subsidiary Guarantees.

All claims based upon guarantees of collection, payment or performance of any obligation of the Debtors made by any Subsidiary which is not a Debtor and all claims against any such Subsidiary for which any of the Debtors are jointly and severally liable, in each case which arise prior to the Effective Date, shall be discharged, released, extinguished and of no further force and effect.

7.3 Merger of IT Group Corporate Entities.

On or as of the Effective Date or as soon as reasonably practicable thereafter, any or all of the Debtors (other than IT Group) and Subsidiaries of the Debtors may, at the sole option of the Plan Proponents, be (a) merged into one or more of the Debtors or (b) dissolved. Upon the occurrence of any such merger, all assets of the merged entities shall be transferred to and become the assets of the surviving entity, and all liabilities of the merged entities, except to the extent discharged, released or extinguished pursuant to the Plan and the Confirmation Order, shall be assumed by and shall become the liabilities of the surviving entity. All mergers and dissolutions shall be effective as of the Effective Date pursuant to the Confirmation Order without any further action by the stockholders or directors of any of the Debtors, unless applicable law requires otherwise.

7.4 The Plan Settlement.

Pursuant to section 1123(b)(3) of the Bankruptcy Code and Bankruptcy Rule 9019 and subject to the occurrence of the Effective Date, entry of the Confirmation Order shall constitute approval of a compromise and settlement of all Causes of Action as of the Effective Date by and between the Agent and the Prepetition Lenders, on the one hand, and the Debtors, the Subsidiaries that are not Debtors, and the Committee (and all of its members), on the other hand, pursuant to which, and upon the occurrence of the Effective Date, (a) the Lender Claims shall be deemed Allowed in full as provided in Section 4.1(c) of the Plan, (b) the Committee Lawsuit shall be dismissed with prejudice, (c) any and all Claims and Causes of Action of the Debtors (and their Estates), the Subsidiaries that are not Debtors, and the Committee (and all of its members) against the Agent and the Prepetition Lenders as of the

Effective Date shall be forever waived, discharged, released and enjoined, (d) the holders of Allowed Lender Claims shall receive the treatment accorded such Claims pursuant to Section 4.1(c) of the Plan on the Effective Date in complete satisfaction of any and all rights, claims and Causes of Action that comprise or arise under the Lender Claims, including without limitation, any subordination or other provisions in respect of the Old Notes, the holders thereof or the Indenture Trustee, and (e) any right to a Distribution on account of any deficiency Claim, Unsecured Claim or Administrative Claim (other than any claims for the reimbursement of all fees and expenses of the Agent which shall remain in effect and shall be treated and paid as an Administrative Claim in accordance with the Plan) by the holders of the Lender Claims shall be forever waived, discharged, released and enjoined, which Claims shall be deemed satisfied in full by the treatment accorded the Lender Claims in Section 4.1(c) of the Plan. Subject to the occurrence of the Effective Date, entry of the Confirmation Order shall constitute approval of the Plan Settlement and authorize the parties to take all actions that are necessary or appropriate to implement and give effect to the Plan Settlement.

7.5 Shaw Stock.

Upon the occurrence of the Effective Date in accordance with the Plan Settlement, title to 10% of the Shaw Stock shall vest in Reorganized IT Group, free and clear of all Claims, Equity Interests, liens, security interests, encumbrances, and other interests, except as expressly provided in the Plan. Upon the occurrence of the Effective Date in accordance with the Plan Settlement, 90% of the Shaw Stock shall be distributed to holders of Allowed Lender Claims in accordance with Section 4.1(c) of the Plan, free and clear of all Claims, Equity Interests, liens, security interests, encumbrances, and other interests, except as otherwise expressly provided in the Plan. Subject to the Plan, Reorganized IT Group (as directed by the Plan Administrator with the consent of the Committee Designees) may sell or otherwise dispose of such Shaw Stock for the benefit of holders of Allowed General Unsecured Claims to effectuate Distributions to such holders in accordance with Section 4.1(d) of the Plan.

7.6 Formation of Trust.

On the Effective Date, the Trust shall be formed and constituted in accordance with the Trust Agreement. The Trustee's compensation shall be disclosed at or prior to the Confirmation Hearing in an amount agreed to by the Committee and the Agent. Upon entry of the Final Decree, (a) the Trust shall be dissolved without further action by Reorganized IT Group or the Oversight Committee, and (b) the Trustee shall be discharged from any further duties under the Trust Agreement.

7.7 Formation of Reorganized IT Group.

On or before the Effective Date and conditioned on the occurrence of the Effective Date, the following actions shall be taken with respect to Reorganized IT Group:

- (a) the New Charter and the New By-Laws shall be duly adopted; and
- (b) the issuance of the New Common Stock shall be authorized.

Except as otherwise provided in the Plan, the post-Effective Date management of Reorganized IT Group shall be the general responsibility of the Plan Administrator, subject to the direction and supervision by the Oversight Committee as provided in the Plan.

7.8 Oversight Committee.

On the Effective Date, the Oversight Committee shall be formed, which committee shall consist of four (4) members, two selected by the Committee and two selected by the Prepetition Lenders. The Oversight Committee shall oversee the administration and implementation of the Plan and the liquidation of the Debtors' Assets in accordance with the Plan. Oversight Committee decisions shall be made with the approval of at least three (3) members. The Oversight Committee shall have the following rights, obligations and duties:

(a) Approve the Plan Administrator's selection of, as well as the terms governing the engagement of, professionals to be engaged by the Plan Administrator on behalf of Reorganized IT Group, who may have been previously engaged by the Debtors, the Committee and/or the Agent and establish retainer terms, conditions and budgets;

(b) Decide whether, when, and in what amounts Distributions should be made, and to direct Reorganized IT Group to make a Distribution;

(c) Oversee the Plan Administrator's administration and implementation of the Plan and the liquidation of the Assets in accordance with the Plan;

(d) Oversee, review and guide the Plan Administrator on performance of its duties, and its activities proposed and underway, as often as is necessary and appropriate to implement the Plan;

(e) Appear in Bankruptcy Court;

(f) Seek an order terminating an Oversight Committee member and approving a replacement selected in a manner consistent with the original selection of such Oversight Committee Member in the event the other members of the Oversight Committee determine there is cause to do so;

(g) Articulate the Oversight Committee's position in the event the Plan Administrator, the Disbursing Agent or the Chief Litigation Officer brings a dispute with the Oversight Committee to the Bankruptcy Court for resolution, or the Oversight Committee concludes it should bring a dispute with the Plan Administrator, Disbursing Agent or the Chief Litigation Officer to the Bankruptcy Court for resolution; and

(h) Direct the pursuit and settlement of Estate Causes of Action.

Each Oversight Committee member shall be paid in accordance with the Oversight Committee Compensation, as disclosed at or prior to the Confirmation Hearing and agreed to by the Committee and the Agent. Any disputes between and among the Oversight Committee, its members, Reorganized IT Group, the Plan Administrator, and/or the Chief Litigation Officer shall be resolved by the Bankruptcy Court, and the Plan Administrator shall bring any such dispute to the Bankruptcy Court for resolution if so requested in writing by any of such parties.

Subject to any applicable law, the members of the Oversight Committee will not be liable for any act done or omitted by any member in such capacity, while acting in good faith and in the exercise of business judgment. Members of the Oversight Committee will not be liable in any event except for gross negligence or willful misconduct in the performance of their duties hereunder.

Except as otherwise set forth in this Plan and to the extent permitted by applicable law, the members of the Oversight Committee in the performance of their duties hereunder (the "Indemnified OC Parties") shall be defended, held harmless and indemnified from time to time by the Reorganized IT Group (and not any other Person) against any and all losses, Claims, costs, expenses and liabilities to which such Indemnified OC Parties may be subject by reason of such Indemnified OC Party's execution of duties pursuant to the discretion, power and authority conferred on such Indemnified OC Party by the Plan or the Confirmation Order; provided, however, that the indemnification obligations arising pursuant to this Section shall not indemnify the Indemnified OC Parties for any actions taken by such Indemnified OC Parties which constitute fraud, gross negligence or intentional breach of the Plan, or the Confirmation Order. Satisfaction of any obligation of the Reorganized IT Group arising pursuant to the terms of this Section shall be payable only from the assets of the Reorganized IT Group, including, if available, any insurance maintained by the Reorganized IT Group. The indemnification provisions contained herein shall remain available to and be binding upon any future members of the Oversight Committee or the estate of any decedent and shall survive dissolution of the Reorganized IT Group.

7.9 Plan Administrator.

Upon the occurrence of the Effective Date, the management, control, and operation of Reorganized IT Group shall be the general responsibility of the Plan Administrator, subject to the supervision and direction of the Oversight Committee as provided herein.

Notwithstanding any requirements that may be imposed pursuant to Bankruptcy Rule 9019, from and after the Effective Date all Avoidance Actions may be compromised and settled by the Plan Administrator according to the following procedures:

(a) Subject to Section 7.9 hereof, the following settlements or compromises of Estate Causes of Action do not require the review or approval of the Bankruptcy Court:

(i) The settlement or compromise of an Estate Causes of Action where the amount of recovery sought in any demand or adversary proceeding is \$250,000 or less; and

(ii) The settlement or compromise of an Estate Causes of Action where the difference between the amount of the recovery sought in any demand or adversary proceeding and the amount of the proposed settlement is \$250,000 or less; and

(b) The following settlements or compromises shall be submitted to the Bankruptcy Court for approval:

(i) Any settlement or compromise not described in subsection 7.9(a) hereof; and

(ii) Any settlement or compromise of an Estate Causes of Action that involves an "insider," as defined in section 101(31) of the Bankruptcy Code.

With the consent of the Oversight Committee, the Plan Administrator may prosecute or decline to prosecute any Estate Causes of Action, in the exercise of the Plan Administrator's business judgment, subject to the provisions of the Plan. With the consent of the Oversight Committee, the Plan Administrator may settle, release, sell, assign, or otherwise transfer or compromise any Estate Causes of Action, in the exercise of the Plan Administrator's business judgment, subject to the provisions of the Plan, including subsection (a) of this Section 7.9.

With the consent of the Oversight Committee, the Plan Administrator may retain the services of attorneys, accountants, consultants, and other agents, in the business judgment of the Plan Administrator, to assist and advise the Plan Administrator in the performance of its duties hereunder.

In the satisfaction of its duties hereunder, the Plan Administrator may bring any dispute concerning the performance of its duties for resolution by the Bankruptcy Court and its reasonable fees and expenses (including attorneys' fees) in connection therewith shall be paid by Reorganized IT Group. Any agreement on compensation for the Plan Administrator shall be agreed to by the Committee and the Agent and disclosed at or prior to the Confirmation Hearing, and is subject to approval by the Bankruptcy Court.

Subject to any applicable law, the Plan Administrator will not be liable for any act done or omitted by the Plan Administrator in the performance of its duties hereunder, while acting in good faith and in the exercise of business judgment. The Plan Administrator will not be liable in any event except for gross negligence or willful misconduct in the performance of its duties hereunder.

Except as otherwise set forth in this Plan and to the extent permitted by applicable law, the Plan Administrator and any attorneys, accountants, consultants, and other agents retained by the Plan Administrator in the performance of its duties hereunder (the "Indemnified PA Parties") shall be defended, held harmless and indemnified from time to time by the Reorganized IT Group (and not any other Person) against any and all losses, Claims, costs, expenses and liabilities to which such Indemnified PA Parties may be subject by reason of such Indemnified PA Party's execution of duties pursuant to the discretion, power and authority conferred on such

Indemnified PA Party by the Plan or the Confirmation Order; provided, however, that the indemnification obligations arising pursuant to this Section shall not indemnify the Indemnified PA Parties for any actions taken by such Indemnified PA Parties which constitute fraud, gross negligence or intentional breach of the Plan, or the Confirmation Order. Satisfaction of any obligation of the Reorganized IT Group arising pursuant to the terms of this Section shall be payable only from the assets of the Reorganized IT Group, including, if available, any insurance maintained by the Reorganized IT Group. The indemnification provisions contained herein shall remain available to and be binding upon any future Plan Administrator or the estate of any decedent and shall survive dissolution of the Reorganized IT Group.

7.10 Chief Litigation Officer.

As of the Effective Date, the Chief Litigation Officer shall be appointed to prosecute the Avoidance Actions. With the consent of the Committee Designees, the Chief Litigation Officer may prosecute or decline to prosecute the Avoidance Actions, in the exercise of the Chief Litigation Officer's business judgment, subject to the provisions of the Plan. With the consent of the Committee Designees, the Chief Litigation Officer may settle, release, sell, assign, or otherwise transfer or compromise the Avoidance Actions, in the exercise of the Chief Litigation Officer's business judgment, subject to the provisions of the Plan, including subsection (a) of this Section 7.10.

Notwithstanding any requirements that may be imposed pursuant to Bankruptcy Rule 9019, from and after the Effective Date all Avoidance Actions may be compromised and settled by the Chief Litigation Officer according to the following procedures:

(a) Subject to Section 7.10 hereof, the following settlements or compromises of Avoidance Actions do not require the review or approval of the Bankruptcy Court:

(i) The settlement or compromise of an Avoidance Action where the amount of recovery sought in any demand or adversary proceeding is \$250,000 or less; and

(ii) The settlement or compromise of an Avoidance Action where the difference between the amount of the recovery sought in any demand or adversary proceeding and the amount of the proposed settlement is \$250,000 or less; and

(b) The following settlements or compromises shall be submitted to the Bankruptcy Court for approval:

(i) Any settlement or compromise not described in subsection 7.10(a) hereof; and

(ii) Any settlement or compromise of an Avoidance Action that involves an "insider," as defined in section 101(31) of the Bankruptcy Code.

With the consent of the Committee Designees, the Chief Litigation Officer may retain the services of attorneys, accountants, consultants, and other agents, in the business judgment of the Chief Litigation Officer, to assist and advise the Chief Litigation Officer in the performance of its duties hereunder.

In the satisfaction of its duties hereunder, the Chief Litigation Officer may bring any dispute concerning the performance of its duties for resolution by the Bankruptcy Court and its reasonable fees and expenses (including attorneys' fees) in connection therewith shall be paid by Reorganized IT Group. Any agreement on compensation for the Chief Litigation Officer shall be agreed to by the Committee (in consultation with the Agent) and disclosed at or prior to the Confirmation Hearing, and is subject to approval by the Bankruptcy Court.

Subject to any applicable law, the Chief Litigation Officer will not be liable for any act done or omitted by the Chief Litigation Officer in the performance of its duties hereunder, while acting in good faith and in the exercise of business judgment. The Chief Litigation Officer will not be liable in any event except for gross negligence or willful misconduct in the performance of its duties hereunder.

Except as otherwise set forth in this Plan and to the extent permitted by applicable law, the Chief Litigation Officer and any attorneys, accountants, consultants, and other agents retained by the Chief Litigation Officer in the performance of its duties hereunder (the "Indemnified CLO Parties") shall be defended, held harmless and indemnified from time to time by the Reorganized IT Group (and not any other Person) against any and all losses, Claims, costs, expenses and liabilities to which such Indemnified CLO Parties may be subject by reason of such Indemnified CLO Party's execution of duties pursuant to the discretion, power and authority conferred on such Indemnified CLO Party by the Plan or the Confirmation Order; provided, however, that the indemnification obligations arising pursuant to this Section shall not indemnify the Indemnified CLO Parties for any actions taken by such Indemnified CLO Parties which constitute fraud, gross negligence or intentional breach of the Plan, or the Confirmation Order. Satisfaction of any obligation of the Reorganized IT Group arising pursuant to the terms of this Section shall be payable only from the assets of the Reorganized IT Group, including, if available, any insurance maintained by the Reorganized IT Group. The indemnification provisions contained herein shall remain available to and be binding upon any future Chief Litigation Officer or the estate of any decedent and shall survive dissolution of the Reorganized IT Group.

7.11 IT Environmental Liquidating Trust.

Pursuant to section 1123(b) of the Bankruptcy Code and Bankruptcy Rule 9019, entry of the Confirmation Order shall constitute approval of that certain IT Environmental Liquidating Trust Agreement reached with the DTSC in connection with the Consent Order and the Landfills, pursuant to which, on or after the occurrence of the Effective Date, the Debtors shall (a) establish the IT Environmental Liquidating Trust for the purpose of operating and providing for the closure and post closure management of the Landfills and liquidating, and distributing the proceeds from the IT Environmental Liquidating Trust Assets; (b) transfer the IT Environmental liquidating Trust Funding to the IT Environmental Liquidating Trust; and (c) transfer the IT Environmental Liquidating Trust Assets to settle the IT Environmental Liquidating Trust which IT Environmental Liquidating Trust Assets which shall consist of the following Categories of Assets:

(a) The Post Closure Insurance Policy Assets: (i) the Post Closure Insurance Policies; (ii) the proceeds from claims paid by the Post Closure Insurance Policies; and (iii) any interest earned on the proceeds from claims paid by the Post Closure Insurance Policies, all subject to DTSC's rights under the policies;

(b) The Properties: (i) The real property containing the Vine Hill and Panoche sites which are each owned by the LLCs; and (ii) the real property containing the Benson Ridge and Montezuma Hills Landfills which are owned by IT Corporation; and

(c) The Landfill Assets: (i) all of Debtors' membership interests in the LLCs; (ii) all real property, personal property, equipment, bank accounts, and employees associated with operations of the Landfills; (iii) all other funds obtained by the Debtors from other parties in settlement or resolution of contribution or cost recovery claims of the Debtors with respect to the Landfills; and (iv) all insurance policies held by the LLCs or the IT Environmental Liquidating Trust, all insurance policies held by the Debtors that are associated with the operations of the Landfills, and all proceeds and interest therefrom other than the Post Closure Insurance Policies; (v) all licenses, permits (subject to the Permit Transfer provision set forth in this Section 7.11) and contracts relating to the Landfills; and (vi) revenues from the operations of the Landfills or development thereon.

(d) The Landfill liabilities: (i) all accounts payable arising prior to and after the Effective Date associated with the operations of the Landfills and (ii) all cure obligations associated with the executory contracts and unexpired leases that are assumed by the Debtors and assigned to the IT Environmental Liquidating Trust in accordance with Section 11.1 of the Plan.

Nothing in the Plan or the IT Environmental Liquidating Trust Agreement creates any interest in, or claim against, the Post Closure Insurance Policies beyond the Debtors' interest in the policies as set forth in the Post Closure Insurance Policies themselves.

On or before the Effective Date and subject to the occurrence of the Effective Date, the LLCs and, where appropriate, the Debtors shall (i) execute the IT Environmental liquidating Trust Agreement; (ii) take all other steps necessary or appropriate to establish the IT Environmental Liquidating Trust; and (iii) to the extent necessary,

transfer, deliver and assign to the IT Environmental Liquidating Trust all IT Environmental Liquidating Trust Assets. For federal income tax purposes only, Reorganized IT Group will be the beneficiary (the "Beneficiary") of the IT Environmental Liquidating Trust and the Beneficiary will be treated as the grantor of the IT Environmental Liquidating Trust and deemed to be the owner of the IT Environmental Liquidating Trust Assets, and the Debtors will treat the transfer of the IT Environmental Liquidating Trust Assets to the IT Environmental Liquidating Trust as a deemed transfer to such Beneficiary followed by a deemed transfer by such Beneficiary to the IT Environmental Liquidating Trust.

Permit Transfer: Ownership of the Permits shall be transferred to the IT Environmental Liquidating Trust (or, if appropriate, to the LLCs) upon DTSC approval of Class 1 Permit Modifications to recognize the transfer of ownership, or if no such approval is required, upon the establishment of the IT Environmental Liquidating Trust.

The IT Environmental Liquidating Trust will be established and administered pursuant to the law of California and subject to the jurisdiction of the Northern District of California. Nothing in the Plan or IT Environmental Liquidating Trust Agreement, or in negotiations leading to the formation of these instruments, shall be construed as a waiver by the State of California, DTSC, or by any other California state agency, departments, board, or commission ("State of California") of Eleventh Amendment immunity, or as consent to be sued or otherwise compelled to appear in any Federal Court, including the Northern District of California and the Bankruptcy Court.

Nothing in this Plan is intended to be nor shall it be construed as a deprivation or waiver by the State of California of any rights and duties as a regulator under the laws of California or the United States, including, without limitation, the Permits, nor affect the State of California's interest, if any, in the Post Closure Insurance Policies.

The Consent Order and the Permits shall be assigned to and accepted by the IT Environmental Liquidating Trust and as such shall survive confirmation of the Plan and continue in full force and effect, subject to, if necessary, Class I Permit Modifications to recognize the transfer of the Permits.

On or before the Effective Date and subject to the occurrence of the Effective Date, all books and records of the Debtors requested by the IT Environmental Liquidating Trustee pertaining to the Landfills and the Post Closure Insurance Policies, shall be transferred to the IT Environmental Liquidating Trust. Reorganized IT Group and its agents and representatives, including former counsel for the Debtors, shall take all steps, and execute all documents, necessary to cause the transfer of all of the books and records of the Debtors in accordance with this Plan.

Any attorney client privilege, work product privilege or other privilege or immunity attaching to any documents or communications (whether written or oral) transferred to the IT Environmental Liquidating Trust shall not be deemed waived and shall automatically vest in the IT Environmental Liquidating Trustee and his representatives. After all Distributions and after implementation of the Plan and the establishment of the IT Environmental Liquidating Trust, no Person other than the IT Environmental Liquidating Trustee shall have the right to assert or waive any such privilege of the Debtors.

The IT Environmental Liquidating Trustee shall administer the IT Environmental Liquidating Trust in accordance with the terms and conditions of the IT Environmental Liquidating Trust Agreement, the Plan, and the Confirmation Order, and shall have those duties and powers set forth in the IT Environmental Liquidating Trust Agreement. The IT Environmental Liquidating Trustee may retain the services of attorneys, accountants, consultants, and other agents, in the business judgment of the IT Environmental Liquidating Trustee, to assist and advise the IT Environmental Liquidating Trustee in the performance of its duties hereunder. In addition to reimbursement of reasonable, actual and necessary expenses incurred, the IT Environmental Liquidating Trustee shall be entitled to reasonable compensation and benefits that shall be payable in the ordinary course of business and not subject the approval by the Northern District of California, as set forth in the IT Environmental Liquidating Trust Agreement.

In addition to all powers enumerated in the IT Environmental Liquidating Trust Agreement, from and after the transfer of the IT Environmental Liquidating Trust Assets into the IT Environmental Liquidating Trust, the IT Environmental Liquidating Trust shall succeed to all of the rights of the Debtors necessary to protect, conserve, preserve, and liquidate all IT Environmental Liquidating Trust Assets, including but not limited to the enforcement of the Debtors' rights under agreements approved by prior orders of the Northern District of California and rights under prior orders of the Northern District of California. In that capacity, the IT Environmental Liquidating Trust shall have the exclusive power to prosecute, defend, compromise, settle and otherwise deal with all IT Environmental Liquidating Trust Assets subject to the terms and conditions of the IT Environmental Liquidating Trust Agreement, the Plan, and the Confirmation Order; provided, however, that the IT Environmental Liquidating Trustee shall file semi-annual status reports with the Northern District of California, with copies to counsel for the DTSC, and the United States Trustee. Such reports shall include actual expenditures from the previous twelve (12) month period and projected expenditures for the future twelve (12) month period.

Neither the IT Environmental Liquidating Trustee, nor any director, officer or employer of the IT Environmental Liquidating Trust or the LLCs shall be personally liable, in connection with the IT Environmental Liquidating Trust, to any Creditor or Beneficiary of the IT Environmental Liquidating Trust, or any other Person, except in the case of fraud, gross negligence or willful conduct. Neither the IT Environmental Liquidating Trustee nor any director, officer or employee of the IT Environmental Liquidating Trust shall be considered an "operator" of the Landfills. Persons who assert claims against the IT Environmental Liquidating Trust, shall look only to the IT Environmental Liquidating Trust Assets to satisfy any liability incurred by the IT Environmental Liquidating Trust, the IT Environmental Liquidating Trustee, or any director, officer or employee of the IT Environmental Liquidating Trust to carry out the terms of the Plan, the Confirmation Order and the IT Environmental Liquidating Trust Agreement. The IT Environmental Liquidating Trustee is entitled to rely upon and shall have no liability in relying upon the advice of professionals retained by the IT Environmental Liquidating Trust. This Section 7.11 is not to be construed as a waiver by the DTSC of any and all laws applicable to the activities of the IT Environmental Liquidating Trust, or of its rights, if any, under the Post Closure Insurance Policies.

Except as otherwise set forth in this Plan or in the IT Environmental Liquidating Trust Agreement, the IT Environmental Liquidating Trustee and any director, officer or employee of the IT Environmental Liquidating Trust (collectively, the "Indemnified ELT Parties") shall be defended, held harmless and indemnified from time to time by the IT Environmental Liquidating Trust (and not any other Person) against any and all losses, Claims, costs, expenses and liabilities to which such Indemnified ELT Parties maybe subject by reason of such Indemnified ELT Party's execution of duties pursuant to the discretion, power and authority conferred on such Person by the IT Environmental Liquidating Trust Agreement, the Plan or the Confirmation Order; provided, however, that the indemnification obligations arising pursuant to this Section shall not indemnify the Indemnified ELT Parties for any actions taken by such Persons which constitute fraud, gross negligence or intentional breach of the Plan, Confirmation Order, or the IT Environmental Liquidating Trust Agreement. Satisfaction of any obligation of the IT Environmental Liquidating Trust arising pursuant to the terms of this Section shall be payable only from the IT Environmental Liquidating Trust Assets, including, if available, any insurance maintained by the IT Environmental Liquidating Trust. The indemnification provisions of the IT Environmental Liquidating Trust Agreement shall remain available to and be binding upon any future IT Environmental Liquidating Trustee or the estate of any decedent and shall survive termination of the IT Environmental Liquidating Trust.

The LLCs and the IT Environmental Liquidating Trust shall provide DTSC and its authorized officers, employees, representatives, as well as contractors, agents and consultants performing response actions under State of California oversight, right of access to the Landfills as required by the Permits. Notwithstanding any provision of this Plan, the State of California retains all of its access authorities and rights, including enforcement rights related thereto, under the Solid Waste Disposal Act, 42 U.S.C. § 6901 et. seq., and any other applicable State of California statute or regulation, including any amendments thereto. The LLCs and the IT Environmental Liquidating Trust do not waive, but retain all rights, claims, and causes of action against all non-governmental third parties which may gain access to the Landfills pursuant to the Plan or otherwise.

Prior to Termination, as defined in the IT Environmental Liquidating Trust Agreement, of the IT Environmental Liquidating Trust, the IT Environmental Liquidating Trustee will provide a final accounting as required by the Northern District of California.

Any conflicts between this Plan and the IT Environmental Liquidating Trust Agreement shall be resolved by reference to the terms of the IT Environmental Liquidating Trust Agreement.

7.12 Vesting of Assets of Debtors.

Upon the occurrence of the Effective Date and except as otherwise provided in the Plan, title to all of the Assets of the Debtors shall vest in Reorganized IT Group, free and clear of all Claims, Equity Interests, liens, security interests, encumbrances, and other interests. Subject to the Plan and direction by the Oversight Committee, Reorganized IT Group may use, acquire and otherwise dispose of its Assets free of any restrictions of the Bankruptcy Code on and after the occurrence of the Effective Date.

7.13 Reconstitution of Board of Directors.

If applicable, the initial board of directors of Reorganized IT Group shall be composed of the individuals identified at or prior to the Confirmation Hearing. From and after the Effective Date, the current board of directors of the IT Group shall be dissolved and the board of directors of Reorganized IT Group shall be selected and determined in accordance with the provisions of the New Charter and the New By-Laws for Reorganized IT Group.

7.14 The New Charter and the New By-Laws.

Upon the occurrence of the Effective Date, the charter and by-laws of Reorganized IT Group shall be amended and restated in substantially the form of the New Charter and New By-Laws, to, among other things, (a) prohibit the issuance of nonvoting equity securities as required by section 1123(a)(6) of the Bankruptcy Code, subject to further amendment of the New Charter as permitted by applicable law, and (b) otherwise effectuate the provisions of the Plan.

7.15 Cancellation of Instruments and Agreements.

Upon the occurrence of the Effective Date, except as otherwise provided herein, all promissory notes, share certificates, instruments, indentures, or agreements evidencing, giving rise to, or governing any Claim or Equity Interest shall be deemed canceled and annulled without further act or action under any applicable agreement, law, regulation, order, or rule, and the obligations of the Debtors under such promissory notes, share certificates, instruments, indentures, or agreements shall be discharged. The Indentures shall survive confirmation of the Plan solely to effectuate Distributions to be made to holders of the Old Notes as provided herein and to enforce the rights, duties and administrative functions of the Indenture Trustee as provided herein and therein with respect to such Distributions. Nothing in the Plan shall be deemed to impair, waive or discharge the Indenture Trustee's charging lien or any other rights or obligations of the Indenture Trustee under the Indentures. Upon the final Distributions to the holders of the Old Notes pursuant to the Plan, the Indentures shall be cancelled and deemed terminated, and the Indenture Trustee shall be discharged of any further duties, without any further act or action under any applicable agreement, law, regulations, order, or rule and the obligations of the Debtors under such Indentures shall be discharged.

7.16 Expenses Incurred and Claims of the Indenture Trustee.

The reasonable unpaid fees and expenses of the Indenture Trustee incurred in the performance of the Indenture Trustee's duties under the Indentures through the Effective Date shall be treated as an Allowed Administrative Claim to be paid in accordance with Article V of the Plan. From and after the Effective Date and subject to the approval of the Oversight Committee, Reorganized IT Group shall, in the ordinary course of business and without the necessity of approval by the Bankruptcy Court, pay the reasonable fees and expenses of the Indenture Trustee related to implementation and consummation of the Plan.

7.17 Causes of Action.

Except as otherwise provided in the Plan, all Causes of Action assertable by any of the Debtors, including but not limited to the Causes of Action listed on Exhibit ___ annexed to the Plan and those Causes of Action hereinafter arising or discovered and regardless of when the facts giving rise to such Causes of Action arose or existed. Avoidance Actions and Estate Causes of Action shall be retained by, and vested in, Reorganized IT Group upon the occurrence of the Effective Date. The Plan Proponents have attached a preliminary list of the Causes of Action to be retained as part of the Plan and reserve the right to amend that list up to and prior to the deadline for objections to the Plan. Except as otherwise provided in the Plan, the Debtors' rights to commence and prosecute such Causes of Action (including Avoidance Actions and Estate Causes of Action) shall be preserved notwithstanding consummation of the Plan. Any recovery realized by the Reorganized IT Group on behalf of the Debtors on account of such Causes of Action shall be the property of Reorganized IT Group and, except as otherwise provided in the Plan, distributed to holders of Allowed Claims in accordance with the Plan. Failure to list a claim, right of action, suit or proceeding on the Plan Exhibit ___ shall not constitute a waiver or release by the Committee, the Debtors or their Estates of such claim, right of action, suit or proceeding, all such claims, rights of action suits or proceedings are hereby expressly reserved.

7.18 Approval of the Plan Settlement.

The Confirmation Order shall approve the Plan Settlement and authorize the parties to take all actions that are necessary or appropriate to implement and give effect to the Plan Settlement subject to the occurrence of the Effective Date.

7.19 Employee Matters.

(a) Upon the occurrence of the Effective Date, the Debtors shall remit any payments outstanding as of the Effective Date that are due and payable pursuant to the terms of that certain Severance/Retention Program approved by the Bankruptcy Court by order dated August 29, 2002.

(b) Upon the occurrence of the Effective Date, the Soose Loans and accrued interest thereon shall be deemed to be forgiven. Within three (3) business days of the Effective Date, the Debtors will remit all federal, state and local withholding taxes and all related interests associated with the loan forgiveness and the corresponding salary gross-up so that Harry J. Soose, Jr., incurs no personal out-of-pocket expenses.

7.20 Special Provisions Regarding Insured Claims.

Distributions under the Plan to each holder of an Allowed Insured Claim against any Debtor shall be in accordance with the treatment provided under the Plan for the Class in which such Allowed Insured Claim is classified; provided, however, that any Distribution under the Plan on account of an Allowed Insured Claim shall, for purposes of calculating the Allowed amount of such Claim, deduct the amount of any insurance proceeds actually received by such holder in respect of such Allowed Insured Claim. Nothing in this Section 7.20 shall constitute a waiver of any claim, right or Cause of Action the Debtors may hold against any Person, including the Debtors' insurance carriers. Pursuant to section 524(e) of the Bankruptcy Code, nothing in the Plan shall release or discharge any insurers from any obligations to any third party under applicable law or any policy of insurance under which a debtor is an insured or beneficiary.

7.21 Appointment of the Disbursing Agent.

Upon the occurrence of the Effective Date, Reorganized IT Group, acting through the Plan Administrator, shall be appointed to serve as the Disbursing Agent for all of the Debtors.

7.22 Sources of Cash for Plan Distributions.

All Cash necessary for the Disbursing Agent to make payments and Distributions pursuant to the Plan shall be obtained from existing Cash balances and the disposition of the Assets pursuant to the Plan.

7.23 Sources of Cash for Implementation of Plan.

Pursuant to the Plan Settlement, the Administrative Reserve shall be held in an account maintained by Reorganized IT Group to fund post-Effective Date administrative and related costs associated with administration of the Chapter 11 Cases and implementation of the Plan including, without limitation, the fees and costs of the Disbursing Agent, Reorganized IT Group, the Plan Administrator, the Chief Litigation Officer and the Oversight Committee pursuant to the Plan, excluding costs relating to the IT Environmental Liquidating Trust. To the extent the Administrative Reserve is insufficient to fund administration of the Chapter 11 Cases and implementation of the Plan, the Bankruptcy Court may approve an Administrative Surcharge against the Litigation Recoveries upon application by the Plan Administrator, the Chief Litigation Officer, the Committee Designees and/or the Oversight Committee, upon notice to Reorganized IT Group, the Plan Administrator, the Chief Litigation Officer, the Oversight Committee, the Agent and any other party in interest as directed by the Bankruptcy Court.

7.24 Investment of Funds Held by the Disbursing Agent; Tax Reporting by the Disbursing Agent.

The Disbursing Agent may, but shall not be required to, invest any funds held by the Disbursing Agent pending the distribution of such funds pursuant to the Plan in investments that are exempt from federal, state, and local taxes. Subject to definitive guidance from the IRS or a court of competent jurisdiction to the contrary (including the receipt by the Disbursing Agent of a private letter ruling if the Disbursing Agent so requests one, or the receipt of an adverse determination by the IRS upon audit if not contested by the Disbursing Agent), the Disbursing Agent shall (a) treat the funds and other property held by it as held in a single trust for federal income tax purposes in accordance with the trust provisions of the Internal Revenue Code (Sections 641 *et seq.*), and (b) to the extent permitted by applicable law, report consistently with the foregoing for state and local income tax purposes.

7.25 Distributions under the Plan.

The Disbursing Agent shall make all Distributions required under the Plan. Whenever any Distribution to be made under this Plan shall be due on a day other than a Business Day, such Distribution shall instead be made, without interest, on the immediately succeeding Business Day, but shall be deemed to have been made on the date due. For federal income tax purposes, a Distribution will be allocated to the principal amount of a Claim first and then, to the extent the Distribution exceeds the principal amount of the Claim, to the portion of the Claim representing accrued but unpaid interest.

7.26 Timing of Distributions under the Plan.

Except for Distributions to holders of Allowed Lender Claims (which shall be made on the Effective Date), any Distribution to be made pursuant to the Plan shall be deemed to have been timely made if made within the ten (10) Business Days immediately following the Distribution Date.

7.27 Address for Delivery of Distributions under the Plan.

Subject to Bankruptcy Rule 9010, any Distribution or delivery to a holder of an Allowed Claim shall be made at the address of such holder as set forth on the proof of Claim filed by such holder (or at the last known address of such holder if no proof of claim is filed or if the Disbursing Agent, the Debtors, or Reorganized IT Group, as the case may be, have been notified of a change of address); provided, that all Distributions under the Plan to the holders of Allowed General Unsecured Claims based on the Old Notes shall be made to the Indenture Trustee with respect thereto. All Distributions under the Plan to the holders of the Lender Claims shall be made to the Agent for Distribution to such holders. If any holder's Distribution or payment is returned to the Disbursing Agent as undeliverable, no further Distributions or payments to such holder shall be made unless and until the Disbursing Agent is notified of such holder's then current address within three months after such Distribution or payment was returned, at which time any missed Distribution or payment shall be made to such holder without interest.

7.28 Time Bar to Cash Payments.

Checks issued in respect of Allowed Claims shall be null and void if not negotiated within one hundred and eighty (180) days after the date of issuance thereof. Requests for reissuance of any check shall be made directly to the Disbursing Agent by the holder of the Allowed Claim with respect to which such check originally was issued. All Claims in respect of void checks as provided herein shall be discharged and forever barred and such unclaimed Distributions or payments shall revert to Reorganized IT Group.

7.29 Manner of Payment under the Plan.

Unless the Person receiving a Distribution agrees otherwise, any Distribution to be made in Cash under the Plan shall be made, at the election of the Disbursing Agent, by check drawn on a domestic bank or by wire transfer from a domestic bank.

7.30 Expenses Incurred on or after the Effective Date and Claims of the Disbursing Agent.

Except as otherwise ordered by the Bankruptcy Court or as provided herein, the amount of any reasonable fees and expenses incurred (or to be incurred) by the Disbursing Agent or its agents on or after the Effective Date (including, but not limited to, taxes) may be withheld from the amounts to be distributed by the Disbursing Agent until such expenses are satisfied in full. Consequently, amounts actually received by holders of Allowed Claims may be less than the gross distributions provided for under the Plan by the amount withheld for the payment of the Disbursing Agent's reasonable fees and expenses incurred by the Disbursing Agent, or its agents. Professional fees and expenses incurred by the Disbursing Agent from and after the Effective Date in connection with the effectuation of the Plan shall be paid in the ordinary course of business. Any dispute regarding compensation shall be resolved by agreement of the parties or if the parties are unable to agree, as determined by the Bankruptcy Court.

7.31 Fractional Distributions.

Notwithstanding anything to the contrary contained herein, no Cash payments of fractions of cents and no fractional distributions of shares of the Shaw Stock will be made. Fractional cents shall be rounded to the nearest whole cent. Fractional shares shall be rounded down to the next-lower whole number of shares.

7.32 Corporate Action.

On the Effective Date, the adoption of the New Charter, the filing by Reorganized IT Group of the New Charter and the adoption of the New By-Laws and the other corporate actions, as contemplated by Article VII hereof, shall be authorized and approved in all respects, in each case without further action under applicable law, regulation, order, or rule, including, without express or implied limitation, any action by the stockholders or directors of the Debtors. On the Effective Date or as soon thereafter as is practicable, Reorganized IT Group shall file with the Secretary of State of the State of Delaware their New Charter. On the Effective Date, any other matters provided under the Plan involving the corporate structure of the Debtors or corporate action by the Debtors shall be deemed to have occurred, be authorized, and shall be in effect from and after the Effective Date without requiring further action under applicable law, regulation, order, or rule, including, without express or implied limitation, any action by the stockholders or directors of the Debtors.

7.33 Effectuating Documents and Further Transactions.

Each of the officers of the Debtors is authorized, in accordance with his or her authority under the resolutions of the boards of directors, to execute, deliver, file, or record such contracts, instruments, releases, indentures, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan and any notes or securities issued pursuant to the Plan.

**ARTICLE VIII.
PROCEDURES FOR RESOLVING
AND TREATING CONTESTED CLAIMS**

8.1 Objection Deadline.

As soon as practicable, but in no event later than one hundred and eighty (180) days after the Effective Date (subject to being extended by the Bankruptcy Court upon motion of the Disbursing Agent without notice or a hearing), objections to Claims shall be filed with the Bankruptcy Court and served upon the holders of each of the Claims to which objections are made.

8.2 Prosecution of Contested Claims.

The Disbursing Agent may object to the allowance of Claims filed with the Bankruptcy Court with respect to which liability is disputed in whole or in part. All objections that are filed and prosecuted as provided herein shall be litigated to Final Order or compromised and settled in accordance with Section 8.3 of the Plan.

8.3 Claims Settlement Guidelines.

Notwithstanding any requirements that may be imposed pursuant to Bankruptcy Rule 9019, from and after the Effective Date all Claims may be compromised and settled by the Disbursing Agent according to the following procedures:

(a) Subject to Section 7.9, Section 7.10 and subsection 8.3(b) hereof, the following settlements or compromises do not require the review or approval of the Bankruptcy Court or any other party in interest:

(i) The settlement or compromise of a Claim pursuant to which such Claim is Allowed in an amount of \$250,000 or less; and

(ii) The settlement or compromise of a Claim where the difference between the amount of the Claim listed on the Debtors' Schedules and the amount of the Claim proposed to be Allowed under the settlement is \$250,000 or less; and

(b) The following settlements or compromises shall be submitted to the Bankruptcy Court for approval:

(i) Any settlement or compromise not described in subsection 8.3(a) hereof; and

(ii) Any settlement or compromise of a Claim that involves an "insider," as defined in section 101(31) of the Bankruptcy Code.

8.4 No Distributions Pending Allowance.

Notwithstanding any other provision of the Plan, no payment or Distribution shall be made with respect to any Claim to the extent it is a Contested Claim, unless and until such Contested Claim becomes an Allowed Claim, subject to the Debtors' setoff rights as provided in Section 13.18 of the Plan.

8.5 Distributions After Allowance.

Payments and Distributions to each holder of a Contested Claim, to the extent that such Claim ultimately becomes Allowed, shall be made in accordance with the provision of the Plan governing the class of Claims to which the Allowed Claim belongs.

8.6 Estimation of Claims.

The Disbursing Agent may, at any time, request that the Bankruptcy Court estimate any Contested Claim pursuant to section 502(c) of the Bankruptcy Code regardless of whether the Disbursing Agent has previously objected to such Claim or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court will retain jurisdiction to estimate any Claim at any time during litigation concerning any objection to any Claim, including during the pendency of any appeal relating to any such objection. In the event that the Bankruptcy Court estimates any Contested Claim, that estimated amount will constitute either the allowed amount of such Claim or a maximum limitation on such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on such Claim, the Disbursing Agent may elect to pursue any supplemental proceedings to object to any ultimate payment on such Claim. All of the objection, estimation, settlement, and resolution procedures set forth in the Plan are cumulative and not necessarily exclusive of one another. Claims may be estimated and subsequently compromised, settled, withdrawn or resolved by any mechanism approved by the Bankruptcy Court.

**ARTICLE IX.
CONDITIONS PRECEDENT TO
CONFIRMATION OF THE PLAN AND
THE OCCURRENCE OF THE EFFECTIVE DATE**

9.1 Conditions Precedent to Confirmation.

The following are conditions precedent to confirmation of the Plan:

(a) The Clerk of the Bankruptcy Court shall have entered an order or orders, which may be the Confirmation Order, approving the Plan Documents, authorizing the Debtors to execute, enter into, and deliver the Plan Documents and to execute, implement, and to take all actions otherwise necessary or appropriate to give effect to, the transactions contemplated by the Plan and the Plan Documents.

(b) The Confirmation Order shall be, in form and substance, acceptable to the Plan Proponents and the Agent.

9.2 Conditions Precedent to the Occurrence of the Effective Date.

The following are conditions precedent to the occurrence of the Effective Date:

(a) The Confirmation Order shall have been entered by the Clerk of the Bankruptcy Court, be in full force and effect and not be subject to any stay or injunction.

(b) All necessary consents, authorizations and approvals shall have been given for the transfers of property and the payments provided for or contemplated by the Plan, including, without limitation, satisfaction or waiver of all conditions to the obligations of the Debtors under the Plan and the Plan Documents.

9.3 Waiver of Conditions.

The Committee and the Agent may waive any of the conditions set forth in Sections 9.1 and 9.2 of the Plan in writing.

**ARTICLE X.
THE DISBURSING AGENT**

10.1 Powers and Duties.

Pursuant to the terms and provisions of the Plan, the Disbursing Agent shall be empowered and directed to (a) take all steps and execute all instruments and documents necessary to make Distributions to holders

of Allowed Claims; (b) make distributions contemplated by the Plan; (c) comply with the Plan and the obligations thereunder; (d) employ, retain, or replace professionals to represent it with respect to its responsibilities; (e) object to Claims as specified in Article VIII hereof, and prosecute such objections; (f) make such periodic reports as requested by the Oversight Committee with respect to the status of Distributions under the Plan; and (h) exercise such other powers as set forth in the Plan or as requested by the Oversight Committee.

10.2 Distributions.

Pursuant to the terms and provisions of the Plan, the Disbursing Agent shall on the Distribution Date, make the required Distributions specified under the Plan. Notwithstanding the foregoing, the Disbursing Agent may make Distributions under the Plan to holders of Allowed General Unsecured Claims at such times as the Disbursing Agent (in consultation with the Committee Designees) reasonably determines the making of such Distributions are practicable in light of any Estimated Claims Order or other unresolved issues affecting Distributions to such holders.

10.3 Exculpation.

Except as otherwise provided in this Section 10.3 and in addition to Section 13.5 of the Plan, the Disbursing Agent, together with its officers, directors, employees, agents, and representatives, are hereby exculpated by all Persons, holders of Claims and Equity Interests, and all other parties in interest, from any and all Causes of Action, and other assertions of liability (including breach of fiduciary duty) arising out of the discharge of the powers and duties conferred upon the Disbursing Agent by the Plan, any Final Order of the Bankruptcy Court entered pursuant to or in the furtherance of the Plan, or applicable law, except solely for actions or omissions arising out of the Disbursing Agent's willful misconduct or gross negligence. No holder of a Claim or an Equity Interest, or representative thereof, shall have or pursue any claim or cause of action against the Disbursing Agent or its officers, directors, employees, agents, and representatives for making payments or Distributions in accordance with the Plan. Nothing contained in this Section 10.3 shall preclude or impair any holder of an Allowed Claim from bringing an action in the Bankruptcy Court against the Debtor to compel the making of Distributions contemplated by the Plan on account of such Allowed Claim.

ARTICLE XI.

TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

11.1 Assumption of Executory Contracts and Unexpired Leases.

Pursuant to section 365 of the Bankruptcy Code, Exhibit 2 to the Plan sets forth a list of executory contracts and unexpired leases, together with the amount, if any, required to cure any defaults, to be assumed under the Plan by the Debtors. Subject to the occurrence of the Effective Date, any executory contracts or unexpired leases listed on Exhibit 2 to the Plan, as such may be amended prior to the Confirmation Hearing, shall be deemed to have been assumed by the Debtors on the Effective Date. The Plan shall constitute a motion to assume such executory contracts and unexpired leases. Subject to the occurrence of the Effective Date, the Confirmation Order shall constitute approval of such assumptions pursuant to section 365 of the Bankruptcy Code and findings by the Bankruptcy Court that the amounts listed on Exhibit 2 are sufficient to cure any defaults that may exist, that each assumption is in the best interest of the Debtors, their estates, and all parties in interest in the Chapter 11 Cases and that the requirements for assumption of any executory contract or unexpired lease to be assumed under section 365 of the Bankruptcy Code have been satisfied. Except as otherwise provided in the following sentence, all cure payments which may be required by section 365(b)(1) of the Bankruptcy Code under any executory contract or unexpired lease which is assumed under the Plan shall be made by the Debtors on the Effective Date or as soon as practicable thereafter. In the event of a dispute, cure payments required by section 365(b)(1) of the Bankruptcy Code shall be paid upon entry of a Final Order resolving such dispute.

Pursuant to section 365 of the Bankruptcy Code, Exhibit 3 to the Plan sets forth a list of executory contracts, together with the amount, if any, required to cure any defaults, to be assumed under the Plan by the Debtors and assigned to Shaw effective as of May 3, 2002. Any executory contracts listed on Exhibit 3 to the Plan, as such may be amended prior to the Confirmation Hearing, shall be deemed to have been assumed by the Debtors and assigned to Shaw effective as of May 3, 2002. The Debtors are relieved of any liability for breach of any of the

executory contracts listed on Exhibit 3 to the Plan pursuant to section 365(k) of the Bankruptcy Code. In addition, Shaw shall satisfy all of the Debtors' obligations to cure defaults and compensate for damages with respect to any of the executory contracts listed on Exhibit 3 to the Plan pursuant to section 365(b) of the Bankruptcy Code.

Pursuant to section 365 of the Bankruptcy Code, Exhibit 4 to the Plan sets forth a list of executory contracts and unexpired leases, together with the amount, if any, required to cure any defaults, to be assumed under the Plan by the Debtors and assigned to the IT Environmental Liquidating Trust. Any executory contracts or unexpired leases listed on Exhibit 4 to the Plan, as such may be amended prior to the Confirmation Hearing, shall be deemed to have been assumed by the Debtors and assigned to the IT Environmental Liquidating Trust on the Effective Date. The Debtors are relieved of any liability for breach of any of the executory contracts listed on Exhibit 4 to the Plan pursuant to section 365(k) of the Bankruptcy Code. In addition, the IT Environmental Liquidating Trust shall satisfy all of the Debtors' obligations to cure defaults and compensate for damages with respect to any of the executory contracts listed on Exhibit 4 to the Plan pursuant to section 365(b) of the Bankruptcy Code.

11.2 Rejection of Executory Contracts and Unexpired Leases.

Any executory contracts or unexpired leases of any of the Debtors that (a) are not listed on Exhibits 2, 3 and 4 to the Plan, (b) have not been approved by the Bankruptcy Court prior to the Confirmation Date for assumption and assignment by any of the Debtors or rejection by any of the Debtors, and (c) are not the subject of pending motions to assume on the Confirmation Date shall be deemed to have been rejected by the Debtors effective as of the Effective Date. The Plan shall constitute a motion to reject such executory contracts and unexpired leases, and the Debtors shall have no liability thereunder except as is specifically provided in the Plan. The Confirmation Order shall constitute approval of such rejections pursuant to section 365(a) of the Bankruptcy Code and a finding by the Bankruptcy Court that each such rejected executory contract or unexpired lease is burdensome and that the rejection thereof is in the best interest of the Debtors, their estates, and all parties in interest in the Chapter 11 Cases.

11.3 Claims Arising from Rejection or Termination.

Claims created by the rejection of executory contracts or unexpired leases or the expiration or termination of any executory contract or unexpired lease prior to the Confirmation Date must be filed with the Bankruptcy Court and served on the Debtors (a) in the case of an executory contract or unexpired lease rejected by the Debtors prior to the Confirmation Date, in accordance with the Bar Date Order or the later of thirty (30) days after the entry of the Bankruptcy Court authorizing and approving such rejection, whichever is later, or (b) in the case of an executory contract or unexpired lease that (i) was terminated or expired by its terms prior to the Confirmation Date, or (ii) is deemed rejected pursuant to Section 11.2 of the Plan, no later than thirty (30) days after the Confirmation Date, or (c) in the case of an executory contract or unexpired lease that is rejected by the Debtors after the Confirmation Date, within thirty (30) days after the entry of an order of the Bankruptcy Court authorizing and approving such rejection. Any Claims for which a proof of claim is not filed and served within such time will be forever barred from assertion and shall not be enforceable against the Debtors, their estates, assets, properties, or interests in property. Unless otherwise ordered by the Bankruptcy Court, all such Claims that are timely filed as provided herein shall be treated as General Unsecured Claims under the Plan subject to objection by the Debtors.

ARTICLE XII. RETENTION OF JURISDICTION.

Pursuant to sections 105(a) and 1142 of the Bankruptcy Code, the Bankruptcy Court shall retain and shall have exclusive jurisdiction over any matter (a) arising under the Bankruptcy Code, (b) arising in or related to the Chapter 11 Cases or the Plan, or (c) that relates to the following:

(i) To hear and determine any and all motions or applications pending on the Confirmation Date or thereafter brought in accordance with Article XI hereof for the assumption and/or assignment or rejection of executory contracts or unexpired leases to which any of the Debtors is a party or with respect to which any of the Debtors may be liable, and to hear and determine any and all Claims resulting therefrom or from the expiration or termination of any executory contract or unexpired lease;

- (ii) To determine any and all adversary proceedings, applications, motions, and contested or litigated matters that may be pending on the Effective Date or that, pursuant to the Plan, may be instituted after the Effective Date, including, without express or implied limitation, any Avoidance Action or Estate Cause of Action;
- (iii) To hear and determine any objections to the allowance of Claims, whether filed, asserted, or made before or after the Effective Date, including, without express or implied limitation, to hear and determine any objections to the classification of any Claim and to allow, disallow or estimate any Contested Claim in whole or in part;
- (iv) To issue such orders in aid of execution of the Plan to the extent authorized or contemplated by section 1142 of the Bankruptcy Code;
- (v) To consider any modifications of the Plan, remedy any defect or omission, or reconcile any inconsistency in any order of the Bankruptcy Court, including, without limitation, the Confirmation Order;
- (vi) To hear and determine all applications for allowances of compensation and reimbursement of expenses of Professional Persons under sections 330 and 331 of the Bankruptcy Code and any other fees and expenses authorized to be paid or reimbursed under the Plan or the Bankruptcy Code;
- (vii) To hear and determine all controversies, suits, and disputes that may relate to, impact upon, or arise in connection with the Plan or the Plan Documents or their interpretation, implementation, enforcement, or consummation;
- (viii) To hear and determine all controversies, suits, and disputes that may relate to, impact upon, or arise in connection with the Confirmation Order (and all exhibits to the Plan) or its interpretation, implementation, enforcement, or consummation;
- (ix) To hear and determine all controversies, suits, and disputes that may relate to, impact upon, or arise in connection with the Plan Settlement or its interpretation, implementation, enforcement, or consummation;
- (x) To the extent that Bankruptcy Court approval is required, to consider and act on the compromise and settlement of any Claim or cause of action by or against the Debtors' estates;
- (xi) To determine such other matters that may be set forth in the Plan, or the Confirmation Order, or that may arise in connection with the Plan, or the Confirmation Order;
- (xii) To hear and determine matters concerning state, local, and federal taxes, fines, penalties, or additions to taxes for which Reorganized IT Group or the Disbursing Agent may be liable, directly or indirectly, in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;
- (xiii) To hear and determine all controversies, suits, and disputes that may relate to, impact upon, or arise in connection with any setoff and/or recoupment rights of the Debtors or any Person;
- (xiv) To hear and determine all controversies, suits, and disputes that may relate to, impact upon, or arise in connection with Causes of Action;
- (xv) To enter an order or final decree closing the Chapter 11 Cases;
- (xvi) To determine such other matters and for such other purposes as may be provided in the Confirmation Order;

(xvii) To issue injunctions, enter and implement other orders or take such other actions as may be necessary or appropriate to restrain interference by any Person with consummation, implementation or enforcement of the Plan or the Confirmation Order; and

(xviii) To hear and determine any other matters related hereto and not inconsistent with chapter 11 of the Bankruptcy Code.

ARTICLE XIII.
MISCELLANEOUS PROVISIONS

13.1 Payment of Statutory Fees.

All Statutory Fees shall be paid by the Debtors on or before the Effective Date.

13.2 Discharge of the Debtors.

The rights afforded in the Plan and the treatment of all Claims and Equity Interests herein shall be in exchange for and in complete satisfaction, discharge, and release of all Claims and Equity Interests of any nature whatsoever, including any interest accrued thereon from and after the Petition Date, against the Debtors or any of their Estates, Assets, properties, or interests in property. Except as otherwise provided herein, on the Effective Date, all Claims against and Equity Interests in the Debtors shall be satisfied, discharged, and released in full. The Debtors shall not be responsible for any obligations of the Debtors, except those expressly assumed by any of the Debtors in the Plan. Except as otherwise provided herein, all Persons shall be precluded and forever barred from asserting against the Debtors, Reorganized IT Group, their respective successors or assigns, or their Assets, properties, or interests in property any other or further Claims based upon any act or omission, transaction, or other activity of any kind or nature that occurred prior to the Effective Date, whether or not the facts of or legal bases therefor were known or existed prior to the Effective Date.

13.3 Third Party Agreements; Subordination.

The Distributions to the various classes of Claims hereunder shall be in full satisfaction of the right of any Person to levy, garnish, attach, or employ any other legal process with respect to such Distributions by reason of any claimed subordination rights or otherwise. Subject to the occurrence of the Effective Date, all of such rights and any agreements relating thereto shall be cancelled and annulled and of no further force or effect. In accordance with section 510(b) of the Bankruptcy Code, a Claim arising from rescission of a purchase or sale of a security of the Debtors or of an Affiliate of the Debtors, for damages arising from the purchase or sale of such a security, or for reimbursement or contribution allowed under section 502 of the Bankruptcy Code on account of such Claim, shall be subordinated to all Claims that are senior to or equal the Claim or Equity Interest represented by such security, except that if such security is common stock, such Claim has the same priority and treatment as Class 5 - Equity Interests.

13.4 Dissolution of Committee.

The appointment of the Committee shall terminate on the later of (a) the Effective Date, and (b) the date the last order of the Bankruptcy Court allowing or disallowing a Fee Claim becomes a Final Order. Upon such termination, the members of the Committee shall thereupon be released and discharged of and from all further authority, duties, responsibilities, and obligations relating to and arising from and in connection with the Chapter 11 Cases, and the Committee shall be deemed dissolved, unless prior thereto the Bankruptcy Court shall have entered an order extending the existence of the Committee. The decisions of the Committee through such dissolution date shall be deemed ratified and approved in all respects.

13.5 Exculpation.

None of the Plan Proponents, the Agent, the Prepetition Lenders, the Disbursing Agent or any of their respective members, officers, directors, employees, attorneys, advisors, professionals, consultants or agents

shall have or incur any liability to any Person for any act or omission in connection with, related to, or arising out of, the Chapter 11 Cases, the pursuit of confirmation of the Plan, the consummation of the Plan, or the administration of the Plan or the property to be distributed under the Plan, except for willful misconduct or gross negligence as determined by Final Order of the Bankruptcy Court, and in all respects shall be entitled to rely upon the advice of counsel and all information provided by other exculpated persons herein without any duty to investigate the veracity or accuracy of such information with respect to their duties and responsibilities under the Plan.

13.6 Title to Assets; Discharge of Liabilities.

Except as otherwise provided in the Plan, on the Effective Date, title to all Assets shall vest in Reorganized IT Group, free and clear of all Claims, Equity Interests, liens, security interests, encumbrances, and other interests, and the Confirmation Order shall be a judicial determination of discharge of the liabilities of the Debtors, except as provided in the Plan. Except as otherwise provided in the Plan, all holders of Claims and Equity Interests shall be precluded from asserting against the Debtors, the Assets, or any property dealt with under the Plan, any or other further Claim based upon any act or omission, transaction, or other activity of any kind or nature that occurred prior to the Effective Date.

13.7 Surrender and Cancellation of Instruments.

On the Effective Date, except as otherwise provided in the Plan, all promissory notes, instruments, securities and agreements evidencing a Claim or Equity Interest shall be canceled. At the option of the Disbursing Agent, no Distribution hereunder shall be made to or on behalf of any holder of any Claim (other than a Lender Claim), unless and until such promissory note, instrument, security or agreement is surrendered or the unavailability thereof is reasonably established to the satisfaction of the Disbursing Agent and such holder of a Claim or Equity Interest executes and delivers any documents necessary to release all encumbrances arising under any applicable security agreement or nonbankruptcy law and such other documents as the Disbursing Agent may reasonably request. In accordance with section 1143 of the Bankruptcy Code, any such holder of a Claim (other than a Lender Claim) that fails to surrender or cause to be surrendered such promissory note, instrument, security or agreement or to execute and deliver an affidavit of loss and indemnity reasonably satisfactory to the Disbursing Agent, and, in the event that the Disbursing Agent requests, furnish a bond in form and substance reasonably satisfactory to the Disbursing Agent (including, without limitation, amount), shall be deemed to have forfeited all rights, claims, and interests and shall not participate in any Distribution hereunder (to the extent otherwise entitled).

13.8 Notices.

Any notices, requests, and demands required or permitted to be provided under the Plan, in order to be effective, shall be in writing (including, without express or implied limitation, by facsimile transmission), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed as follows:

If to: The IT Group, Inc., et al.
Attention: Plan Administrator
2790 Mosside Boulevard
Monroeville, PA 15146-2792
Telecopier: (412) 858-3311
Telephone: (412) 858-3345

With a copy to:

Skadden, Arps, Slate, Meagher & Flom LLP
Attention: Gregg M. Galardi, Esq.
One Rodney Square
PO Box 636
Wilmington, DE 19899
Telecopier: (302) 651-3001
Telephone: (302) 651-3000

and

White & Case LLP
Attention: John K. Cunningham, Esq.
200 South Biscayne Boulevard
Suite 4900
Miami, Florida 33131
Telecopier: (305) 358-5744
Telephone: (305) 371-2700

and

The Bayard Firm
Attention: Jeffrey M. Schlerf, Esq.
222 Delaware Ave., 9th Floor
Wilmington, DE 19899
Telecopier: (302) 658-6395
Telephone: (302) 655-5000

and

Weil, Gotshal & Manges LLP
Attention: Stephen Karotkin, Esq.
767 Fifth Avenue
New York, New York 10153
Telecopier: (212) 310-8007
Telephone: (212) 310-8000

If to: Committee and/or Committee Designees

Attention: Murray Hutchison, Co-Chairperson
P.O. Box 2231
Rancho Santa Fe, CA 92067
Telecopier: (858) 756-9245
Telephone: (858) 756-9777

Attention: Daniel Arbess, Co-Chairperson
110 East 59th Street
34th Floor
New York, NY 10017
Telecopier: (212) 829-2599
Telephone: (212) 829-2540

With a copy to:

White & Case LLP
Attention: John K. Cunningham, Esq.
200 South Biscayne Boulevard
Suite 4900
Miami, Florida 33131
Telecopier: (305) 358-5744
Telephone: (305) 371-2700

If to: Agent, Prepetition Lenders and/or Lender Designees
Attention: Michael Becker
Salomon Smith Barney
New York, New York
Telecopier: (212) 723-3899
Telephone: (212) _____

With a copy to:

Weil, Gotshal & Manges LLP
Attention: Stephen Karotkin, Esq.
767 Fifth Avenue
New York, New York 10153
Telecopier: (212) 310-8007
Telephone: (212) 310-8000

13.9 Headings.

The headings used in the Plan are inserted for convenience only, and neither constitute a portion of the Plan nor in any manner affect the construction of the provisions of the Plan.

13.10 Governing Law.

Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and the Bankruptcy Rules), the laws of the State of New York, without giving effect to the conflicts of laws principles thereof, shall govern the construction of the Plan and any agreements, documents, and instruments executed in connection with the Plan, except as otherwise expressly provided in such instruments, agreements or documents.

13.11 Expedited Determination.

The Disbursing Agent is hereby authorized to file a request for expedited determination under section 502(b) of the Bankruptcy Code for all tax returns filed with respect to the Debtors.

13.12 Exemption from Transfer Taxes.

Pursuant to section 1146(c) of the Bankruptcy Code, the issuance, transfer, or exchange of notes or equity securities under the Plan, the creation of any mortgage, deed of trust, or other security interest, the making or assignment of any lease or sublease, or the making or delivery of any deed or other instrument of transfer under, in furtherance of, or in connection with the Plan, shall not be subject to any stamp, real estate transfer, mortgage recording, or other similar tax.

13.13 Notice of Entry of Confirmation Order and Relevant Dates.

Promptly upon entry of the Confirmation Order, the Committee shall publish on behalf of the Plan Proponents as directed by the Bankruptcy Court and serve on all known parties in interest and holders of Claims and Equity Interests in accordance with Bankruptcy Rule 3020(c)(2), notice of the entry of the Confirmation Order and all relevant deadlines and dates under the Plan, including, but not limited to, the deadline for filing notice of Administrative Claims (Section 5.1 hereof), and the deadline for filing rejection damage claims (Section 11.3 hereof).

13.14 No Interest or Attorneys' Fees.

Except as expressly stated in the Plan, or as allowed by the Bankruptcy Court, no interest, penalty or late charge arising after the Petition Date, and no award or reimbursement of attorneys fees or related expenses or disbursements, shall be allowed on, or in connection with, any Claim.

13.15 Modification of the Plan.

As provided in section 1127 of the Bankruptcy Code, modification of the Plan may be proposed in writing by the Plan Proponents (with the consent of the Agent) at any time before confirmation, provided that the Plan, as modified, meets the requirements of sections 1122 and 1123 of the Bankruptcy Code, and the Debtors shall have complied with section 1125 of the Bankruptcy Code. The Plan Proponents (with the consent of the Agent) may modify the Plan at any time after confirmation and before substantial consummation, provided that the Plan, as modified, meets the requirements of sections 1122 and 1123 of the Bankruptcy Code and the Bankruptcy Court, after notice and a hearing, confirms the Plan as modified, under section 1129 of the Bankruptcy Code, and the circumstances warrant such modifications. A holder of a Claim that has accepted or rejected the Plan shall be deemed to have accepted or rejected, as the case may be, such Plan as modified, unless, within the time fixed by the Bankruptcy Court, such holder changes its previous acceptance or rejection.

13.16 Revocation of Plan.

The Plan Proponents reserve the right to revoke and withdraw the Plan as to any Debtor prior to the occurrence of the Effective Date. If the Plan Proponents (with the consent of the Agent) revoke or withdraw the Plan as to any Debtor, or if the Effective Date does not occur as to any Debtor, then, as to such Debtor the Plan and all settlements set forth in the Plan shall be deemed null and void and nothing contained herein shall be deemed to constitute a waiver or release of any Claims against or Equity Interests in such Debtor or to prejudice in any manner the rights of the Debtors or any Person in any other further proceedings involving such Debtor.

13.17 Setoff Rights.

Except as provided elsewhere herein, in the event that the Debtors have a claim of any nature whatsoever against the holder of a Claim, the Debtors may, but are not required to, setoff against the Claim (and any payments or other Distributions to be made in respect of such Claim hereunder) the Debtors' claim against the holder. Neither the failure to setoff nor the allowance of any Claim under the Plan shall constitute a waiver or release of any claims that the Debtors have against the holder of a Claim.

13.18 Compliance with Tax Requirements.

In connection with the Plan, the Debtors and the Disbursing Agent, as applicable, shall comply with all withholding and reporting requirements imposed by federal, state, local, and foreign taxing authorities and all Distributions hereunder shall be subject to such withholding and reporting requirements. Notwithstanding the above, each holder of an Allowed Claim that is to receive a Distribution under the Plan shall have the sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any government unit, including income, withholding and other tax obligations, on account of such Distribution and reorganization. The Disbursing Agent has the right, but not the obligation, to not make a Distribution until such holder has made arrangements satisfactory to the Disbursing Agent for payment of any such tax obligations.

13.19 Recognition of Guaranty Rights.

The classification and manner of satisfying all Claims under the Plan take into consideration (a) the existence of guaranties by the Debtors of obligations of other Persons, and (b) the fact that the Debtors may be joint obligors with other Persons with respect to an obligation. All Claims against the Debtors based upon any such guaranties or joint obligations shall be discharged in the manner provided in the Plan; provided, that no creditor shall be entitled to receive more than one recovery with respect to any of its Allowed Claims.

13.20 Compliance with All Applicable Laws.

If notified by any governmental authority that it is in violation of any applicable law, rule, regulation, or order of such governmental authority relating to its businesses, the Debtors or the Disbursing Agent, as applicable, shall take whatever action as may be required to comply with such law, rule, regulation, or order; provided, that nothing contained herein shall require such compliance if the legality or applicability of any such

requirement is being contested in good faith, and, if appropriate, an adequate reserve for such requirement has been set aside.

13.21 Injunctions.

On the Effective Date, and except as otherwise provided herein, all Persons who have been, are, or may be holders of Claims against or Equity Interests in the Debtors shall be enjoined from taking any of the following actions against or affecting the Debtors, their Estates, the Assets, the Disbursing Agent, the Plan Administrator, the Chief Litigation Officer, the Oversight Committee, the Trust, the Trustee, the Committee, the Agent, the Prepetition Lenders, IT Environmental Liquidating Trust, IT Environmental Liquidating Trustee, or any of their respective officers, directors, members, employees, agents, representatives, or attorneys or their respective assets and property with respect to such Claims or Equity Interests (other than actions brought to enforce any rights or obligations under the Plan, including the treatment and allowance of Allowed Claims pursuant to the Plan, and appeals, if any, from the Confirmation Order):

(a) commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding of any kind (including, without limitation, all suits, actions, and proceedings that are pending as of the Effective Date, which must be withdrawn or dismissed with prejudice);

(b) enforcing, levying, attaching, collecting or otherwise recovering by any manner or means whether directly or indirectly any judgment, award, decree or order;

(c) creating, perfecting or otherwise enforcing in any manner, directly or indirectly, any encumbrance; and

(d) asserting any setoff, right of subrogation or recoupment of any kind; provided, that any defenses, offsets or counterclaims which the Debtors may have or assert in respect of the above referenced claims are fully preserved in accordance with Section 13.16 of the Plan; provided, that the foregoing injunctions in this Section 13.20 shall not apply to any of the Debtors' present or former officers, directors, members, employees, principals and control persons who do not serve in such capacities after the Effective Date.

Notwithstanding the foregoing or any other provision in the Plan or Confirmation Order, nothing in the Plan or Confirmation Order (except as set forth in Section 13.5) shall in any way enjoin, release, waive or otherwise exculpate any current or former officer or director of any of the Debtors (other than Harry J. Soose Jr., except to the extent of available director and officer insurance coverage) who served in such capacity prior to the Effective Date from any Claim or Cause of Action by any Person, including, without limitation, the Debtors and their Estates.

13.22 Binding Effect.

The Plan shall be binding upon and inure to the benefit of the Debtors, the holders of all Claims and Equity Interests, and their respective successors and assigns. To the extent any provision of the Disclosure Statement may be inconsistent with the terms of the Plan, the terms of the Plan shall be binding and conclusive.

13.23 Severability.

SHOULD THE BANKRUPTCY COURT DETERMINE THAT ANY PROVISION OF THE PLAN IS UNENFORCEABLE EITHER ON ITS FACE OR AS APPLIED TO ANY CLAIM OR EQUITY INTEREST OR TRANSACTION, THE PLAN PROPONENTS MAY MODIFY THE PLAN IN ACCORDANCE WITH SECTION 13.16 TO REMEDY SUCH UNENFORCEABILITY. SUCH A DETERMINATION OF UNENFORCEABILITY SHALL NOT (A) LIMIT OR AFFECT THE ENFORCEABILITY AND OPERATIVE EFFECT OF ANY OTHER PROVISION OF THE PLAN OR (B) REQUIRE THE RESOLICITATION OF ANY ACCEPTANCE OR REJECTION OF THE PLAN.

Dated: December __, 2003

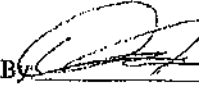
Respectfully submitted,

IT Group, Inc., et al.

By: _____
Harry J. Soose, Jr.

Title: Chief Operating Officer

The Official Committee of Unsecured Creditors

By:  _____
Daniel Arbess

Title: Co-Chairperson

By: _____
Murray Hutchison

Title: Co-Chairperson

13.23 Severability.


SHOULD THE BANKRUPTCY COURT DETERMINE THAT ANY PROVISION OF THE PLAN IS UNENFORCEABLE EITHER ON ITS FACE OR AS APPLIED TO ANY CLAIM OR EQUITY INTEREST OR TRANSACTION, THE PLAN PROPOSERS MAY MODIFY THE PLAN IN ACCORDANCE WITH SECTION 13.16 TO REMEDY SUCH UNENFORCEABILITY. SUCH A DETERMINATION OF UNENFORCEABILITY SHALL NOT (A) LIMIT OR AFFECT THE ENFORCEABILITY AND OPERATIVE EFFECT OF ANY OTHER PROVISION OF THE PLAN OR (B) REQUIRE THE RESOLICITATION OF ANY ACCEPTANCE OR REJECTION OF THE PLAN.

Dated: December 2, 2003

Respectfully submitted,

Official Committee of Unsecured Creditors
of The IT Group, Inc.

By: _____
Daniel Arbess
Title: Co-Chairperson

By: 
Murray Fitzhugh
Title: Co-Chairperson

The IT Group, Inc.,
as Debtors and debtors-in-possession

By: _____
Harry J. Soose, Jr.
Title: Chief Operating Officer

13.23 Severability

SHOULD THE BANKRUPTCY COURT DETERMINE THAT ANY PROVISION OF THE PLAN IS UNENFORCEABLE EITHER ON ITS FACE OR AS APPLIED TO ANY CLAIM OR EQUITY INTEREST OR TRANSACTION, THE PLAN PROPONENTS MAY MODIFY THE PLAN IN ACCORDANCE WITH SECTION 13.16 TO REMEDY SUCH UNENFORCEABILITY. SUCH A DETERMINATION OF UNENFORCEABILITY SHALL NOT (A) LIMIT OR AFFECT THE ENFORCEABILITY AND OPERATIVE EFFECT OF ANY OTHER PROVISION OF THE PLAN OR (B) REQUIRE THE RESOLICITATION OF ANY ACCEPTANCE OR REJECTION OF THE PLAN.

Dated: December 17, 2003

Respectfully submitted,

Official Committee of Unsecured Creditors
of The IT Group, Inc.

By: _____

Daniel Arbess

Title: Co-Chairperson

By: _____

Murray Hutchison

Title: Co-Chairperson

The IT Group, Inc.,
as Debtors and debtors-in-possession

By:  _____

Harry J. Soose, Jr.

Title: Chief Operating Officer

Exhibit B

Approval Order

[To come]

Exhibit C

Ballot Tabulation and Solicitation Procedures

[To come]

Exhibit D

Liquidation Analysis

[To come]

Exhibit E

List of Debtors

<u>DEBTOR</u>	<u>TAX ID NUMBER</u>	<u>CASE NO.</u>
The IT Group, Inc.	33-0001212	Case No. 02-10118 (MFW)
37-02 College Point Boulevard, LLC	84-1479216	Case No. 02-10119 (MFW)
Advanced Analytical Solutions, Inc.	84-1461794	Case No. 02-10120 (MFW)
E-Com Solutions, Inc.	94-3292325	Case No. 02-10121 (MFW)
Empire State I, LLC	84-1479218	Case No. 02-10122 (MFW)
Empire State II, LLC	84-1479217	Case No. 02-10123 (MFW)
EVAP Technologies LLC	25-1876926	Case No. 02-10124 (MFW)
Evergreen Acquisition Sub I, Inc.	23-3090041	Case No. 02-10125 (MFW)
Groundwater Technology, Inc.	02-0324047	Case No. 02-10126 (MFW)
IT Administrative Services, LLC	25-1867919	Case No. 02-10127 (MFW)
IT C&V Operations, Inc.	23-2946547	Case No. 02-10128 (MFW)
IT E&C Operations, Inc.	23-2946696	Case No. 02-10129 (MFW)
IT Environmental and Facilities, Inc.	25-1833796	Case No. 02-10130 (MFW)
IT International Holdings, Inc.	51-0386873	Case No. 02-10131 (MFW)
IT International Investments, Inc.	04-2944746	Case No. 02-10132 (MFW)
IT International Operations, Inc.	93-1018025	Case No. 02-10133 (MFW)
IT Investment Holdings, Inc.	33-0721650	Case No. 02-10134 (MFW)
IT Iron Mountain Operations, LLC	25-1867919	Case No. 02-10135 (MFW)
Jernee Mill Road, LLC	25-1855952	Case No. 02-10136 (MFW)
KIP I, LLC	25-1849491	Case No. 02-10137 (MFW)
LandBank Acquisition I, LLC	91-1979357	Case No. 02-10138 (MFW)
LandBank Acquisition II, LLC	91-1979352	Case No. 02-10139 (MFW)
LandBank Acquisition III, LLC	91-1979354	Case No. 02-10140 (MFW)
LandBank Environmental Properties, LLC	84-1417693	Case No. 02-10141 (MFW)
LandBank Remediation Corp.	94-3223144	Case No. 02-10142 (MFW)
LandBank, Inc.	77-0391324	Case No. 02-10143 (MFW)
LandBank Wetlands, LLC	84-1584577	Case No. 02-10144 (MFW)
Marconi Wartburg, LLC	22-3658738	Case No. 02-10145 (MFW)

<u>DEBTOR</u>	<u>TAX ID NUMBER</u>	<u>CASE NO.</u>
Millstone River Wetland Services, LLC	52-1989945	Case No. 02-10146 (MFW)
Northeast Restoration Company, LLC	84-1479222	Case No. 02-10147 (MFW)
Organic Waste Technologies, Inc.	51-0321674	Case No. 02-10148 (MFW)
Otay Mesa Ventures I, LLC	25-1849748	Case No. 02-10149 (MFW)
PHR Environmental Consultants, Inc.	33-0754921	Case No. 02-10150 (MFW)
Raritan Venture I, LLC	25-1868873	Case No. 02-10151 (MFW)
The Dorchester Group, LLC	84-1479214	Case No. 02-10152 (MFW)
U.S. Wetlands Services, LLC	13-3763223	Case No. 02-10153 (MFW)
Whippany Ventures I, LLC	84-1501746	Case No. 02-10154 (MFW)
Wyckoff's Mills, LLC	52-1989945	Case No. 02-10155 (MFW)
American Landfill Supply Co., Inc.	42-1341713	Case No. 02-10156 (MFW)
Benecia North Gateway LLC		Case No. 02-10157 (MFW)
EMCON	94-1738964	Case No. 02-10158 (MFW)
EMCON Industrial Services, Inc.	86-0842518	Case No. 02-10159 (MFW)
Enterprise Environmental & Earthworks, Inc.	36-4043563	Case No. 02-10160 (MFW)
Fluor Daniel Environmental Services, Inc.	33-0437335	Case No. 02-10161 (MFW)
Gradient Corporation	04-2857447	Case No. 02-10162 (MFW)
IT Alaska, Inc.	92-0121536	Case No. 02-10163 (MFW)
IT Baker LLC		Case No. 02-10164 (MFW)
IT Corporation	94-1259053	Case No. 02-10165 (MFW)
IT Corporation of North Carolina, Inc.	56-1231308	Case No. 02-10166 (MFW)
IT Lake Herman Road LLC		Case No. 02-10167 (MFW)
IT Vine Hill, LLC		Case No. 02-10168 (MFW)
IT-Tulsa Holdings, Inc.	73-1004178	Case No. 02-10169 (MFW)
ITGtech	95-4430474	Case No. 02-10170 (MFW)
Jellinek, Schwartz & Connolly, Inc.	52-1139905	Case No. 02-10171 (MFW)
JSC International, Inc.	56-1862081	Case No. 02-10172 (MFW)
Kato Road, LLC	84-1417566	Case No. 02-10173 (MFW)
Keystone Recovery, Inc.	34-1746531	Case No. 02-10174 (MFW)
LFG Specialties, Inc.	31-1628964	Case No. 02-10175 (MFW)

<u>DEBTOR</u>	<u>TAX ID NUMBER</u>	<u>CASE NO.</u>
Monterey Landfill Gas Company	36-3467676	Case No. 02-10176 (MFW)
National Earth Products, Inc.	23-2755576	Case No. 02-10177 (MFW)
Northern California Development Limited		Case No. 02-10178 (MFW)
OHM Corporation	34-1503050	Case No. 02-10179 (MFW)
OHM Remediation Services Corp.	34-1275607	Case No. 02-10180 (MFW)
Pacific Environmental Group, Inc.	94-3027373	Case No. 02-10181 (MFW)
Sielken, Inc.	76-0143090	Case No. 02-10182 (MFW)
Submerged Lands, LLC	84-1454321	Case No. 02-10183 (MFW)
W&H Pacific, Inc.	91-1412195	Case No. 02-10184 (MFW)
Wehran Engineering PC	14-1555706	Case No. 02-10185 (MFW)
Wehran New York, Inc.	06-1228800	Case No. 02-10186 (MFW)
Woodbury Creek, Inc.	52-1915703	Case No. 02-10187 (MFW)

Exhibit F

List of Acquisitions

- In March 1996, the Debtors acquired all the issued and outstanding stock of Gradient Corporation, which specialized in environmental and human health risk assessment and litigation support.
- In November 1996, the Debtors acquired a controlling interest in Chi Mei IT, which designs and builds wastewater treatment facilities.
- In May 1997, the Debtors acquired PHR Environmental Consultant's Inc., which performs historical pollution liability research and investigation.
- In September 1997, the Debtors acquired Pacific Environmental Group, Inc., which provides environmental consulting and engineering services.
- In January 1998, the Debtors acquired Jellinek, Schwartz & Connolly, Inc., which provides environmental consulting and advocacy services.
- In January 1998, the Debtors entered into a merger agreement to acquire OHM Corporation ("OHM"), an environmental and hazardous waste remediation company servicing primarily industrial, federal government and local government agencies located primarily in the United States. The transaction was effected through a two-step process for a total purchase price of \$303 million consisting of (a) the acquisition of 54% of the total outstanding shares through a cash tender offer, which was consummated on February 25, 1998, at \$11.50 per share for 13.9 million shares of OHM common stock, for a total consideration of \$160 million plus \$4 million in acquisition costs and (b) the acquisition on June 11, 1998 of the remaining 46% of the total outstanding shares through the exchange of 12.9 million shares of Debtors common stock valued at \$8.04 per share, or \$104 million and payment of \$31 million plus \$4 million in acquisition costs.

This transaction was accounted for as a step acquisition and therefore the effects of the first phase of the merger were included in the March 27, 1998 financial statements and the effects of both phases were included in the June 26, 1998 financial statements. The excess of the purchase price over the fair value of assets acquired and liabilities assumed in the merger of \$328.5 million has been finalized during the nine months ended December 25, 1998 and is classified as cost in excess of net assets of acquired businesses with amortization over forty years.

As a result of the merger with OHM, the Debtors adopted a plan and have commenced the process of closing specific overlapping facilities and reducing consolidated employment. The acquired balance sheet includes an accrual of \$16.2 million for the estimated OHM severance, office closure costs and lease termination costs of which \$7.3 million has been paid through December 25, 1998. The balance relating primarily to office lease costs is anticipated to be paid over the next seven years.

- In March 1998, the Debtors acquired LandBank, Inc., which provides real estate acquisition and restoration.
- On December 3, 1998, the Debtors acquired the outstanding common stock of Groundwater Technology, Inc. ("GTI"), an environmental consulting, engineering and construction management services company. GTI operated mainly throughout the United States with minor foreign operations. Total consideration amounted to \$69 million plus approximately \$2 million in transaction costs. This transaction was accounted for as a purchase in accordance with APB Opinion No. 16. The excess of the purchase price over the fair value of assets acquired and liabilities assumed in the merger of \$29 million is primarily classified as cost in excess of net assets of acquired businesses and is being amortized over twenty years.

As a result of the merger with GTI, the Debtors adopted a plan and commenced the process of closing specific overlapping facilities and reducing consolidated employment. The acquired balance sheet includes an accrual of

\$15 million for the estimated GTI severance, office closure costs and lease termination costs of which \$13 million had been paid through December 29, 2000. The balance will be paid primarily over the next twelve months.

●On March 31, 1999, the Debtors acquired all of the outstanding capital stock of Roche Limited Consulting Services ("Roche") for \$10 million plus \$1 million in transaction costs. The transaction also included contingent consideration, of which \$4.6 million has been paid and recorded as additional cost in excess of net assets of acquired businesses. Potential future earnout payments range from zero to \$4.6 million. Roche is based in Quebec City, Canada and provides engineering and construction services to wastewater, paper, mining and transportation industries worldwide.

The transaction was accounted for as a purchase in accordance with APB Opinion No. 16. The excess of the purchase price over the fair value of assets acquired and liabilities assumed of \$10 million is classified as cost in excess of net assets of acquired businesses, and is being amortized over twenty years.

●On April 9, 1999, the Debtors acquired specified assets of the EFM Group ("EFM") from ICF Kaiser International, Inc. ("Kaiser") for \$82 million, representing \$74 million in cash net of \$8 million of working capital retained by Kaiser. EFM provided environmental remediation, program management and technical support for United States Government agencies including the Department of Defense, National Aeronautics and Space Administration and the Department of Energy, as well as private sector environmental clients.

The transaction was accounted for as a purchase in accordance with APB Opinion No. 16. The excess of the purchase price over the adjusted fair value of assets acquired and liabilities assumed of \$92 million is classified as cost in excess of net assets of acquired businesses, and is being amortized over twenty five years.

As a result of the acquisition of EFM, the Debtors adopted a plan and commenced the process of closing specific overlapping facilities and reducing consolidated employment. The acquired balance sheet includes an accrual of \$7 million for the estimated EFM severance, office closure and lease termination costs of which \$6 million has been paid through December 29, 2000. The balance was to be paid over the next two years.

●On June 15, 1999, the Debtors acquired all of the outstanding capital stock of EMCON, a California corporation ("EMCON") for approximately \$62 million plus \$2 million in transaction costs. EMCON was an environmental consulting, engineering, design, construction and related outsourced services firm serving primarily the private sector with a focus on the solid waste service market.

The transaction was accounted for as a purchase in accordance with APB Opinion No. 16. The excess of the purchase price over the fair value of assets acquired and liabilities assumed of \$56 million is classified as cost in excess of net assets of acquired businesses and is being amortized over twenty five years.

●On May 9, 2000 the Debtors acquired all of the outstanding capital stock of W&H Pacific, Inc. ("W&H Pacific") for \$10 million plus approximately \$0.50 million in transaction costs, and contingent consideration up to \$8 million over the next two years. W&H Pacific is an engineering and design firm serving the northwestern United States in the telecommunications, transportation, and land development markets, with annual revenues of approximately \$30 million.

The transaction was accounted for as a purchase in accordance with APB Opinion No. 16. The acquisition was not material for presentation of pro forma financial information.