

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA**

In re:

**JOINTLY ADMINISTERED UNDER
CASE NO. 08-46617**

POLAROID CORPORATION, ET AL.,

08-46617 (GFK)

Debtors.

(includes:

Polaroid Holding Company;

08-46621 (GFK)

Polaroid Consumer Electronics, LLC;

08-46620 (GFK)

Polaroid Capital, LLC;

08-46623-(GFK)

Polaroid Latin America I Corporation;

08-46624 (GFK)

Polaroid Asia Pacific LLC;

08-46625 (GFK)

Polaroid International Holding LLC;

08-46626 (GFK)

Polaroid New Bedford Real Estate, LLC;

08-46627 (GFK)

Polaroid Norwood Real Estate, LLC;

08-46628 (GFK)

Polaroid Waltham Real Estate, LLC)

08-46629 (GFK)

Chapter 11 Cases
Judge Gregory F. Kishel

**CHAPTER 11 PLAN OF LIQUIDATION OF
THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS**

**PAUL HASTINGS, JANOFSKY
& WALKER LLP**

191 N. Wacker Dr., 30th Floor

Chicago, Illinois 60606

Richard A Chesley (IL 6240877)

Gregory S. Otsuka (IL 6270388)

Telephone: (312) 499-6000

Facsimile: (312) 499-6100

FAEGRE & BENSON LLP

2200 Wells Fargo Center

90 South Seventh Street

Minneapolis, Minnesota 55402-3901

Dennis M. Ryan (No. 161275)

Theresa H. Dykoschak (No. 0349999)

Telephone: (612) 766-7000

Facsimile: (612) 766-1600

Attorneys for the Official Committee of Unsecured Creditors

INTRODUCTION

The Official Committee of Unsecured Creditors (the “Committee”) appointed in the chapter 11 cases of Polaroid Corporation, Polaroid Holding Company, Polaroid Consumer Electronics, LLC, Polaroid Capital, LLC, Polaroid Latin America I Corporation, Polaroid Asia Pacific LLC, Polaroid International Holding LLC, Polaroid New Bedford Real Estate, LLC, Polaroid Norwood Real Estate, LLC and Polaroid Waltham Real Estate, LLC (each individually, a “Debtor” and collectively, the “Debtors”) propose this Chapter 11 Plan of Liquidation (the “Plan”) pursuant to the provisions of the Bankruptcy Code.

The Plan effects a substantive consolidation of the Debtors’ Assets, including the Debtors’ ownership interest in PLR IP Holdings, LLC (“PLR”), a joint venture with Hilco PLR Company, LLC and Gordon Brothers Brands, LLC, and liabilities, including Claims, and the transfer of all such Assets and liabilities into the newly formed Polaroid Liquidating Trust created for the purposes, inter alia, of making distributions to the Creditors of the Estates, pursuing Causes of Action, and otherwise completing the liquidation of the Estates, all as more fully set forth in this Plan.

ARTICLE I

DEFINITIONS

A. Defined Terms

Unless otherwise provided in this Plan, all terms used herein shall have the meanings assigned to such terms in the Bankruptcy Code or the Federal Rules of Bankruptcy Procedure. For the purposes of this Plan, the following terms (which appear in this Plan in capitalized form) shall have the meanings set forth below, and such meanings shall be equally applicable to the singular and to the plural form of the terms defined, unless the context otherwise requires.

1. “**ACH**” shall mean an automated clearing house transfer from a domestic bank.
2. “**Acorn**” shall mean Acorn Capital Group, LLC, and any of its affiliates.
3. “**Acorn Litigation**” shall mean the adversary proceeding captioned *Polaroid Corp. v. Acorn Capital Group, LLC*, Adv. No. 09-04031.
4. “**Acorn/Ritchie Claim**” shall mean a Claim of Acorn or Ritchie.
5. “**Administrative Budget**” shall mean (i) the initial budget for the six-month period following the Effective Date, setting forth in reasonable detail the anticipated Post-Confirmation Expenses of the Polaroid Liquidating Trust, together with any amendments or modifications thereto, as prepared by the Polaroid Liquidating Trustee and approved by the Trust Oversight Committee pursuant to Article IV.F of this Plan; and (ii) any budget for a subsequent six-month period, setting forth in reasonable detail the anticipated Post-Confirmation Expenses of the Polaroid Liquidating Trust, together with any amendments or modifications thereto, as prepared by the Liquidating Trustee and approved by the Trust Oversight Committee pursuant to Article IV.F of this Plan.
6. “**Administrative Claim**” shall mean any Claim for costs and expenses of administration of these cases with priority under Bankruptcy Code § 507(a)(1), including, without limitation, costs and expenses allowed under Bankruptcy Code § 503(b), the actual and necessary costs and expenses of preserving the Estates of the Debtors, any Claim arising under Bankruptcy Code § 503(b)(9) with respect to which an Administrative Expense Request was filed on or prior to the 503(b)(9) Bar Date, any claim relating to the right of reclamation to the extent afforded such priority under the Bankruptcy Code, any Professional Fee Claims, and any fees or charges assessed against the Estates of the Debtors under 28 U.S.C. § 1930.

7. **“Administrative Expense Request”** shall mean a request or motion for payment of an Administrative Claim.

8. **“Administrative Expense Request Deadline”** shall mean the date set as the deadline for filing Administrative Expense Requests for Administrative Claims (excluding Professional Fee Claims) that are not subject to the Bar Date Order, which deadline shall be thirty (30) days after the Effective Date unless otherwise ordered by the Bankruptcy Court.

9. **“Allowed Claim”** or **“Allowed Interest”** shall mean, respectively, a Claim or Interest: (i) that has been Scheduled and (a) is not Scheduled as disputed, contingent or unliquidated and (b) as to which no Proof of Claim has been filed; (ii) as to which a timely Proof of Claim has been filed as of the relevant Bar Date and no objection thereto, or motion to subordinate, disallow or otherwise limit recovery, has been made; or (iii) that has been allowed by a Final Order. An Allowed Claim shall not include interest on the amount of any Claim except with respect to an Allowed Secured Claim as permitted by Bankruptcy Code § 506(b) and as specifically provided in this Plan, or by Final Order of the Bankruptcy Court. If the Debtors shall object to any Claim in accordance with Bankruptcy Code § 502(d), such Claim shall not be an Allowed Claim until the avoidable transfer is returned, a Final Order has been entered that no avoidable transfer exists, or an agreement or settlement is reached that is approved by the Bankruptcy Court or pursuant to provisions in the Plan.

10. **“Allowed [] Claim”** or **“Allowed [] Interest”** shall mean an Allowed Claim or Allowed Interest, as the case may be, of a specified Class or an Allowed Claim that is an Administrative Claim, Priority Tax Claim, Priority Claim, Secured Claim, General Unsecured Claim, Acorn/Ritchie Claim, Convenience Claim or Interest Related Claim, as the case may be.

11. **“Assets”** shall mean all assets of each of the Debtors, of any nature whatsoever, including, without limitation, all property of the Estates under and pursuant to Bankruptcy Code § 541, the Debtors’ ownership interest in PLR, Cash, Causes of Action, including Avoidance Actions, rights, interests and property, real and personal, tangible and intangible.

12. **“Assumption Objection Deadline”** shall mean the date four (4) days prior to the Confirmation Hearing.

13. **“Avoidance Action(s)”** shall mean all claims and Causes of Action arising under chapter 5 of the Bankruptcy Code.

14. **“Bankruptcy Code”** shall mean the Bankruptcy Reform Act of 1978, as amended and codified in Title 11 of the United States Code, as in effect on the Petition Date.

15. **“Bankruptcy Court”** shall mean the United States District Court for the District of Minnesota with jurisdiction over the Chapter 11 Cases and, to the extent of any reference made pursuant to 28 U.S.C. § 157, the United States Bankruptcy Court for the District of Minnesota, or any court having competent jurisdiction to enter the Confirmation Order.

16. **“Bankruptcy Rules”** shall mean the Federal Rules of Bankruptcy Procedure effective in accordance with the provisions of 28 U.S.C. § 2075, as the same shall from time to time be amended.

17. **“Bar Date”** shall mean May 20, 2009, and such other date(s) fixed by order(s) of the Bankruptcy Court, by which all Persons, excluding governmental units, asserting a Claim must have filed a Proof of Claim or be forever barred from asserting such Claim.

18. **“Bar Date Order”** shall mean that certain order of the Bankruptcy Court dated as of January 21, 2009, establishing the May 20, 2009 Bar Date for filing Proofs of Claim, with only those exceptions permitted thereby.

19. **“Business Day”** shall mean a day (i) other than Saturday, Sunday, a legal holiday or other day on which commercial banks in the State of Delaware are authorized or required by law to close and (ii) as further defined in Bankruptcy Rule 9006(a).

20. **“Cash”** shall mean cash and cash equivalents in certified or immediately available funds, including, but not limited to, bank deposits, checks and similar items.

21. **“Causes of Action”** shall mean all claims as defined in section 101(5) of the Bankruptcy Code, causes of action, third-party claims, counterclaims and crossclaims (including but not limited to any Causes of Action described in the Disclosure Statement) of the Debtors and/or their Estates that are pending on the Effective Date or may be instituted after the Effective Date against any Person.

22. **“Chapter 11 Cases”** shall mean the above-captioned chapter 11 cases of the Debtors pending in the Bankruptcy Court and jointly administered with one another under Case No. 08-46617 (GFK).

23. **“Claims”** shall mean any claim(s) against the Debtors as such term is defined in Bankruptcy Code § 101(5).

24. **“Class”** shall mean each class of Holders of Claims or Interests specified in Article II.A of this Plan.

25. **“Committee”** shall mean the Official Committee of Unsecured Creditors of the Debtors appointed by the United States Trustee in the Chapter 11 Cases, as its composition may change from time to time.

26. **“Confirmation Date”** shall mean the date on which the Confirmation Order is entered on the docket in the Chapter 11 Cases by the Bankruptcy Court.

27. **“Confirmation Hearing”** shall mean the hearing at which the Bankruptcy Court considers confirmation of this Plan.

28. **“Confirmation Order”** shall mean the order of the Bankruptcy Court confirming this Plan, pursuant to Bankruptcy Code § 1129, and approving the transactions contemplated herein.

29. **“Convenience Claims”** are General Unsecured Claims of a single holder of a type that would otherwise be included in Class 3 that are either (i) \$2,000 or less in the aggregate or (ii) greater than \$2,000 in the aggregate but as to which the holder thereof has made a Convenience Class Election.

30. **“Convenience Class Election”** shall mean the election on the ballot for voting to accept this Plan by a single holder of General Unsecured Claims that are greater than \$2,000 in the aggregate to have such General Unsecured Claims treated as a Convenience Claim.

31. **“Creditor”** shall have the meaning in Bankruptcy Code § 101(10).

32. **“Debtor Intercompany Claim”** shall mean an Intercompany Claim held by a Debtor in these Chapter 11 Cases.

33. **“Debtors”** shall mean, collectively, Polaroid Corporation, Polaroid Holding Company, Polaroid Consumer Electronics, LLC, Polaroid Capital, LLC, Polaroid Latin America I Corporation, Polaroid Asia Pacific LLC, Polaroid International Holding LLC, Polaroid New Bedford Real Estate, LLC, Polaroid Norwood Real Estate, LLC and Polaroid Waltham Real Estate, LLC.

34. **“Disallowed Claim”** shall mean a Claim or any portion thereof that (i) has been disallowed by a Final Order, (ii) is Scheduled as zero or as contingent, disputed or unliquidated and as to which no Proof of Claim or Administrative Expense Request has been timely filed or deemed timely filed with the Bankruptcy Court, (iii) is not Scheduled and as to which no Proof of Claim or Administrative Expense Request has been timely filed or deemed timely filed with the Bankruptcy Court pursuant to either the Bankruptcy Code or any order of

the Bankruptcy Court or otherwise deemed timely filed under applicable law or this Plan, (iv) has been withdrawn by agreement of the Debtors or the Polaroid Liquidating Trust and the Holder thereof, or (v) has been withdrawn by the Holder thereof.

35. “Disbursing Agent” shall mean the Liquidating Trustee, unless another Person is designated to be the Disbursing Agent by the Trust Oversight Committee.

36. “Disclosure Statement” shall mean the Disclosure Statement dated June 9, 2009 related to this Plan, and all exhibits thereto, filed pursuant to Bankruptcy Code § 1125 and approved by the Bankruptcy Court.

37. “Disputed Claim” shall mean a Claim or any portion thereof that is neither an Allowed Claim nor a Disallowed Claim, including, without limitation, all Claims that (i) have not been Scheduled by the Debtors or have been Scheduled as unknown, contingent, unliquidated, disputed or at zero, whether or not such Claims are the subject of a Proof of Claim in the Bankruptcy Court, or (ii) are the subject of an objection filed with the Bankruptcy Court, which has not been withdrawn or overruled by a Final Order of the Bankruptcy Court; provided, however, that a Claim shall not be a Disputed Claim to the extent it becomes an Allowed Claim or a Disallowed Claim.

38. “Distributable Cash” shall mean all remaining available Cash after (i) payment of the Allowed Administrative Claims, Allowed Secured Claims, Allowed Priority Claims, Allowed Convenience Claims and Allowed Priority Tax Claims, and (ii) retention of amounts needed to pay or reserve for anticipated amounts of Post-Confirmation Expenses and Disputed Claims.

39. “Distribution” shall mean the distribution, in accordance with this Plan, of Cash or other property, as the case may be, or the Cash or other property as distributed.

40. **“Distribution Fund”** shall mean the fund which shall be established on the Effective Date by the Liquidating Trustee to pay (in the event any payments are to be made to holders of such Claims) Class 3 General Unsecured Claims, Class 3A Acorn/Ritchie Claims and Class 4A Non-Debtor Intercompany Claims.

41. **“Effective Date”** shall mean the day after the Confirmation Order has become a Final Order.

42. **“Estates”** shall mean the estates of the Debtors created by Bankruptcy Code § 541.

43. **“Executory Contract”** shall mean any executory contract or unexpired lease subject to Bankruptcy Code § 365, between any Debtor and any other Person.

44. **“Face Amount”** shall mean (i) when used in reference to a Disputed or Disallowed Claim, the full stated liquidated amount claimed by the Holder of such Claim in any Proof of Claim timely filed with the Bankruptcy Court or otherwise deemed timely filed by any Final Order of the Bankruptcy Court or other applicable bankruptcy law, and (ii) when used in reference to an Allowed Claim, the allowed amount of such Claim.

45. **“Final Decree”** shall mean the decree contemplated under Bankruptcy Rule 3022.

46. **“Final Order”** shall mean an order or judgment of the Bankruptcy Court as entered on the docket of the Chapter 11 Cases that has not been reversed, stayed, modified or amended and as to which the time to appeal, petition for certiorari, or seek reargument or rehearing has run or as to which any right to appeal, reargue, petition for certiorari or seek rehearing has been waived in writing or, if an appeal, reargument, petition for certiorari or rehearing thereof has been pursued or granted then such an appeal, reargument, petition for certiorari or rehearing has been denied, and the time to take any further appeal or to seek

certiorari or further reargument or rehearing has expired. Notwithstanding, and in lieu of the foregoing, insofar as the Confirmation Order confirming this Plan is concerned, Final Order means such order or judgment with respect to which no stay is in effect.

47. “General Unsecured Claim” shall mean any Claim that is not an Administrative Claim, Secured Claim, Priority Claim, Priority Tax Claim, Acorn/Ritchie Claim, Intercompany Claim or Interest Related Claim.

48. “Holder” shall mean the owner or holder of any Claim or Interest.

49. “Impaired” shall have the meaning set forth in Bankruptcy Code § 1124.

50. “Intercompany Claim” shall mean a claim against any Debtor of any parent, subsidiary or affiliate of Polaroid Corporation or any Person controlling, or who has controlled, such parent, subsidiary or affiliate.

51. “Interest” shall mean, with respect to any Debtor, any “equity security” as such term is defined in Bankruptcy Code § 101(16). Interest shall also include, without limitation, all stock, partnership, membership interest, warrants, options or other rights to purchase or acquire any shares of stock in the Debtors.

52. “Interest Related Claim” shall mean any Claim, including pursuant to Bankruptcy Code § 510(b), against the Debtors arising from the purchase or sale of an Interest in the Debtors, or any Claim against the Debtors by an entity that asserts equitable or contractual rights of reimbursement, contribution or indemnification arising from such Claim.

53. “IRS” shall mean the Internal Revenue Service.

54. “Lender Litigation” shall mean, collectively, the Acorn Litigation, the Ritchie Litigation, and the litigation to avoid, disallow, equitably subordinate or recharacterize Intercompany Claims of non-Debtors.

55. **“Lien”** shall mean any lien, mortgage, charge, security interest, pledge or other encumbrance against or interest in property to secure payment or performance of a claim, debt or litigation.

56. **“Liquidating Trust Agreement”** shall mean that trust agreement for the Polaroid Liquidating Trust which shall be filed with a plan supplement filed prior to the Confirmation Hearing.

57. **“Liquidating Trustee”** shall mean that individual appointed in his or her capacity as the trustee of the Polaroid Liquidating Trust or any of his or her successors.

58. **“Non-Debtor Intercompany Claim”** shall mean an Intercompany Claim held by a Person that is not a Debtor in these Chapter 11 Cases.

59. **“Organization Documents”** shall mean any certificate filed with the Secretary of State prior to the Effective Date, including any certificate of incorporation or certificate of formation, and any amendments or restatements thereto, and the bylaws or limited liability company agreements, as applicable, and any amendments and restatements thereto, of each of the Debtors.

60. **“Person”** shall mean any individual, corporation, limited liability company, general partnership, limited partnership, limited liability partnership, association, joint stock company, joint venture, estate, trust, unincorporated organization, government or any political subdivision thereof or other entity.

61. **“Petition Date”** shall mean December 18, 2008, the date the Debtors commenced the Chapter 11 Cases.

62. **“Petters Debtors”** shall mean, collectively, Petters Company, Inc., Petters Group Worldwide, LLC, PC Funding, LLC, Thousand Lakes, LLC, SPF Funding, LLC, PL Ltd,

Inc., Edge One, LLC, MGC Finance, Inc., LLC, PAC Funding, LLC and Palm Beach Finance Holdings, Inc.

63. “Plan” shall mean this Chapter 11 Plan of Liquidation (as the same may be modified or amended by the Committee in accordance with the Bankruptcy Code, the Bankruptcy Rules and this Plan) and any exhibits hereto and any documents incorporated herein by reference.

64. “PLR IP Holdings, LLC” or “PLR” shall mean that entity that is 37.5% owned by Hilco PLR Company, LLC, 37.5% owned by Gordon Brothers Brands, LLC and 25% owned by the Debtors, that purchased certain assets of the Debtors pursuant to the Court’s order dated April 17, 2009.

65. “Polaroid Liquidating Trust” shall mean the Delaware common law trust described more fully in Article IV.D of the Plan.

66. “Post-Confirmation Expense” shall mean any fees, costs and expenses (including, without limitation, United States Trustee fees, Liquidating Trustee fees, attorneys’ fees, the fees of other professionals, and any taxes imposed on the Polaroid Liquidating Trust or in respect of its Assets) necessary to complete the liquidation and winding up of the Debtors, their Estates and the Polaroid Liquidating Trust after the Effective Date.

67. “Prior Claim” shall mean any Allowed Administrative Claim, Allowed Priority Claim and Priority Tax Claim.

68. “Priority Claim” shall mean a Claim entitled to priority pursuant to Bankruptcy Code § 507 that is not an Administrative Claim or a Priority Tax Claim.

69. “Priority Tax Claim” shall mean a Claim of the kind specified in Bankruptcy Code § 507(a)(8) or a tax Claim afforded secured status pursuant to Bankruptcy Code § 506.

70. “Professional” shall mean a Person (i) employed by the Debtors and/or the Committee pursuant to a Final Order in accordance with Bankruptcy Code §§ 327 and 1103 and to be compensated for services rendered prior to the Effective Date pursuant to Bankruptcy Code §§ 327, 328, 329, 330 and 331, or (ii) for which compensation and reimbursement has been Allowed by the Bankruptcy Court pursuant to Bankruptcy Code § 503(b)(4) by a Final Order. This term excludes professionals that may be selected and employed by the Liquidating Trustee, the Polaroid Liquidating Trust or the Trust Oversight Committee on and after the Effective Date.

71. “Professional Fee Claim” shall mean all fees and expenses claimed by Professionals which remain unpaid as of the Effective Date.

72. “Proof of Claim” shall mean a proof of claim filed in the Chapter 11 Cases pursuant to Bankruptcy Code § 501 and/or any order of the Bankruptcy Court, together with supporting documents.

73. “Pro Rata” shall mean the proportion that the Face Amount of a Claim in a particular Class or Classes bears to the aggregate Face Amount of all Claims (including Disputed Claims, but excluding Disallowed Claims) in such Class or Classes, unless this Plan provides otherwise.

74. “Protected Party” shall mean any of the Debtors, the Liquidating Trustee, the Estates, the Polaroid Liquidating Trust, the Committee and the Trust Oversight Committee and their respective officers, directors, current (but not former) employees, members, shareholders, advisors, attorneys, representatives, professionals and other agents.

75. “Reclamation Right” shall mean the right of a Creditor to reclaim goods sold to, and received by, any Debtor in the ordinary course of business as set forth in Bankruptcy Code § 546(c) and excluding any Administrative Claim arising under Bankruptcy Code § 503(b)(9).

76. **“Ritchie”** shall mean Ritchie Capital Management, L.L.C.; Ritchie Special Credit Investments, Ltd.; Rhone Holdings II, Ltd.; Yorkville Investments I, L.L.C.; Ritchie Capital Structure Arbitrage Trading, Ltd.; and any affiliates of the preceding entities.

77. **“Ritchie Litigation”** shall mean the adversary proceeding captioned *Polaroid Corp. v. Ritchie Capital Management, L.L.C.*, Adv. No. 09-04032.

78. **“Sale Order”** shall mean the Order Authorizing (I) Sale of Certain of the Debtors’ Assets, Free and Clear of Liens, Claims, Encumbrances, and Interests; and (II) the Granting of Related Relief [Docket No. 332], entered by the Bankruptcy Court on April 17, 2009.

79. **“Scheduled,”** with respect to any Claim, shall mean listed on the Schedules.

80. **“Schedules”** shall mean the Statements of Financial Affairs and Schedules of Assets and Liabilities filed by the Debtors with the Bankruptcy Court in the Chapter 11 Cases under Bankruptcy Rule 1007, as such Statements of Financial Affairs and Schedules of Assets and Liabilities have been or may be amended or supplemented from time to time.

81. **“Secretary of State”** shall mean the Secretary of State of the State of Delaware.

82. **“Secured Claim”** shall mean, pursuant to Bankruptcy Code § 506, that portion of a Claim that is (i) secured by a valid, perfected and enforceable security interest, Lien, mortgage or other encumbrance, which is not subject to avoidance under applicable bankruptcy or non-bankruptcy law, in or upon any right, title or interest of the Debtor(s) in and to property of the Estates, to the extent of the value of the Holder’s interest in such property as of the relevant determination date; or (ii) Allowed as such pursuant to the terms of this Plan. The defined term

“Secured Claim” includes any Claim that is (i) subject to an offset right under applicable law and (ii) any secured claim against the Debtors pursuant to Bankruptcy Code §§ 506(a) and 553.

83. “Trust Oversight Committee” shall mean the trust oversight committee of Creditors formed on the Effective Date upon the dissolution of the Committee and composed of four (4) members: the U.S. Trustee as an *ex-officio* member and three (3) members selected by the Committee and identified in a plan supplement filed prior to the Confirmation Hearing or identified by the Trust Oversight Committee, as applicable.

84. “U.S. Trustee” shall mean the United States Trustee for the District of Minnesota who has been assigned to these Chapter 11 Cases.

85. “Wind-down Reserve” shall mean the reserve to be established on the Effective Date by the Liquidating Trustee, in consultation with the Trust Oversight Committee in accordance with the terms of the Administrative Budget, to fund the winding up of the affairs of the Debtors and administering the Plan and Polaroid Liquidating Trust. After the Effective Date, the Wind-down Reserve shall be supplemented to the extent considered necessary or desirable by the Liquidating Trustee (in consultation with the Trust Oversight Committee) with proceeds of any collection, sale, liquidation, or other disposition of any non-Cash property of the Debtors or the Polaroid Liquidating Trust existing on or created after the Effective Date, including, without limitation, Causes of Action.

B. Other Terms

The words “herein,” “hereof,” “hereto,” “hereunder” and others of similar import refer to this Plan as a whole and not to any particular article, section or clause contained in this Plan. A reference to an “Article” refers to an Article, or referenced portion thereof, of this Plan. A term used herein that is not defined herein shall have the meaning ascribed to that term, if any,

in or by the Bankruptcy Code. The rules of construction set forth in Bankruptcy Code § 102 shall apply in constructing this Plan.

C. Exhibits

All Exhibits to this Plan are incorporated by reference into and are made a part of this Plan as if set forth in full herein.

ARTICLE II

CLASSIFICATION AND TREATMENT OF CLAIMS

A. Classification

The classification of Claims (except for Administrative Claims and Priority Tax Claims) and Interests listed below is for all purposes, including, without limitation, voting, confirmation and distributions under this Plan and under Bankruptcy Code §§ 1122 and 1123(a)(1). Any guaranty obligations of one Debtor for another are eliminated such that a claimant is entitled to one, not two, Claims. Consistent with section 1122 of the Bankruptcy Code, a Claim or Interest shall be deemed classified by the Plan in a particular Class only to the extent such Claim or Interest satisfies the definition of such Class and shall be deemed classified in a different Class to the extent any remainder or other portion of such Claim or Interest satisfies the definition of such different Class. A Claim is in a particular Class only to the extent such Claim is an Allowed Claim in such Class and has not been paid or otherwise settled before the Effective Date. The classification of Claims and Interests pursuant to this Plan is as follows:

| <u>CLASS</u> | <u>STATUS</u> | <u>VOTING RIGHTS</u> |
|-----------------------------------|----------------------|-----------------------------|
| Class 1: Priority Claims | Not Impaired | Not Entitled to Vote |
| Class 2: Secured Claims | Not Impaired | Not Entitled to Vote |
| Class 3: General Unsecured Claims | Impaired | Entitled to Vote |
| Class 3A: Acorn/Ritchie Claims | Impaired | Entitled to Vote |

| | | |
|--|---------------------------------------|----------------------|
| Class 4: Debtor Intercompany Claims | Impaired | Not Entitled to Vote |
| Class 4A: Non-Debtor Intercompany Claims | Impaired | Entitled to Vote |
| Class 5: Convenience Claims | Not Impaired or Impaired by Agreement | Not Entitled to Vote |
| Class 6: Interests and Interest Related Claims | Impaired | Not Entitled to Vote |

B. Unclassified Claims: Administrative Claims and Priority Tax Claims

As provided in Bankruptcy Code § 1123(a)(1), Administrative Claims and Priority Tax Claims shall not be classified for the purposes of voting or receiving distributions under this Plan. Rather, all such Claims shall be treated separately as unclassified Claims on the terms set forth in this Article II.B.

1. Administrative Claims

a. Non-Professional Fee Claims

The Liquidating Trustee shall pay each Holder of an Allowed Administrative Claim (excluding Professional Fee Claims) the full amount of such Allowed Administrative Claim, without interest, in Cash, as soon as practicable after the Effective Date or within thirty (30) days after such Administrative Claim becomes an Allowed Claim. Notwithstanding anything herein to the contrary, a Holder of an Allowed Administrative Claim may be paid on such other date or dates and upon such other terms as may be agreed upon by such Holder and the Liquidating Trustee. Without limiting the foregoing, all outstanding fees payable to the Office of the United States Trustee under 28 U.S.C. § 1930 that have not been paid as of the Effective Date shall be paid by the Liquidating Trustee no later than thirty (30) days after the Effective Date or when due in the ordinary course.

b. Professional Fee Claims

The Liquidating Trustee shall pay Professionals who are entitled to reimbursement or allowance of fees and expenses from the Debtors' Estates pursuant to Bankruptcy Code §§ 503(b)(2) - (b)(6), in Cash, in the amount awarded to such Professionals by Final Order of the Bankruptcy Court, as soon as practicable after the later of the Effective Date and the date upon which any order awarding fees and expenses becomes a Final Order, in accordance with the terms of any order entered by the Bankruptcy Court governing the payment of fees and expenses during the course of the Chapter 11 Cases, and after application of any retainer received by the Professionals.

Any final application for allowance of a Professional Fee Claim for services rendered and costs incurred through the Effective Date must be filed with the Bankruptcy Court and served on counsel for the Polaroid Liquidating Trust and the Liquidating Trustee at the addresses listed in Article IX.N of this Plan and on the Office of the United States Trustee so that it is received no later than forty-five (45) days after the Effective Date, or such Professional Fee Claim shall be forever barred and shall not be enforceable against the Debtors, their Estates, the Polaroid Liquidating Trust, the Liquidating Trustee and their successors, their assigns or their Assets. Allowed Professional Fee Claims must be paid in full or reserved for in Cash to pay Professional Fee Claims pending allowance by the Bankruptcy Court prior to any payment to Holders of Allowed Claims in Class 3 (General Unsecured Claims) or Class 3A (Acorn/Ritchie Claims).

c. Administrative Claims and Administrative Expense Request Deadline

Each Holder of an Administrative Claim must file an Administrative Expense Request requesting payment of such Administrative Claim with the Bankruptcy Court by no later than (i) May 20, 2009 for any Claims covered by the Bar Date Order or (ii) the Administrative

Expense Request Deadline for all other Administrative Claims that are not subject to the Bar Date Order; provided, however, that any such Administrative Expense Request need not be filed with a hearing date. Nothing herein extends a Bar Date established in the Bar Date Order. The Liquidating Trustee shall pay each Holder of an Allowed Administrative Claim against any Debtor the full amount of such Allowed Administrative Claim, without interest, in Cash (a) as soon as practicable after the Effective Date but no later than 20 days after the Effective Date or (b) within thirty (30) days after such Administrative Claim becomes an Allowed Claim. Notwithstanding anything herein to the contrary, a Holder of an Allowed Administrative Claim against any Debtor may be paid on such other date or dates and upon such other terms as may be agreed upon by such Holder and the Liquidating Trustee, subject to the consent of the Trust Oversight Committee.

2. Priority Tax Claims

The Liquidating Trustee shall pay, at the Liquidating Trustee's discretion, each Holder of an Allowed Priority Tax Claims either (i) in full in Cash at the later of (a) as soon as practicable after the Effective Date or (b) within thirty (30) days after such Priority Tax Claim becomes an Allowed Claim. All Allowed Priority Tax Claims against the Debtors which are not due and payable on or before the Effective Date shall be paid in the ordinary course of business in accordance with the terms thereof. The Liquidating Trustee can prepay any Allowed Priority Tax Claim at any time after the Effective Date without any penalty or charge.

Holders of Allowed Priority Tax Claims will not be entitled to receive any payment on account of any penalty arising with respect to or in connection with such Claims. Any Claim for any such penalty, or demand for any such penalty, will be deemed disallowed by confirmation of this Plan.

3. Claims Related to Reclamation Rights

To the extent that Holders of Claims on account of the goods that are the subject of the Reclamation Rights took all actions necessary to preserve or assert a Claim, including the filing of valid Proofs of Claims on account of such goods, those Claims will be administered in accordance this Plan and to the extent such Claims are Allowed Claims, will be treated with the priority afforded under the Bankruptcy Code.

C. Classes of Claims and Interests: Classification, Treatment and Voting Rights

Holders of Claims and Interests are divided into Classes and treated as follows:

1. “Class 1” – Priority Claims – *Not Impaired*

a. Classification

Class 1 consists of all Allowed Priority Claims.

b. Treatment

The Liquidating Trustee shall pay each Holder of an Allowed Class 1 Claim, in relative order of priority pursuant to Bankruptcy Code § 507, in full, in Cash, without interest, on the later of thirty (30) days after (i) the Effective Date or (ii) the date on which such Claim becomes an Allowed Claim.

c. Voting

Class 1 is not Impaired. Holders of Claims in Class 1 are conclusively deemed to have accepted this Plan pursuant to Bankruptcy Code § 1126(f). Therefore, Holders of Claims in Class 1 are not entitled to vote to accept or reject this Plan.

2. “Class 2” – Secured Claims – *Not Impaired*

a. Classification

Class 2 consists of all Secured Claims.

b. Treatment

Each Holder of an Allowed Class 2 Claim shall, at the option of the Liquidating Trustee, subject to the consent of the Trust Oversight Committee, (i) receive Cash in an amount equal to such Claim, in full and complete satisfaction of such Claim, on the later of the initial distribution date under this Plan and the date such Claim becomes an Allowed Claim, or as soon thereafter as is practicable; or (ii) receive the collateral securing its Claim in full and complete satisfaction of such Claim on the later of the initial distribution date under this Plan and the date such Claim becomes an Allowed Claim, or as soon thereafter as is practicable. Each Holder of an Allowed Class 2 Claim shall also have a General Unsecured Claim to the extent its Allowed Class 2 Claim is not fully and completely satisfied through the receipt of cash or collateral as described in the preceding sentence.

c. Voting

Class 2 is not Impaired. Holders of Allowed Class 2 Claims are conclusively deemed to have accepted this Plan pursuant to Bankruptcy Code § 1126(f). Therefore, Holders of Claims in Class 2 are not entitled to vote to accept or reject this Plan.

3. “Class 3” – General Unsecured Claims – Impaired

a. Classification

Class 3 consists of all General Unsecured Claims.

b. Treatment

The Liquidating Trustee shall distribute to each Holder of an Allowed Class 3 Claim a Pro Rata share of Distributable Cash, in accordance with Article VI hereof.

c. Voting

Class 3 is Impaired. Therefore, Holders of Allowed Class 3 Claims are entitled to vote to accept or reject this Plan or choose the Convenience Class Election.

4. “Class 3A” – Acorn/Ritchie Claims – Impaired

a. Classification

Class 3A consists of all Claims of Acorn and Ritchie, all of which are treated for purposes of this Plan as unsecured and which the Debtors and the Committee seek to avoid, disallow, equitably subordinate and recharacterize in the Acorn Litigation and Ritchie Litigation, respectively.

b. Treatment

If the Acorn Litigation or Ritchie Litigation is unsuccessful in respect of avoiding, disallowing, equitably subordinating or recharacterizing the Claims of Acorn and Ritchie, such Claims shall be Secured Claims and shall be treated as Class 2: Secured Claims to the extent of their security interest. If the Acorn Litigation or Ritchie Litigation is successful in avoiding the claimed liens of Acorn and Ritchie but is unsuccessful in respect of disallowing, equitably subordinating or recharacterizing the Acorn and Ritchie Claims, the Liquidating Trustee shall distribute to each Holder of an Allowed Class 3A Claim a Pro Rata share of Distributable Cash, in accordance with Article VI hereof.

c. Voting

Class 3A is Impaired. Therefore, Holders of Allowed Class 3A Claims are entitled to vote to accept or reject this Plan.

5. “Class 4” – Debtor Intercompany Claims – Impaired

a. Classification

Class 4 consists of all Intercompany Claims held by Debtors.

b. Treatment

For those Intercompany Claims that are Claims of any Debtor against another Debtor, in connection with, and as a result of, the substantive consolidation of the Debtors' Estates and the Chapter 11 Cases, on the Confirmation Date or such other date as may be set by

an order of the Court, but subject to the occurrence of the Effective Date, such Claims shall be eliminated for the purpose of determining distributions from the Debtors' Estates, and the holders of such Claims shall not be entitled to, and shall not, receive or retain any property or interest in property on account of such Class 4 Claims.

c. Voting

Class 4 will receive no distribution under this Plan. Holders of Intercompany Claims in Class 4 are conclusively deemed to have rejected this Plan pursuant to Bankruptcy Code § 1126(g). Therefore, Holders of Intercompany Claims in Class 4 are not entitled to vote to accept or reject this Plan.

6. "Class 4A" – Non-Debtor Intercompany Claims – Impaired

a. Classification

Class 4A consists of all Intercompany Claims held by non-Debtors, including the Petters Debtors.

b. Treatment

For those Intercompany Claims that are Claims of any non-Debtor against another Debtor, the Committee intends to seek to avoid, disallow, equitably subordinate or recharacterize such Claims. To the extent that the Committee is unsuccessful in respect of avoiding, disallowing, equitably subordinating or recharacterizing the Class 4A Claims, such Claims shall be treated as Class 2: Secured Claims to the extent of any security interest held against the Debtors and as Class 3: General Unsecured Claims for the unsecured portion of the Claims. Any Interests or rights to acquire Interests in the Debtors are eliminated and have no right of payment.

c. Voting

Class 4A is Impaired. Therefore, Holders of Allowed Class 4A Claims are entitled to vote to accept or reject this Plan.

7. **“Class 5” – Convenience Claims (Includes Those Choosing the Convenience Class Election) – Not Impaired or Impaired by Agreement**

a. Classification

Class 5 consists of all Convenience Claims, including Claims of a single holder of a type that would otherwise be included in Class 3 that are either (i) \$2,000 or less in the aggregate or (ii) greater than \$2,000 in the aggregate but as to which the holder thereof has made a Convenience Class Election.

b. Treatment

The Liquidating Trustee shall distribute to each Holder of an Allowed Class 5 Claim Cash equal to 100% of the Face Amount thereof up to a maximum of \$2,000 total payout in full satisfaction of such Claim.

c. Voting

Holders of Class 5 Claims are conclusively deemed to have accepted the Plan either (i) pursuant to Bankruptcy Code Bankruptcy Code § 1126(f) for such Claims within Article I.A.29(i) of this Plan, or (ii) pursuant to an affirmative vote to accept the Plan for such Claims with Article.I.A.29(ii) of this Plan who chose the Convenience Claims Election.

8. **“Class 6” – Interests and Interest Related Claims – Impaired**

a. Classification

Class 6 consists of all Interests and Interest Related Claims.

b. Treatment

Holders of Interests and Interest Related Claims in Class 6 shall receive no distribution or dividend on account of such Interests. On the Effective Date, all Interests and Interest Related Claims in Class 6 shall be deemed canceled, null and void, and of no force and effect.

c. Voting

Class 6 is Impaired and will receive no distribution under this Plan. Holders of Interests and Interest Related Claims in Class 6 are conclusively deemed to have rejected this Plan pursuant to Bankruptcy Code § 1126(g). Therefore, Holders of Interests and Interest Related Claims in Class 6 are not entitled to vote to accept or reject this Plan.

ARTICLE III

ACCEPTANCE OR REJECTION OF THIS PLAN

A. Impaired Classes of Claims Entitled to Vote

Except as otherwise provided in order(s) of the Bankruptcy Court pertaining to solicitation of votes on this Plan, Class 3 (General Unsecured Claims), Class 3A (Acorn/Ritchie Claims) and Class 4A (Non-Debtor Intercompany Claims) shall be entitled to vote to accept or reject this Plan. If and to the extent any Class identified as being unimpaired is impaired (whether as a result of the terms of this Plan or any modification or amendment thereto), such Class shall be entitled to vote to accept or reject this Plan.

B. Classes Deemed to Accept this Plan

Class 1 (Priority Claims) and Class 2 (Secured Claims) are unimpaired by this Plan. Pursuant to Bankruptcy Code § 1126(f), Classes 1 and 2 are conclusively presumed to have accepted this Plan, and the votes of Holders of Claims in Classes 1 and 2 will therefore not be solicited. Class 5 (Convenience Claims) is conclusively presumed to have accepted the Plan because Holders of Allowed Convenience Claims will either be paid in full, or by the Convenience Class Election.

C. Classes Deemed to Reject this Plan

Holders of Claims and Interests in Class 4 (Debtor Intercompany Claims) and Class 6 (Interests and Interest Related Claims) are not entitled to receive any distribution under

this Plan on account of such Claims and Interests. Pursuant to Bankruptcy Code § 1126(g), Class 4 and Class 6 are impaired and are conclusively presumed to have rejected this Plan, and the votes of Holders of Claims and Interests in Class 4 and Class 6 therefore will not be solicited.

D. Nonconsensual Confirmation

If any impaired Class fails to accept this Plan, the Debtors intend to request that the Bankruptcy Court confirm this Plan pursuant to Bankruptcy Code § 1129(b) with respect to that Class.

ARTICLE IV

MEANS FOR IMPLEMENTATION OF THE PLAN

A. Implementation of Plan

The Debtors propose to implement and consummate this Plan on and after the Effective Date.

B. Dissolution of Subsidiary Corporate Entities

Prior to the Effective Date, the Debtors shall continue to wind down their businesses subject to all applicable requirements of the Bankruptcy Code and the Bankruptcy Rules. This Plan contemplates and is predicated upon substantive consolidation of the Debtors' Assets, including the Debtors' ownership interest in PLR, and liabilities, including Claims, and the transfer of such Assets and liabilities into the Polaroid Liquidating Trust.

On the Effective Date, the Liquidating Trustee shall, in accordance with all applicable law, be issued one share of common stock for Polaroid Corporation and thereafter shall be the sole shareholder, officer and director of Polaroid Corporation, replacing the existing shareholders, officers and directors of Polaroid Corporation, and all other shares of any class of stock of each of the Debtors shall be deemed canceled as of the Effective Date. Pursuant to the

substantive consolidation provisions herein on the Effective Date, all assets and liabilities of the remaining Debtors shall be merged into Polaroid Corporation and the other Debtors shall be consolidated into (becoming assets and liabilities of) Polaroid Corporation and all remaining debtor entities shall cease to exist. Any guaranty obligations of one Debtor for another are eliminated such that a claimant is entitled to one, not two, Claims. Within the respective times determined by the Liquidating Trustee as necessary or appropriate under the circumstances (including with respect to the pursuit of Causes of Action in the name of the Estates), Polaroid Corporation shall be dissolved without any further action by the former stockholders, officers, or directors of the Debtors. The Liquidating Trustee may, in his or her discretion, file all necessary certificates of dissolution and take any other actions necessary or appropriate to reflect the dissolutions of each of the Debtors under the state law where the respective Debtors were incorporated. All applicable regulatory or governmental agencies shall accept any certificates of dissolution or other papers filed by the Liquidating Trustee on behalf of the Debtors and shall take all steps necessary to allow and reflect the prompt dissolution of the Debtors as provided herein, without the payment of any fee, tax, or charge and without need for the filing of reports or certificates, except as the Liquidating Trustee may determine in his or her sole discretion.

Entry of the Confirmation Order shall constitute the approval, pursuant to sections 105(a), 1123(a)(5)(B) and 1123(a)(5)(C) of the Bankruptcy Code, effective as of the Effective Date, of the substantive consolidation and transfer of the Debtors' Assets and liabilities, including Claims.

Notwithstanding the substantive consolidation provided for herein, each and every Debtor shall remain responsible for the payment of quarterly fees pursuant to 28 U.S.C. §1930 to the Office of the United States Trustee until such time as a particular case is closed, dismissed, or converted.

C. Causes of Action

All Causes of Action shall be transferred into the Liquidating Trust. Causes of Action may be prosecuted, settled in accordance with sections (g) and (h) in Article IV.F herein or abandoned by the Liquidating Trustee. Notwithstanding anything to the contrary herein, no Distribution shall be made to the Holder of any Claim, including by way of setoff or recoupment by such claimant, if the Debtors, the Committee or the Liquidating Trustee has taken action to recover, or given notice to the applicable party of intent to take such action, on a Cause of Action against the holder of such Claim (or the direct or indirect transferor to, or transferee of, such holder), until such Cause of Action is resolved by Final Order or otherwise in accordance with this section. The Liquidating Trustee will be substituted as the party in interest instead of the Debtors or Committee for all Causes of Action pending on the Effective Date.

D. Formation of the Polaroid Liquidating Trust

The Polaroid Liquidating Trust shall be established as a Delaware common law trust for the sole purpose of liquidating the Estates and making distributions to Holders of Allowed Claims, in accordance with this Plan and Treas. Reg. § 301.7701-4(d), with no objective to continue or engage in the conduct of a trade or business. Subject to definitive guidance from the IRS, all parties shall treat the Polaroid Liquidating Trust as a liquidating trust for all federal income tax purposes.

The Polaroid Liquidating Trust Agreement shall contain provisions customary to trust agreements utilized in comparable circumstances, including, but not limited to, any and all provisions necessary to govern the rights, powers, obligations and appointment and removal of the Liquidating Trustee and to ensure the treatment of the Polaroid Liquidating Trust as a liquidating trust for federal income tax purposes, all consistent with the Plan.

As set forth herein, the liquidation and winding up of the Polaroid Liquidating Trust and the Debtors shall become the responsibility of the Liquidating Trustee who shall thereafter have responsibility for the management, control and operation thereof, and who may use, acquire and dispose of property free of any restrictions of the Bankruptcy Code or the Bankruptcy Rules, subject to any necessary oversight or approvals of the Trust Oversight Committee as may be required pursuant to the Plan. Subject to further order of the Bankruptcy Court, the Liquidating Trustee shall act as liquidating agent of and for the Polaroid Liquidating Trust and the Estates from and after the Effective Date, subject to any necessary oversight or approvals of the Trust Oversight Committee as may be required pursuant to this Plan.

The Liquidating Trustee, at the direction of the Trust Oversight Committee, shall be permitted to make any investments that a liquidating trust, within the meaning of Treas. Reg. § 301.7701-4(d), may be permitted to hold, pursuant to the Treasury Regulations, or any modification in the IRS guidelines, whether set forth in IRS rulings, other IRS pronouncements or otherwise. The Liquidating Trustee, at the direction of the Trust Oversight Committee, may expend the Cash of the Polaroid Liquidating Trust (a) as reasonably necessary to meet contingent liabilities and to maintain the value of the respective assets of the Polaroid Liquidating Trust during liquidation, (b) to pay Post-Confirmation Expenses according to the Administrative Budget (including, but not limited to, any United States Trustee fees, Liquidating Trustee fees, professional fees and taxes imposed on the Polaroid Liquidating Trust), and (c) to satisfy other respective liabilities incurred by the Polaroid Liquidating Trust in accordance with the Plan or the Polaroid Liquidating Trust Agreement.

For all federal income tax purposes, all parties (including, without limitation, the Debtors, the Liquidating Trustee and Holders of Allowed Claims) shall treat the transfer of Assets and liabilities to the Polaroid Liquidating Trust, in accordance with the terms of this Plan,

as a transfer to Holders of Allowed Claims followed by a transfer by such Holders to the Polaroid Liquidating Trust, and the beneficiaries of the Polaroid Liquidating Trust shall be treated as the grantors and owners thereof. The beneficiaries of the Polaroid Liquidating Trust shall be the Creditors of the Estates.

The Polaroid Liquidating Trust shall terminate no later than the fifth (5th) anniversary of the Effective Date; provided, however, that within a period of three (3) months prior to such termination date, the Bankruptcy Court, upon motion by a party in interest in consultation with the Trust Oversight Committee, may extend the term of the Polaroid Liquidating Trust if it is necessary to facilitate or complete the liquidation of the trust's assets. Notwithstanding the foregoing, multiple extensions can be obtained so long as Bankruptcy Court approval is obtained within three (3) months prior to the expiration of each extended term; provided, however, that the aggregate of all such extensions shall not exceed three (3) years, unless the Liquidating Trustee receives a favorable ruling from the IRS that any further extension would not adversely affect the status of the Polaroid Liquidating Trust as a liquidating trust within the meaning of Treas. Reg. § 301.7701-4(d) for federal income tax purposes.

E. Appointment and Term of the Liquidating Trustee

The Committee shall appoint and designate the initial Liquidating Trustee. The Committee and the initial Liquidating Trustee shall have entered into a Liquidating Trustee employment agreement to be filed with the Bankruptcy Court at least ten (10) days prior to the Confirmation Hearing. The initial Liquidating Trustee, and each successor Liquidating Trustee, shall serve until the earlier of (i) the later to occur of (a) the entry of the Final Decree, (b) the dissolution of the Polaroid Liquidating Trust, and (c) the payment of the final distributions to Holders of Allowed General Unsecured Claims and Allowed Acorn/Ritchie Claims pursuant to the Plan; or (ii) the expiration of the term of such Liquidating Trustee's employment agreement

or such Liquidating Trustee's resignation, death, incapacity, removal or termination by the Trust Oversight Committee pursuant to the Liquidating Trust Agreement or order of the Bankruptcy Court. The Liquidating Trustee may also be removed by the Bankruptcy Court upon motion for good cause shown by any Creditor.

Upon creation of the Polaroid Liquidating Trust, the Liquidating Trustee shall be the trustee of the Polaroid Liquidating Trust for all purposes and in all respects, with all necessary and appropriate power to act for, on behalf of and in the name of the Polaroid Liquidating Trust.

F. Duties of the Liquidating Trustee

In addition to the duties as set forth elsewhere in this Plan and his or her duties as the trustee of the Polaroid Liquidating Trust, the Liquidating Trustee, in consultation with and at the direction of the Trust Oversight Committee, shall have the following duties:

1. to sell, liquidate and/or recover any and all Assets of the Estates and of the Polaroid Liquidating Trust;
2. to manage, control and operate the Polaroid Liquidating Trust;
3. to investigate and, if necessary and appropriate, to prosecute, enforce (or not prosecute or enforce), or to compromise, release or settle any Causes of Action on behalf of the Estates and the Polaroid Liquidating Trust;
4. to invest the Cash and other Assets of the Polaroid Liquidating Trust and the Estates;
5. to create the Wind-down Reserve and allocate funds to such reserve;
6. to file any and all reports, pleadings and other documents;
7. to make any and all distributions required or permitted to be made under this Plan;

8. to procure an errors and omissions policy of not less than \$10 million pursuant to which the Liquidating Trust will be insured for any errors and omissions of the Liquidating Trustee and/or the Trust Oversight Committee;

9. to pay out of the Polaroid Liquidating Trust any and all Claims, liabilities, losses, damages, costs and expenses incurred in connection therewith or as a result thereof, including all Post-Confirmation Expenses accruing from and after the Effective Date, in accordance with the Administrative Budget;

10. to employ, supervise and compensate any employees of the Polaroid Liquidating Trust;

11. to carry out all member duties and obligations in connection with the operating agreement of PLR until the Liquidating Trust's interest in PLR has been liquidated;

12. to make and file tax returns for any of the Debtors and the Polaroid Liquidating Trust;

13. to commence and pursue dissolution or winding up proceedings for the Polaroid Liquidating Trust;

14. to request the entry of a Final Decree;

15. to take any and all actions, including any action set forth in Article IV.Q hereof, necessary to dissolve and cancel the existence of each of the Debtors in the State of Delaware and in any other jurisdiction in which a Debtor is qualified to do business; and

16. to take any and all other actions necessary or appropriate to implement this Plan and the liquidation and winding up of the Debtors, the Estates and the Polaroid Liquidating Trust in accordance with applicable law, provided, that nothing herein shall permit the Liquidating Trustee to terminate or cancel the Debtors' director and officer liability insurance coverage for periods prior to the Petition Date; and provided further that, the Liquidating Trustee

shall not renew or extend such insurance coverage, or other new or substitute coverage, without the approval of the Trust Oversight Committee.

In connection with the execution of his or her duties under this Plan, the Liquidating Trustee, in consultation with and at the direction of the Trust Oversight Committee, shall be authorized:

a. to execute such documents and to take such other actions as are necessary to effectuate this Plan and perform his or her duties as liquidating agent of and for the Estates and the Polaroid Liquidating Trust, including to execute such documents and take such other action on behalf of the Polaroid Liquidating Trust or any of the Debtors;

b. to open, close and manage bank accounts, and to enter into business transactions within or without the ordinary course of business;

c. to authorize and benefit from any insurance policies and rights of indemnification;

d. to retain and pay professionals (including any of the Debtors' or the Committee's Professionals) or other Persons to assist the Liquidating Trustee in the liquidation of the Debtors' Assets, without prior Bankruptcy Court approval, and to designate another Person to be the Disbursing Agent;

e. to incur any reasonable and necessary expenses (up to the amounts set forth in the Administrative Budget) in the performance of his or her duties as liquidating agent of and for the Estates and the Polaroid Liquidating Trust;

f. to prepare and deliver to the Trust Oversight Committee the Administrative Budget of the Polaroid Liquidating Trust with respect to each six-month period following the Effective Date and any amendments or modifications thereto;

g. to settle, without approval of the Trust Oversight Committee, any Claim or Cause of Action where the Claim or Cause of Action has an asserted value of less than \$250,000 or for which the difference between the asserted value and the actual value of the Claim or Cause of Action is less than \$50,000;

h. to seek an order of the Bankruptcy Court approving the compromise, release or settlement of any Cause of Action that has an asserted value of \$250,000 or more or for which the difference between the asserted value and the actual value of the Claim or Cause of Action is \$50,000 or more, provided that the Trust Oversight Committee must approve any action to seek Bankruptcy Court approval and that nothing herein shall require the Liquidating Trustee to seek any such order; and

i. to employ such other procedures, not inconsistent with this Plan, necessary for the Liquidating Trustee to perform his or her duties hereunder.

The Liquidating Trustee shall be deemed the Estates' representative in accordance with section 1123 of the Bankruptcy Code and shall have all powers, authority and responsibilities specified in the Liquidating Trust Agreement, including, without limitation, the powers of a trustee under sections 704 and 1106 of the Bankruptcy Code (including, without limitation, commencing, prosecuting or settling Causes of Action and asserting claims, defenses, offsets and privileges), to the extent not inconsistent with this Plan or the status of the Polaroid Liquidating Trust as a liquidating trust within the meaning of Treas. Reg. § 301.7701-4(d) for federal income tax purposes. In discharging the foregoing responsibilities, the Liquidating Trustee shall be entitled to exercise and rely upon his or her business judgment. The Liquidating Trustee shall not be obligated to take any action or to pursue any Causes of Action unless justified in his or her reasonable determination by fact and law, nor shall the Liquidating Trustee be obligated to take any action that could reasonably cause him or her personal liability. Without

limiting the generality of the foregoing, the Liquidating Trustee may consider the interests of Holders of Allowed Claims in receiving prompt distributions and such other factors as may be reasonable in the exercise of his or her business judgment and after consultation with the Trust Oversight Committee. Such authorization and benefits shall also extend to any, each and every successor Liquidating Trustee, without reservation or limitation.

The reasonable and necessary fees and actual and necessary expenses of the Polaroid Liquidating Trust, the Liquidating Trustee, the Trust Oversight Committee and the professionals retained by the Liquidating Trustee and the Trust Oversight Committee shall be paid by the Liquidating Trustee in accordance with the following procedures: upon the submission of a fee and/or expense statement to the Liquidating Trustee and the Trust Oversight Committee, the Liquidating Trustee and the Trust Oversight Committee shall have ten (10) days from the delivery of a fee statement to give notice of an objection to the fee statement to the professional or Person seeking compensation or reimbursement. For an objection to be valid, it shall be in writing and set forth in detail the specific fees objected to and the basis for the objection. Any objection that remains unresolved fifteen (15) days after it is made shall be filed with the Bankruptcy Court by the objecting party, served upon the professional or Person seeking compensation or reimbursement, and shall be heard by the Bankruptcy Court at the next regularly scheduled omnibus hearing. The uncontested portion of each invoice shall be paid within twenty (20) days after its delivery to the Liquidating Trustee and the Trust Oversight Committee.

G. No Recourse to Liquidating Trustee

Notwithstanding that the allowed amount of any particular Disputed Claim is reconsidered under the applicable provisions of the Bankruptcy Code and Bankruptcy Rules or is allowed in an amount for which there is insufficient Cash in the relevant fund or reserve to

provide a recovery equal to that received by other holders of Allowed Claims in the relevant Class, no Claim holder shall have recourse to the Protected Parties, or their successors or assigns, or the holder of any other Claim, or any of their respective property. However, nothing in the Plan shall modify any right of a holder of a Claim under section 502(j) of the Bankruptcy Code. **THUS, THE BANKRUPTCY COURT'S ENTRY OF AN ESTIMATION ORDER MAY LIMIT THE DISTRIBUTION TO BE MADE ON INDIVIDUAL DISPUTED CLAIMS, REGARDLESS OF THE AMOUNT FINALLY ALLOWED ON ACCOUNT OF SUCH DISPUTED CLAIMS.**

H. Liability, Indemnification

No Protected Party shall be liable for the act or omission of any other Protected Party. The Liquidating Trustee or any member of the Trust Oversight Committee shall not be liable for any act or omission taken or omitted to be taken in his or her capacity as Liquidating Trustee or as a member of the Trust Oversight Committee, as the case may be, other than acts or omissions resulting from the Liquidating Trustee's or Trust Oversight Committee member's willful misconduct, gross negligence or fraud. The Liquidating Trustee and the Trust Oversight Committee may, in connection with the performance of their functions, and in their sole and absolute discretion, consult with their respective attorneys, accountants, financial advisors and agents, and the Liquidating Trustee and the Trust Oversight Committee shall not be liable for any act taken, omitted to be taken, or suffered to be done in accordance with advice or opinions rendered by such Persons other than acts or omissions resulting from the willful misconduct, gross negligence or fraud of the Liquidating Trustee or the Trust Oversight Committee, as the case may be. Notwithstanding such authority, the Liquidating Trustee and the Trust Oversight Committee shall not be under any obligation to consult with their respective attorneys, accountants, financial advisors or agents, and any determination not to do so shall not result in

the imposition of liability on the Liquidating Trustee or the Trust Oversight Committee, as the case may be, and their respective designees, unless such determination is based on willful misconduct, gross negligence or fraud. The Polaroid Liquidating Trust and the Estates shall indemnify and hold harmless the Liquidating Trustee, the Trust Oversight Committee and their respective designees and professionals, and all duly designated agents and representatives thereof (in their capacity as such), from and against and in respect of all liabilities, losses, damages, claims, costs and expenses (including, but not limited to, attorneys' fees and costs) arising out of or due to such actions or omissions, or consequences of their actions or omissions with respect or related to the performance of the duties of the Liquidating Trustee or the Trust Oversight Committee, as the case may be, or the implementation or administration of this Plan; provided, however, that no such indemnification will be available to such Persons for such actions or omissions if a court of competent jurisdiction has determined by final order that the challenged conduct occurred as a result of willful misconduct, gross negligence or fraud.

I. Dissolution of the Committee

Upon the Effective Date, the Committee shall dissolve automatically, whereupon its members, Professionals and agents shall be released from any further duties and responsibilities in the Chapter 11 Cases and under the Bankruptcy Code, except with respect to: (i) obligations arising under confidentiality agreements, joint interest agreements and protective orders entered during the Chapter 11 Cases which shall remain in full force and effect according to their terms; (ii) applications for Professional Fee Claims; (iii) requests for compensation and reimbursement of expenses pursuant to Bankruptcy Code § 503(b) for making a substantial contribution in any of the Chapter 11 Cases; and (iv) any pending motions, or any motions or other actions seeking enforcement or implementation of the provisions of this Plan or the Confirmation Order. The Professionals retained by the Committee and the respective members

thereof shall not be entitled to compensation and reimbursement of expenses for services rendered to the Committee after the Effective Date, except for services rendered in connection with applications for allowance of compensation and reimbursement of expenses pending on the Effective Date or filed after the Effective Date.

J. Trust Oversight Committee

On the Effective Date, the Committee shall be reconstituted as the Trust Oversight Committee, which will be composed of four (4) members: three (3) members selected by the Committee and the U.S. Trustee as an *ex-officio* member. The Trust Oversight Committee shall have the duties set forth herein to maximize distributions to Holders of Allowed Claims. On the Effective Date, the Trust Oversight Committee shall succeed in all respects to all of the rights, privileges and immunities of the Committee, including, without limitation, the attorney-client privileges and any other evidentiary privileges of the Committee.

The Trust Oversight Committee shall have the duty to take actions in accordance with the provisions of this Plan and in furtherance of the execution of this Plan. Additionally, the Trust Oversight Committee shall have the following rights and duties:

1. to approve any release or indemnity in favor of any third party granted or agreed to by the Liquidating Trustee;
2. to authorize the Liquidating Trustee to commence any Cause of Action or Avoidance Action;
3. to approve the settlement of any Cause of Action or Avoidance Action and to approve any application by the Liquidating Trustee for an order in connection with any such settlement;
4. to approve the allowance of any Disputed Claim;

5. to approve the sale of any Assets by the Liquidating Trustee and to approve any application by the Liquidating Trustee for an order in connection with any such sale of Assets;

6. to review all financial information relating to the Polaroid Liquidating Trust and the Estates, which shall be promptly provided by the Liquidating Trustee upon request by the Trust Oversight Committee;

7. to review and assert objections to motions filed or claims asserted;

8. to monitor distributions to creditors; and

9. to take such other actions as it deems necessary and appropriate with respect to the implementation of the Plan.

The duties and powers of the Trust Oversight Committee shall terminate upon the later to occur of (i) the entry of the Final Decree, (ii) the dissolution of the Polaroid Liquidating Trust, and (iii) the payment of the final distributions to Holders of Allowed General Unsecured Claims pursuant to the Plan.

The Trust Oversight Committee shall have the right to retain counsel of its choice, and the reasonable and necessary fees and expenses of such counsel as well as the reasonable and necessary expenses of the members of the Trust Oversight Committee shall be paid by the Liquidating Trustee in accordance with the following procedures: upon the submission of a fee and/or expense statement to the Trust Oversight Committee and the Liquidating Trustee, the Trust Oversight Committee and the Liquidating Trustee shall have ten (10) days from the delivery of a fee statement to give notice of an objection to the fee statement to the professional seeking compensation or reimbursement. For an objection to be valid, it shall be in writing and set forth in detail the specific fees objected to and the basis for the objection. Any objection that remains unresolved fifteen (15) days after it is made shall be submitted to the Bankruptcy Court

for resolution. The uncontested portion of each invoice shall be paid within twenty (20) days after its delivery to the Trust Oversight Committee and the Liquidating Trustee.

K. Funding of the Plan

The Cash Distributions to be made pursuant to the Plan will be made and the Cash necessary to fund the Polaroid Liquidating Trust and the Wind-down Reserve will be derived from (i) Cash proceeds received by the Debtors from the liquidation of their Assets as of the Effective Date and other funds then available, and (ii) any payments to be received by the Debtors from the further liquidation of Assets and the prosecution and enforcement of Causes of Action of the Debtors, and other funds available after the Effective Date.

To the extent not otherwise provided for herein or ordered by the Court, the Liquidating Trustee, with the consent of the Trust Oversight Committee, shall estimate appropriate reserves of Cash to be set aside in order to pay or reserve for accrued expenses and for the payment of prospective expenses and liabilities of the Estates and the Polaroid Liquidating Trust after the Effective Date. Without limitation, these reserves shall include funds for the Wind-down Reserve, Administrative Claims, Priority Tax Claims, Priority Claims, Secured Claims, Convenience Claims and Disputed Claims.

Notwithstanding any contrary provision contained herein, the Liquidating Trustee shall not be obligated to physically segregate and maintain separate accounts for reserves or for the Distribution Fund. Separate reserves and funds may be merely bookkeeping entries or accounting methodologies, which may be revised from time to time, to enable the Liquidating Trustee to determine Distributable Cash, reserves and amounts to be paid to parties in interest.

L. Wind-down Reserve

On the Effective Date, or as soon thereafter as reasonably practicable, the Liquidating Trustee shall create the Wind-down Reserve and shall transfer an appropriate

amount into such reserve from the assets transferred by the Debtors to the Polaroid Liquidating Trust. The Committee anticipates that the Wind-down Reserve will be approximately \$5 million, covering expenses accruing from the Effective Date forward. The Liquidating Trustee shall pay Plan administration costs and costs of holding and liquidating any non-Cash property, including but not limited to taxes and professional fees, from the Wind-down Reserve. To the extent that the Liquidating Trustee, in consultation with the Trust Oversight Committee, determines that funds allocated to the Wind-down Reserve are insufficient for such purposes, the net proceeds of the continuing liquidation of the Debtors' assets and any other Distributable Cash shall, to the extent necessary for such purposes, be allocated to the Wind-down Reserve. After all costs associated with the Wind-down Reserve have been paid, and/or upon the reasonable determination of the Liquidating Trustee, in consultation with the Trust Oversight Committee, that the funds in the Wind-down Reserve exceed the amounts necessary to pay the expenses for which such fund is established, the remaining or excess funds, as applicable, in the Wind-down Reserve shall be designated Distributable Cash.

M. Distribution Fund

After all payments have been made or properly reserved for holders of Administrative Expense Claims, Priority Tax Claims, Priority Claims, Secured Claims and Convenience Claims, and all costs associated with the Wind-down Reserve have been paid, and/or upon the reasonable determination of the Liquidating Trustee that the funds in the Wind-down Reserve and any other reserves established by the Liquidating Trustee exceed the amounts necessary for such reserves, the remaining Distributable Cash shall be allocated to the Distribution Fund. Distribution of Cash, if any, to holders of Class 3 General Unsecured Claims, Class 3A Acorn/Ritchie Claims and Class 4A Non-Debtor Intercompany Claims, if any, shall be made solely from the Distribution Fund.

N. Employee Programs

The Liquidating Trustee is authorized to take any actions and make payment of the actual amount, if any, required to be contributed to or on account of an employee program to permit the termination of such programs and discharge all benefit liabilities to participants and beneficiaries of such programs, including, without limitation, continuation of the termination of the Debtors' 401(k) plan. Employee programs approved by the Bankruptcy Court will not terminate on the Effective Date. The Debtors do not maintain any programs for retirees.

O. Corporate and Limited Liability Company Action

On the Effective Date, the matters under this Plan involving or requiring corporate or limited liability company action of the Debtors, including, but not limited to, actions requiring a vote or other approval of the board of directors, members or shareholders, as applicable, and execution of all documentation incident to this Plan, notwithstanding any otherwise applicable non-bankruptcy law or the Organization Documents of the Debtors, shall be deemed to have been authorized by the Confirmation Order and to have occurred and be in effect from and after the Effective Date without any further action by the Bankruptcy Court or the officers, directors, members or shareholders, as applicable, of the Debtors.

P. Retention of Actions and Defenses

All claims, rights, defenses, offsets, recoupments, causes of action, actions in equity or otherwise, whether arising under the Bankruptcy Code or federal, state or common law, which constitute property of the Estates within the meaning of section 541 of the Bankruptcy Code, as well as all claims, rights, defenses, offsets, recoupments and causes of action arising under chapter 5 of the Bankruptcy Code (including, without limitation, the Causes of Action and the Intercompany Claims) with respect to the Debtors or their Estates, shall be and hereby are preserved for the benefit of the beneficiaries of the Polaroid Liquidating Trust, and shall be and

hereby are deemed to be part of the assets transferred and assigned to the Liquidating Trust as of the Effective Date. Prosecution and settlement of such claims, rights, defenses, and causes of action shall be the responsibility of the Liquidating Trustee, with the consent of the Trust Oversight Committee, pursuant to the provisions of the Liquidating Trust Agreement, and the Liquidating Trustee shall pursue those claims, rights, defenses and causes of action, as appropriate, in accordance with the Trust Oversight Committee's sole judgment of what is in the best interests, and for the benefit of, the beneficiaries of the Liquidating Trust; provided, however, that nothing in this Plan is intended to or does confer upon the Liquidating Trustee standing to pursue claims or causes of action that do not constitute property of the Estates.

Nothing in this Plan or the Confirmation Order shall limit, impair or otherwise restrict the rights of the Liquidating Trustee, with the consent of the Trust Oversight Committee, to bring any claim or cause of action against any Person (not otherwise released pursuant to this Plan) for any reason whatsoever, including, without limitation, the failure of this Plan to identify and/or describe such potential claim(s) or causes of action(s) with specificity. In addition to the general reservation of rights, the Liquidating Trustee or the Trust Oversight Committee reserve the right to modify the Plan at any time prior to or after substantial consummation of the Plan to include such specificity, if necessary, or otherwise desirable, without the necessity of complying with section 1127(b) of the Bankruptcy Code.

Q. Dissolution of the Debtors

As soon as is reasonably practicable after the tenth day following the Effective Date and upon the filing by or on behalf of the Debtors of a certification to that effect with the Bankruptcy Court, notwithstanding any otherwise applicable non-bankruptcy law or the Organization Documents of the Debtors, the Debtors shall be deemed dissolved for all purposes without the necessity for any other or further actions to be taken by or on behalf of each of the

Debtors or payments to be made in connection therewith. After the liquidation and the winding up of the various Estates, the completion of distributions under this Plan and the entry of the Final Decree, the Liquidating Trustee shall file any documents necessary and proper pursuant to applicable state law to dissolve the Polaroid Liquidating Trust, and the Polaroid Liquidating Trust shall dissolve and cease to exist.

R. Saturday, Sunday or Legal Holiday

If any payment or act under this Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the next succeeding Business Day, but shall be deemed to have been completed as of the required date.

S. Preservation of All Avoidance Actions and Causes of Action

From and after the Effective Date, the Polaroid Liquidating Trust and the Liquidating Trustee, subject to any approval of the Trust Oversight Committee as set forth in Article IV.J of this Plan, may litigate or settle any avoidance, recovery or subordination actions under Bankruptcy Code §§ 502, 510, 522(f), 522(h), 542, 543, 544, 545, 547, 548, 549, 550, 551, 553 or 724 or any other Causes of Action or rights to payments or claims that belong to the Debtors that may be pending on the Effective Date or instituted by the Liquidating Trustee after the Effective Date, expressly including the Causes of Action and claims included in the Acorn Litigation and Ritchie Litigation and any other Causes of Action and claims subsequently brought against Acorn and Ritchie, except as otherwise expressly provided in this Plan. Pursuant to Bankruptcy Code § 1123(b)(3)(B), no other Person may pursue any such Causes of Action.

ARTICLE V

TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

A. Rejection of Remaining Executory Contracts and Unexpired Leases

On the Confirmation Date, except for (i) any Executory Contract that was previously assumed or rejected by an order of the Bankruptcy Court pursuant to Bankruptcy Code § 365 and (ii) any Executory Contract that has not previously expired or terminated pursuant to its own terms shall be deemed rejected pursuant to Bankruptcy Code §§ 365 and 1123, effective as of the Confirmation Date. The Confirmation Order shall constitute an order of the Bankruptcy Court approving such rejection pursuant to Bankruptcy Code §§ 365 and 1123 as of the Confirmation Date.

B. Rejection Damages Bar Date

Except to the extent another Bar Date applies pursuant to an order of the Bankruptcy Court, all Proofs of Claim with respect to Claims arising from the rejection of Executory Contracts under this Plan must be filed with the Bankruptcy Court and a copy served on counsel for the Debtors, counsel for the Committee, the Trust Oversight Committee and the Liquidating Trustee, within thirty (30) days from the entry of the Confirmation Order, or such Claim shall be forever barred and shall not be entitled to a Distribution or be enforceable against the Debtors, their Estates, the Polaroid Liquidating Trust, the Liquidating Trustee, their successors, their assigns or their Assets. Any Claim arising from the rejection of an Executory Contract shall be treated as a Claim in Class 3 (General Unsecured Claims). Nothing in this Plan extends or modifies any previously applicable Bar Date.

C. Insurance Policies

To the extent any or all of the insurance policies set forth on **Exhibit A** to this Plan are considered to be Executory Contracts, then notwithstanding anything contained in this

Plan to the contrary, this Plan shall constitute a motion to assume the insurance policies set forth on **Exhibit A** to this Plan. Subject to the occurrence of the Effective Date, the entry of the Confirmation Order shall constitute approval of such assumption pursuant to Bankruptcy Code § 365(a) and a finding by the Bankruptcy Court that each such assumption is in the best interest of the Debtors, the Estates and all parties in interest in these Chapter 11 Cases. Unless otherwise determined by the Bankruptcy Court pursuant to a Final Order or agreed to by the parties thereto prior to the Effective Date, no payments are required to cure any defaults of the Debtors existing as of the Confirmation Date with respect to each such insurance policy set forth on **Exhibit A** to this Plan. To the extent the Bankruptcy Court determines otherwise with respect to any insurance policy, the Debtors reserve the right to seek rejection of such insurance policy or other available relief. This Plan shall not affect contracts that have been assumed and assigned by order of the Bankruptcy Court prior to the Confirmation Date. For the avoidance of doubt, the certain insurance policies (including any insurance policies that are not executory contracts, insurance policies that may have expired prior to the Petition Date, insurance policies in existence on the Petition Date and insurance policies entered into by the Debtors after the Petition Date) of the Debtors set forth on **Exhibit A** and all rights thereunder and rights under any other insurance policies under which the Debtors may be beneficiaries (including the rights to make, amend, prosecute and benefit from claims) are retained and will be transferred to the Polaroid Liquidating Trust pursuant to this Plan.

ARTICLE VI

DISTRIBUTIONS

A. Disbursing Agent

1. Liquidating Trustee as Disbursing Agent

The Liquidating Trustee shall be the Disbursing Agent, and the Disbursing Agent shall make all distributions under this Plan.

2. Alternative Disbursing Agent Qualification

No Person other than the Liquidating Trustee shall be authorized by the Bankruptcy Court to serve as Disbursing Agent unless and until the Liquidating Trustee and the Trust Oversight Committee consent in writing to that Person serving as Disbursing Agent and that Person (i) executes and files a statement with the Bankruptcy Court agreeing to perform all of the duties of the Disbursing Agent under this Plan and (ii) consents to the jurisdiction of the Bankruptcy Court in respect to all matters relating to the performance of his or her duties as the Disbursing Agent under this Plan or order of the Bankruptcy Court.

B. Time and Manner of Distributions

The Liquidating Trustee shall have the power, subject to Trust Oversight Committee consent, to make interim distributions to Holders of Allowed General Unsecured Claims if the Liquidating Trustee determines that such interim distributions are warranted and economical; provided, however, that the Liquidating Trustee shall make interim distributions at least annually to the extent the Liquidating Trustee determines there are sufficient available excess funds in the Distribution Fund. If the Liquidating Trustee determines to make interim distributions to Holders of Allowed General Unsecured Claims, the Liquidating Trustee will determine the amount to be distributed by taking into account such factors as ongoing expenses and costs, taxes and reserves necessary to provide for the resolution of Disputed Claims.

Amounts withheld will be placed in an interest-bearing account which shall fund ongoing expenses and costs relating to such reserves, including, without limitation, taxes in respect of Disputed Claims, if any.

At the option of the Liquidating Trustee, any distributions under this Plan may be made either in Cash, by check drawn on a domestic bank, by wire transfer or by ACH. Notwithstanding any other provisions of this Plan to the contrary, no payment of fractional cents will be made under this Plan. Cash will be issued to Holders entitled to receive a Distribution of Cash in whole cents (rounded to the nearest whole cent when and as necessary). Any distribution of less than \$10.00 will be considered de minimis, and Holders of Allowed Claims that are entitled to any distribution of less than \$10.00 will not receive any distribution unless and until the aggregate of such distributions exceeds \$10.00. Such funds shall remain with and vest in the Polaroid Liquidating Trust for distribution to other Holders of Allowed Claims.

C. Delivery of Distributions

Except as otherwise provided in this Plan, distributions to Holders of Allowed Claims shall be made by the Disbursing Agent (i) at the addresses set forth on the Proofs of Claim filed by such Holder (or at the last known addresses of such Holder if no motion requesting payment or Proof of Claim is filed or the Debtors, the Polaroid Liquidating Trust or the Polaroid Claims Agent have been notified in writing of a change of address), (ii) at the addresses set forth in any written notices of address changes delivered to the Liquidating Trustee after the date of any related Proof of Claim, or (iii) at the addresses reflected in the Schedules if no Proof of Claim has been filed and the Liquidating Trustee has not received a written notice of a change of address.

D. Undeliverable Distributions

If a distribution to a Holder of a Claim is returned as undeliverable, no further distributions to such Holder of a Claim shall be made unless and until the Liquidating Trustee and the Disbursing Agent is notified of the then-current address of such Holder, at which time (subject to the terms of the last sentence of this Article VI.D) all missed distributions shall be made to such Holder without interest. Amounts in respect of undeliverable distributions shall be returned to the Liquidating Trustee until such distributions are claimed. All funds or other undeliverable distributions returned to the Liquidating Trustee in respect of any Claim and not claimed within four (4) months of return shall be forfeited and remain with and vest in the Polaroid Liquidating Trust for distribution to other Holders of Allowed Claims. Any unclaimed funds held by the Polaroid Liquidating Trust at the time the Final Decree is entered may be donated to a charity selected by the Liquidating Trustee and the Trust Oversight Committee provided that such funds do not exceed \$10,000 without further order of the Court.

E. Claims Administration Responsibility

1. Reservation of Rights to Object to Claims

Unless a Claim is expressly described as an Allowed Claim pursuant to or under this Plan, or otherwise becomes an Allowed Claim prior to or after the Effective Date, the Polaroid Liquidating Trust and the Liquidating Trustee (on behalf of the Estates) reserve any and all objections to any and all Claims and motions or requests for the payment of Claims, whether administrative expense, priority, secured or unsecured, including, without limitation, any and all objections to the validity or amount of any and all alleged Administrative Claims, Priority Tax Claims, Priority Claims, Secured Claims, General Unsecured Claims, Acorn/Ritchie Claims, Intercompany Claims, Interest Related Claims, Interests, Liens and security interests, whether under the Bankruptcy Code, other applicable law or contract. The Polaroid Liquidating Trust's

and/or the Liquidating Trustee's failure to object to any Claim or Interest in the Chapter 11 Cases shall be without prejudice to the Polaroid Liquidating Trust's and the Liquidating Trustee's rights to contest or otherwise defend against such Claim or Interest in the Bankruptcy Court when and if such Claim or Interest is sought to be enforced by the Holder of such Claim or Interest.

2. Objections to Claims

Prior to the Effective Date, the Debtors shall be responsible for pursuing any objection to the allowance of any Claim. From and after the Effective Date, the Liquidating Trustee will retain responsibility for administering, disputing, objecting to, compromising or otherwise resolving and making distributions, if any, with respect to all Claims. Unless otherwise provided in this Plan or by order of the Bankruptcy Court, any objections to Claims by the Liquidating Trustee will be filed and served not later than 180 days after the Effective Date, provided that the Polaroid Liquidating Trust or the Liquidating Trustee may request (and the Bankruptcy Court may grant) an extension of such deadline by filing a motion with the Bankruptcy Court, based upon a reasonable exercise of his or her business judgment. A motion seeking to extend the deadline to object to any Claim shall not be deemed an amendment to this Plan.

3. Filing of Objections

An objection to a Claim or Interest shall be deemed properly served on the Holder of such Claim or Interest if the Polaroid Liquidating Trust or the Liquidating Trustee affects service in accordance with Bankruptcy Rule 3007.

4. Determination of Claims

Except as otherwise agreed by the Polaroid Liquidating Trust or the Liquidating Trustee, any Claim as to which a Proof of Claim or motion or request for payment was timely

filed in the Chapter 11 Cases may be determined and (so long as such determination has not been stayed, reversed or amended and as to which determination (or any revision, modification or amendment thereof) the time to appeal or seek review or rehearing has expired and as to which no appeal or petition for review or rehearing was filed or, if filed, remains pending) liquidated pursuant to (i) an order of the Bankruptcy Court, (ii) applicable bankruptcy law, (iii) agreement of the parties, (iv) applicable non-bankruptcy law, or (v) the lack of (a) an objection to such Claim, (b) an application to equitably subordinate such Claim, and (c) an application to otherwise limit recovery with respect to such Claim, filed by the Debtors, the Polaroid Liquidating Trust or the Liquidating Trustee on or prior to any applicable deadline for filing such objection or application with respect to such Claim. Any such Claim so determined and liquidated shall be deemed to be an Allowed Claim for such liquidated amount and shall be satisfied in accordance with this Plan. Nothing contained in this Article VI.E shall constitute or be deemed a waiver of any claim, right or Cause of Action that the Debtors or the Liquidating Trustee may have against any Person in connection with or arising out of any Claim or Claims, including, without limitation, any rights under 28 U.S.C. § 157.

F. Procedures for Treating and Resolving Disputed and Contingent Claims

1. No Distributions Pending Allowance

No payments or distributions will be made with respect to all or any portion of a Disputed Claim unless and until all objections to such Disputed Claim have been settled or withdrawn or have been determined by a Final Order, and the Disputed Claim has become an Allowed Claim; provided, however, that in the event that only a portion of such Claim is an Allowed Claim, the Liquidating Trustee may make, in his or her discretion, a distribution pursuant to the Plan on account of the portion of such Claim that becomes an Allowed Claim.

2. Claim Estimation

The Liquidating Trustee may request estimation or liquidation of any Disputed Claim that is contingent or unliquidated pursuant to Bankruptcy Code § 502(c); provided, however, that the Bankruptcy Court shall determine (i) whether such Disputed Claim is subject to estimation pursuant to Bankruptcy Code § 502(c) and (ii) the timing and procedures for such estimation proceedings, if any.

G. Setoffs and Recoupment

The Liquidating Trustee may, pursuant to Bankruptcy Code §§ 553 and 558 or applicable non-bankruptcy law, but shall not be required to, setoff against or recoup from any Claim on which payments are to be made pursuant to this Plan, any claims or Causes of Action of any nature whatsoever the Debtors may have against the Holder of such Claim; provided, however, that neither the failure to effect such offset or recoupment nor the allowance of any Claim shall constitute a waiver or release by the Debtors of any setoff or recoupment the Debtors may have against the Holder of such Claim, nor of any other claim or Cause of Action.

H. Allowance and Disallowance of Claims Subject to Bankruptcy Code § 502

Allowance and disallowance of Claims shall be in all respects subject to the provisions of Bankruptcy Code § 502, including, without limitation, subsections (b), (d), (e), (g), (h) and (i) thereof.

I. Cancellation of Instruments and Agreements

Upon the occurrence of the Effective Date, except as otherwise provided herein, all promissory notes, shares, certificates, instruments, indentures, stock or agreements evidencing, giving rise to or governing any Claim or Interest shall be deemed canceled and annulled without further act or action under any applicable agreement, law, regulation, order or rule; the obligations of the Debtors under such promissory notes, share certificates, instruments,

indentures or agreements shall be discharged and the Holders thereof shall have no rights against the Debtors, the Liquidating Trustee, the Estates or the Polaroid Liquidating Trust; and such promissory notes, share certificates, instruments, indentures or agreements shall evidence no such rights, except the right to receive the distributions provided for in this Plan.

J. No Interest on Claims

Unless otherwise specifically provided for in this Plan, the Confirmation Order or a post-petition agreement in writing between the Debtors and a Holder of a Claim and approved by an order of the Bankruptcy Court, post-petition interest shall not accrue or be paid on any Claim, and no Holder of a Claim shall be entitled to interest accruing on or after the Petition Date on any Claim. In addition, and without limiting the foregoing, interest shall not accrue on or be paid on any Disputed Claim in respect of the period from the Effective Date to the date a final distribution is made when and if such Disputed Claim becomes an Allowed Claim.

K. Withholding Taxes

The Liquidating Trustee shall be entitled to deduct any federal, state or local withholding taxes from any payments under this Plan. As a condition to making any distribution under this Plan, the Liquidating Trustee may require that the Holder of an Allowed Claim provide such Holder's taxpayer identification number and such other information and certification as the Liquidating Trustee may deem necessary to comply with applicable tax reporting and withholding laws.

L. Reports

From the Effective Date, until a Final Decree is entered, the Liquidating Trustee shall submit quarterly reports to the United States Trustee setting forth all receipts and disbursements of the Polaroid Liquidating Trust as required by the United States Trustee guidelines.

ARTICLE VII

EFFECT OF CONFIRMATION

A. Injunction

Except as otherwise expressly provided in this Plan or in the Confirmation Order, and except in connection with the enforcement of the terms of this Plan or any documents provided for or contemplated in this Plan, all entities who have held, hold or may hold Claims against or Interests in the Debtors or the Estates that arose prior to the Effective Date are permanently enjoined from: (a) commencing or continuing in any manner, directly or indirectly, any action or other proceeding of any kind against any Protected Party (other than the Polaroid Liquidating Trust) or any property of any Protected Party (other than the Polaroid Liquidating Trust) with respect to any such Claim or Interest; (b) the enforcement, attachment, collection or recovery by any manner or means, directly or indirectly, of any judgment, award, decree or order against any Protected Party (other than the Polaroid Liquidating Trust) or any property of any Protected Party (other than the Polaroid Liquidating Trust) with respect to any such Claim or Interest; (c) creating, perfecting or enforcing, directly or indirectly, any lien or encumbrance of any kind against any Protected Party (other than the Polaroid Liquidating Trust) or any property of any Protected Party (other than the Polaroid Liquidating Trust) with respect to any such Claim or Interest; (d) effecting, directly or indirectly, any setoff or recoupment of any kind against any obligation due to any Protected Party (other than the Polaroid Liquidating Trust) or any property of any Protected Party (other than the Polaroid Liquidating Trust) with respect to any such Claim or Interest, unless approved by the Bankruptcy Court; and (e) any act, in any manner, in any place whatsoever, that does not conform to or comply with the provisions of this Plan with respect to such Claim or

Interest. Nothing contained in Article VII.A of this Plan shall prohibit the Holder of a Claim or Interest with respect to which a Proof of Claim was timely filed from litigating its right to seek to have such Claim or Interest declared an Allowed Claim or Interest and paid in accordance with the distribution provisions of this Plan, or enjoin or prohibit the interpretation or enforcement by the Holder of such Claim or Interest of any of the obligations of the Debtors, the Liquidating Trustee or the Polaroid Liquidating Trust under this Plan. The Confirmation Order shall also constitute an injunction enjoining any Person from enforcing or attempting to enforce any Causes of Action against any Protected Party or any property of any Protected Party based on, arising from or related to any failure to pay, or make provision for payment of, any amount payable with respect to any Priority Tax Claim on which the payments due under Article VI.K of this Plan have been made or are not yet due under Article VI.K of this Plan.

B. Term of Injunctions or Stays

Unless otherwise provided herein or in the Confirmation Order, all injunctions or stays provided for in the Chapter 11 Cases under Bankruptcy Code §§ 105 or 362, this Plan or otherwise, and extant on the Confirmation Date, shall remain in full force and effect until the later of (i) entry of the Final Decree or (ii) the dissolution of the Polaroid Liquidating Trust.

C. Exculpation

None of the Protected Parties shall have or incur any liability for, and each Protected Party is hereby released from, any claim, cause of action or liability to any other Protected Party, to any Holder of a Claim or an Interest in their capacity as such, for any act or omission taken in connection with, arising from or relating to the Chapter 11 Cases, the formulation, negotiation and/or pursuit of confirmation of this Plan, the consummation

of this Plan, the administration of this Plan and/or the property to be distributed under this Plan, except for claims, causes of action or liabilities arising from the gross negligence, willful misconduct or fraud of any Protected Party, in each case subject to determination of such by final order of a court of competent jurisdiction and provided that any Protected Party shall be entitled to reasonably rely upon the advice of counsel with respect to its duties and responsibilities (if any) under this Plan and such reasonable reliance shall form an absolute defense to any such claim, cause of action or liability. Without limiting the generality of the foregoing, each Protected Party shall be entitled to and granted the protections and benefits of Bankruptcy Code § 1125(e).

ARTICLE VIII

CONDITIONS PRECEDENT

A. Conditions Precedent to Effective Date

This Plan shall not become effective unless and until each of the following conditions shall have been satisfied in full in accordance with the provisions specified below:

1. The Bankruptcy Court shall have approved a disclosure statement with respect to this Plan in form and substance acceptable to the Committee in their sole and absolute discretion;
2. The Confirmation Order shall be in form and substance acceptable to the Committee in its sole discretion;
3. The Confirmation Order shall have been entered by the Bankruptcy Court and shall not be subject to any stay of effectiveness; the Confirmation Date shall have occurred and no request for revocation of the Confirmation Order under Bankruptcy Code § 1144 shall have been made, or, if made, shall remain pending; and

4. The appointment of the Liquidating Trustee shall have been confirmed by order of the Bankruptcy Court.

B. Revocation, Withdrawal or Non-Consummation of Plan

If, after the Confirmation Order is entered, each of the conditions precedent to the Effective Date have not been satisfied or duly waived on or by ninety (90) days after the Confirmation Date, then upon motion by the Committee, the Confirmation Order may be vacated by the Bankruptcy Court; provided, however, that notwithstanding the filing of such a motion, the Confirmation Order shall not be vacated if each of the conditions precedent to the Effective Date is either satisfied or duly waived before the Bankruptcy Court enters an order granting the relief requested in such motion. A condition precedent to the Effective Date may only be waived by a writing executed by the Committee. If the Confirmation Order is vacated pursuant to this Article VIII.B, this Plan shall be null and void in all respects, and nothing contained in this Plan shall (i) constitute a waiver or release of any Claims against or Interests in the Debtors, (ii) prejudice in any manner the rights of the Holder of any Claim against or Interest in the Debtors, (iii) prejudice in any manner the rights of the Debtors in the Chapter 11 Cases, or (iv) constitute a release, indemnification or exculpation by the Debtors, the Estates or any other party pursuant to this Plan.

ARTICLE IX

ADMINISTRATIVE PROVISIONS

A. Retention of Jurisdiction by the Bankruptcy Court

This Plan shall not in any way limit the Bankruptcy Court's post-confirmation jurisdiction as provided under the Bankruptcy Code. Pursuant to Bankruptcy Code §§ 105(a) and 1142, the Bankruptcy Court shall retain and have exclusive jurisdiction (to the extent granted by applicable law, including any provisions permitting mandatory or discretionary withdrawal of

such jurisdiction) over any matter arising out of or related to the Chapter 11 Cases and this Plan, including, without limitation, the following:

1. all matters relating to the assumption or rejection or the assumption and assignment of executory contracts or unexpired leases, or Claims or disputes relating thereto;
2. all matters relating to the ownership of a Claim or Interest;
3. all matters relating to the distribution to holders of Allowed Claims and to the determination of Claims;
4. any and all matters involving the Liquidating Trustee and/or the Polaroid Liquidating Trust and the Trust Oversight Committee;
5. all matters relating to or arising in connection with the allowance or estimation of Claims filed, both before and after the Confirmation Date, including any objections to the classification of any Claim;
6. to enter and implement such orders as may be appropriate if the Confirmation Order is for any reason stayed, revoked, modified and/or vacated;
7. all matters relating to the construction and implementation of this Plan and the provisions thereof, and to hear and determine all requests for orders in aid of execution, implementation or consummation of this Plan;
8. all matters relating to disputes arising in connection with the interpretation, implementation or enforcement of this Plan or the Confirmation Order, including disputes arising under agreements, documents or instruments executed in connection with this Plan;
9. to consider any modifications of this Plan, to cure any defect or omission or to reconcile any inconsistency in any order of the Bankruptcy Court, including, without limitation, the Confirmation Order;

10. all applications for allowance of compensation and reimbursement of Professional Fee Claims under this Plan or under Bankruptcy Code §§ 328, 330, 331, 503(b), 1103 and 1129(a)(4);

11. to hear and determine all motions requesting allowance of an Administrative Claim;

12. to determine requests for the payment of Claims entitled to priority under Bankruptcy Code § 507(a)(2), including compensation and reimbursement of expenses of parties entitled thereto;

13. all Causes of Action, Avoidance Actions and other suits and adversary proceedings to recover assets of the Polaroid Liquidating Trust (including, but not limited to, the Lender Litigation), as successor-in-interest to any of the Debtors and property of the Estates, wherever located, and to adjudicate any and all other Causes of Action, Avoidance Actions, suits, adversary proceedings, motions, applications and contested matters that may be commenced or maintained pursuant to the Chapter 11 Cases or this Plan, proceedings to adjudicate the allowance of Disputed Claims, and all controversies and issues arising from or relating to any of the foregoing;

14. all matters concerning state, local and federal taxes in accordance with Bankruptcy Code §§ 346, 505 and 1146;

15. any other matter not inconsistent with the Bankruptcy Code;

16. all disputes involving the existence, nature or scope of the Debtors' discharge, including any dispute relating to any liability arising out of the termination of employment or the termination of any employee or retiree benefit program, regardless of whether such termination occurred prior to or after the Effective Date;

17. to enter the Final Decree closing the Chapter 11 Cases; and

18. to enforce all orders previously entered by the Bankruptcy Court.

B. Payment of Statutory Fees

All fees payable through the Effective Date pursuant to 28 U.S.C. § 1930 shall be paid on or before the Effective Date. All fees payable after the Effective Date pursuant to 28 U.S.C. § 1930 shall be paid by the Debtors or the Liquidating Trustee out of the Assets of the Estates.

C. Headings

The headings of the articles, paragraphs and sections of this Plan are inserted for convenience only and shall not affect the interpretation hereof.

D. Binding Effect of Plan

Except as otherwise provided in Bankruptcy Code § 1141(d)(3), on and after the Effective Date, the provisions of this Plan shall bind any Holder of a Claim against, or Interest in, the Debtors, the Estates, the Polaroid Liquidating Trust and their respective successors or assigns, whether or not the Claim or Interest of such Holders is impaired under this Plan and whether or not such Holder has accepted this Plan. The rights, benefits and obligations of any entity named or referred to in this Plan, whose actions may be required to effectuate the terms of this Plan, shall be binding on and shall inure to the benefit of any heir, executor, administrator, successor or assign of such entity (including, without limitation, the Liquidating Trustee and any trustee appointed for the Debtors under chapters 7 or 11 of the Bankruptcy Code).

E. Final Order

Except as otherwise expressly provided in this Plan, any requirement in this Plan for a Final Order may be waived by the Committee upon written notice to the Bankruptcy Court. No such waiver shall prejudice the right of any party in interest to seek a stay pending appeal of any order that is not a Final Order.

F. Withholding and Reporting Requirements

In connection with this Plan and all instruments issued in connection herewith and distributions hereunder, the Polaroid Liquidating Trust and the Liquidating Trustee shall comply with all withholding and reporting requirements imposed by any federal, state, local or foreign taxing authority, and all distributions hereunder shall be subject to any such withholding and reporting requirements.

G. Tax Exemption

Pursuant to Bankruptcy Code § 1146, any transfers from a Debtor, the Polaroid Liquidating Trust or the Liquidating Trustee to any other Person or entity pursuant to this Plan, or any agreement regarding the transfer of title to or ownership of any of the Debtors' or the Polaroid Liquidating Trust's real or personal property, or the issuance, transfer or exchange of any security under this Plan, or the execution, delivery or recording of an instrument of transfer pursuant to, in implementation of or as contemplated by this Plan, including, without limitation, any transfers to or by the Liquidating Trustee of the Debtors' or the Polaroid Liquidating Trust's property in implementation of or as contemplated by this Plan (including, without limitation, any subsequent transfers of property by the Liquidating Trustee) shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, stamp act, real estate transfer tax, mortgage recording tax, Uniform Commercial Code filing or recording fee or other similar tax or governmental assessment. Consistent with the foregoing, each recorder of deeds or similar official for any county, city or governmental unit in which any instrument hereunder is to be recorded shall, pursuant to the Confirmation Order, be ordered and directed to accept such instrument, without requiring the payment of any documentary stamp tax, deed stamps, stamp tax, transfer tax, intangible tax or similar tax.

H. Governing Law

Except to the extent a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) or unless specifically stated, the rights, duties and obligations arising under this Plan, any agreements, documents and instruments executed in connection with this Plan (except as otherwise set forth in those agreements, in which case the governing law of such agreements shall control), and, with respect to the Debtors incorporated or organized in Delaware and the Polaroid Liquidating Trust, corporate and limited liability company governance matters shall be governed by, and construed and enforced in accordance with the laws of the State of Delaware, without giving effect to conflicts of law principles.

I. Severability

After the Effective Date, should the Bankruptcy Court or any other court of competent jurisdiction determine that any provision in this Plan is either illegal on its face or illegal as applied to any Claim, such provisions shall be unenforceable either as to all Holders of Claims or as to the Holder of such Claim as to which the provision is illegal, respectively. Such a determination of unenforceability shall in no way limit or affect the enforceability and operative effect of any other provision of this Plan.

J. Revocation

The Committee reserves the right to revoke and withdraw this Plan prior to the Confirmation Date. If the Committee revokes or withdraws this Plan, then this Plan shall be null and void and, in such event, nothing contained herein shall be deemed to constitute a waiver or release of any Claims by or against the Debtors, the Committee or any other Person or to prejudice in any manner the rights of the Debtors, the Committee or any Person in any further

proceedings involving the Debtors, or be deemed an admission by the Debtors and/or the Committee.

K. Construction

The rules of construction as set forth in Bankruptcy Code § 102 shall apply to the construction of this Plan.

L. Plan Controls Disclosure Statement

In the event and to the extent any provision of this Plan is inconsistent with any provision of the Disclosure Statement, the provisions of this Plan shall control and take precedence.

M. Amendments and Modifications

The Committee may alter, amend or modify this Plan under Bankruptcy Code § 1127(a) at any time prior to the Confirmation Hearing. After the Confirmation Date and prior to “substantial consummation” (as such term is defined in Bankruptcy Code § 1101(2)) of this Plan, any Debtor, the Committee, the Polaroid Liquidating Trust or the Liquidating Trustee may institute proceedings in the Bankruptcy Court pursuant to Bankruptcy Code § 1127(b) to remedy any defect or omission or reconcile any inconsistencies in this Plan, the Disclosure Statement or the Confirmation Order, and such matters as may be necessary to carry out the purposes and effects of this Plan, by the filing of a motion on notice to the Bankruptcy Rule 2002 service list only, and the solicitation of all Creditors and other parties-in-interest shall not be required.

N. Notices

Any notices required under this Plan or any notices or requests of the Liquidating Trustee by parties in interest under or in connection with this Plan shall be in writing and served either by (i) certified mail, return receipt requested, postage prepaid, (ii) hand delivery, or (iii)

reputable overnight delivery service, all charges prepaid, and shall be deemed to have been given when received by the following parties:

To the Polaroid Liquidating Trust and the Liquidating Trustee:

Avidity Partners, LLC
Attn: John J. Ray III
One Lincoln Center
18W140 Butterfield Road, 15th Floor
Oakbrook Terrace, IL 60181

With a copy to:

Paul, Hastings, Janofsky & Walker, LLP
Attn: Stephenie S. Park, Esq.
191 N. Wacker Dr., Suite 3000
Chicago, IL 60606

O. Filing of Additional Documents

On or before substantial consummation of this Plan, the Committee may file with the Bankruptcy Court such agreements or other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of this Plan.

P. Direction to a Party

From and after the Effective Date, the Polaroid Liquidating Trust or the Liquidating Trustee may apply to the Bankruptcy Court for the entry of an order directing any Person to execute or deliver or to join in the execution or delivery of any instrument or document reasonably necessary or reasonably appropriate to effect a transfer of properties dealt with by this Plan, and to perform any other act (including the satisfaction of any lien or security interest) that is reasonably necessary or reasonably appropriate for the consummation of this Plan.

Q. Successors and Assigns

The rights, duties and obligations of any Person named or referred to in this Plan, including all Creditors, shall be binding on, and shall inure to the benefit of, the successors and assigns of such Person.

Dated: June 9, 2009

Respectfully submitted,

OFFICIAL COMMITTEE OF UNSECURED
CREDITORS

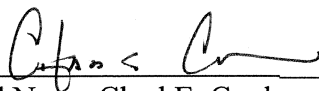
By: 
Printed Name: Chad E. Cooley
Title: Chairman

Exhibit A

Insurance Policies

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA**

In re:

**JOINTLY ADMINISTERED UNDER
CASE NO. 08-46617**

POLAROID CORPORATION, ET AL.,

Debtors.

08-46617 (GFK)

(includes:

Polaroid Holding Company;
Polaroid Consumer Electronics, LLC;
Polaroid Capital, LLC;
Polaroid Latin America I Corporation;
Polaroid Asia Pacific LLC;
Polaroid International Holding LLC;
Polaroid New Bedford Real Estate, LLC;
Polaroid Norwood Real Estate, LLC;
Polaroid Waltham Real Estate, LLC)

08-46621 (GFK)
08-46620 (GFK)
08-46623-(GFK)
08-46624 (GFK)
08-46625 (GFK)
08-46626 (GFK)
08-46627 (GFK)
08-46628 (GFK)
08-46629 (GFK)

Chapter 11 Cases
Judge Gregory F. Kishel

**PLAN SUPPLEMENT FOR THE CHAPTER 11
PLAN OF LIQUIDATION OF THE DEBTORS**

**PAUL HASTINGS, JANOFSKY &
WALKER LLP**

191 N. Wacker Dr., 30th Floor
Chicago, Illinois 60606
Richard A Chesley (IL 6240877)
Gregory S. Otsuka (IL 6270388)
Telephone: (312) 499-6000
Facsimile: (312) 499-6100

FAEGRE & BENSON LLP

2200 Wells Fargo Center
90 South Seventh Street
Minneapolis, Minnesota 55402-3901
Dennis M. Ryan (No. 161275)
Theresa H. Dykoschak (No. 0349999)
Telephone: (612) 766-7000
Facsimile: (612) 766-1600

Attorneys for the Official Committee of Unsecured Creditors

Dated: June 9, 2009

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(Liquidating Trust Agreement)

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LIQUIDATING TRUST AGREEMENT

THIS LIQUIDATING TRUST AGREEMENT (the “Trust Agreement”), dated as of _____, 2009, is entered into and executed by and among POLAROID CORPORATION (“Polaroid”), a Delaware limited liability corporation, debtor and debtor-in-possession in the Chapter 11 Cases referred to below and the undersigned affiliated Debtors, debtors and debtors-in-possession in such Chapter 11 Cases (together with Polaroid collectively, the “Debtors”, as hereinafter further defined), as settlors, and Avidity Partners, LLC, as Trustee (the “Trustee”). All capitalized terms not defined herein shall have the meanings ascribed to them in the Plan (defined below).

WITNESSETH

WHEREAS, this Trust Agreement is executed in connection with the Chapter 11 Plan of Liquidation filed on June 9, 2009 (as amended, modified or supplemented, the “Plan”) in the Court, which Plan provides for the establishment of the Polaroid Liquidating Trust created by this Trust Agreement, to resolve, liquidate and realize upon the Trust Assets (as defined below), Causes of Action¹ and such other claims and property, as successor to and representative of the Estates of the Debtors, for the benefit of the Holders of Allowed Claims, to the extent that such Holders of Allowed Claims are entitled to share in Trust Recoveries (as defined below), in accordance with the terms of the Plan (collectively, the “Beneficiaries”);

WHEREAS, the Plan contemplates and is predicated upon substantive consolidation of the Debtors’ Assets, including the Debtors’ ownership interest in PLR, and liabilities, including Claims, and the transfer of such Assets and liabilities into the Polaroid Liquidating Trust; and, therefore, for purposes of classification, voting and distributions under the Plan, all Assets and liabilities of the Debtors shall be merged and vested in the Polaroid Liquidating Trust so that all of the Assets of all of the Debtors shall be available to pay all of the liabilities of all of the Debtors as if they were one company;

WHEREAS, the Polaroid Liquidating Trust is a Delaware common law trust and is created pursuant to, and to effectuate, the Plan;

WHEREAS, the Polaroid Liquidating Trust is created on behalf of, and for the sole benefit of, the Beneficiaries;

WHEREAS, the Polaroid Liquidating Trust is established and intended to be treated as a “liquidating trust” pursuant to the Plan and Treasury Regulations § 301.7701-4(d) for the sole purpose of (a) liquidating the Estates and the Polaroid Liquidating Trust Assets, (b) investigating, litigating and/or settling Causes of Action, (c) reviewing, reconciling and objecting to Disputed Claims, (d) selling, liquidating and/or recovering any and all Assets of the Estates and the Polaroid Liquidating Trust Assets, and (e) making distributions of any Polaroid Liquidating Trust Assets and the proceeds thereof to the Beneficiaries, as set forth in the Plan, with no objective to continue or engage in the conduct of any trade or business;

¹ Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Plan.

WHEREAS, the Trustee's activities, powers and duties are those determined to be reasonably necessary to, and consistent with, accomplishment of these purposes;

WHEREAS, as set forth in the Plan, this Trust Agreement is further intended to set forth (i) the terms and conditions upon which the Polaroid Liquidating Trust will be administered by the Trustee for the benefit of the Beneficiaries, (ii) the rights and remedies of the Trustee, on behalf of the Beneficiaries, with respect to the Polaroid Liquidating Trust, and (iii) certain other matters related thereto;

WHEREAS, under the terms of the Plan and the Confirmation Order, effective as of the Effective Date of the Plan, the Debtors' Estates shall be deemed to have irrevocably granted, transferred, conveyed, and delivered to the Trustee, on behalf of, and for the benefit of, the Beneficiaries, control of, and all the rights, title and interests in and to, the Assets of the Estates and the Polaroid Liquidating Trust Assets, with no reversionary interest therein in favor of the Debtors;

WHEREAS, on [_____], 2009, the Court entered the Confirmation Order; and

WHEREAS, any reference herein to a holder of Polaroid Liquidating Trust interests means a holder recorded on the official registry maintained by the Trustee and shall not mean any beneficial owner not recorded on such official registry.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements contained herein and in the Plan, the Debtors and the Trustee agree as follows:

ARTICLE I

DEFINITIONS

1.1 Certain Terms Defined in the Plan. The capitalized terms used but not defined in this Trust Agreement shall have the meanings given to them in the Plan.

- (a) Administrative Budget has the meaning set forth in the Plan.
- (b) Administrative Claim has the meaning set forth in the Plan.
- (c) Allowed Claim has the meaning set forth in the Plan.
- (d) Assets means all assets of each of the Debtors, of any nature whatsoever, including, without limitation, all property of the Estates under and pursuant to Bankruptcy Code § 541, the Debtors' ownership interest in PLR, Cash, Causes of Action, including Avoidance Actions, rights, interests and property, real and personal, tangible and intangible.
- (e) Bankruptcy Code means title 11 of the United States Code.

(f) Beneficiaries means Holders of Allowed Claims, to the extent that such Holders of Allowed Claims are entitled to share in Trust Recoveries, in accordance with the terms of the Plan.

(g) Beneficiary List has the meaning set forth in Section 3.1 herein.

(h) Cash has the meaning set forth in the Plan.

(i) Causes of Action has the meaning set forth in the Plan.

(j) Chapter 11 Cases means the above-captioned chapter 11 cases of the Debtors pending in the Bankruptcy Court and jointly administered with one another under Case No. 08-46617 (GFK).

(k) Claims has the meaning set forth in the Plan.

(l) Class has the meaning set forth in the Plan.

(m) Committee means the Official Committee of Unsecured Creditors of the Debtors appointed by the United States Trustee in the Chapter 11 Cases, as its composition may change from time to time.

(n) Confirmation Date has the meaning set forth in the Plan.

(o) Confirmation Order has the meaning set forth in the Plan.

(p) Court means the United States Bankruptcy Court for the District of Minnesota.

(q) Debtors means, collectively, Polaroid Corporation, Polaroid Holding Company, Polaroid Consumer Electronics, LLC, Polaroid Capital, LLC, Polaroid Latin America I Corporation, Polaroid Asia Pacific LLC, Polaroid International Holding LLC, Polaroid New Bedford Real Estate, LLC, Polaroid Norwood Real Estate, LLC and Polaroid Waltham Real Estate, LLC.

(r) Disallowed Claim has the meaning set forth in the Plan.

(s) Disputed Claim has the meaning set forth in the Plan.

(t) Disbursing Agent means the Trustee, unless another Person is designated to be the Disbursing Agent by the Trust Oversight Committee.

(u) Distributable Cash has the meaning set forth in the Plan.

(v) Distribution Date means a date on which the Trustee shall make distributions under the Plan on account of Claims Allowed.

(w) Distribution Fund has the meaning set forth in the Plan.

(x) Distribution Reserve or Distribution Reserve Account means, individually and collectively, one or more bank and/or other investment accounts established and maintained by the Trustee, into which the Trustee shall, in accordance with Section 4.10 and Section 4.13 of this Trust Agreement, deposit undeliverable distributions and Trust Recoveries that are not then distributable to a holder of a Disputed Claim and shall be held by the Trustee, pending a final determination as to Allowance of such Disputed Claim.

(y) Effective Date has the meaning set forth in the Plan.

(z) Estates has the meaning set forth in the Plan.

(aa) Holder has the meaning set forth in the Plan.

(bb) I.R.C. means the Internal Revenue Code of 1986, as amended.

(cc) Liquidating Trust Interest has the meaning set forth in Section 2.2(a) herein.

(dd) Member means members, designees, professionals, counsel, financial advisors or any duly designated agents or representatives of the Trust Oversight Committee (in their capacity as such).

(ee) Net Trust Recoveries means the amount by which the aggregate amount of Trust Recoveries exceeds the aggregate amount of Trust Expenses.

(ff) Person has the meaning set forth in the Plan.

(gg) Plan means the Chapter 11 Plan of Liquidation (as the same may be modified or amended by the Debtors and the Committee in accordance with the Bankruptcy Code, the Bankruptcy Rules and this Plan) and any exhibits hereto and any documents incorporated herein by reference.

(hh) PLR has the meaning set forth in the Plan.

(ii) Polaroid Liquidating Trust or Liquidating Trust means the Delaware common law trust established by this Trust Agreement.

(jj) Priority Claim has the meaning set forth in the Plan.

(kk) Priority Tax Claim has the meaning set forth in the Plan.

(ll) Professional has the meaning set forth in the Plan.

(mm) Scheduled, has the meaning set forth in the Plan.

(nn) Secured Claim has the meaning set forth in the Plan.

(oo) Trust Assets means all the right, title and interests of the Debtors and the Debtors' Estates in and to all Assets, including the Debtors' ownership interest in PLR, and liabilities, including Claims.

(pp) Trust Expenses means all reasonable costs, expenses and fees paid or incurred or to be incurred (as estimated by the Trustee in consultation with the Trust Oversight Committee) by the Trustee in the administration of the Trustee's duties or as contemplated pursuant to this Trust Agreement, including, without limitation, the compensation paid to and expenses incurred or to be incurred (as estimated by the Trustee in consultation with the Trust Oversight Committee) by the Trustee, the expenses incurred or to be incurred by members of the Trust Oversight Committee (as estimated by the Trust Oversight Committee), the fees and expenses of the Trustee's professionals and the fees and expenses of any expert witnesses or other service providers, counsel and other professionals directly retained by the Trust Oversight Committee (separate from the Trustee's professionals), all as provided for in this Trust Agreement.

(qq) Trust Oversight Committee means the trust oversight committee formed on the Effective Date upon the dissolution of the Committee and composed of three (3) members selected by the Committee and identified in a plan supplement filed prior to the Confirmation Hearing or identified by the Trust Oversight Committee, as applicable.

(rr) Trust Recoveries means any and all proceeds received by the Trust arising from Trust Assets, including, without limitation, (a) the prosecution to, and collection of, a final judgment with respect to a Cause of Action, and (b) the settlement or other compromise of a Cause of Action.

(ss) Trustee means that individual appointed in his or her capacity as the trustee of the Polaroid Liquidating Trust or any of his or her successors.

(tt) U.S. Trustee has the meaning set forth in the Plan.

(uu) Wind-down Reserve has the meaning set forth in the Plan.

ARTICLE II

ESTABLISHMENT OF THE LIQUIDATING TRUST AND CERTAIN DEFINITIONS

2.1 Transfer of Property to Trustee. In consideration of the confirmation of the Plan under the Bankruptcy Code, the Debtors, the Committee and the Trustee have executed this Trust Agreement and, effective on the Effective Date of the Plan the Trustee shall, in accordance with all applicable law, be issued one share of common stock for Polaroid and thereafter shall be the sole shareholder, officer and director of Polaroid, replacing the existing shareholders, officers and directors of Polaroid, and all other shares of any class of stock of each of the Debtors shall be deemed canceled as of the Effective Date. Pursuant to the substantive consolidation provisions herein on the Effective Date, all assets and liabilities of the remaining debtors shall be merged into Polaroid and the other Debtors shall be consolidated into (becoming assets and liabilities of) Polaroid and all remaining debtor entities shall cease to exist. Any guaranty obligations of one Debtor for another are eliminated such that a claimant is entitled to

one, not two, claims. Within the respective times determined by the Trustee as necessary or appropriate under the circumstances (including with respect to the pursuit of causes of action in the name of the Estates), shall be dissolved without any further action by the former stockholders, officers, or directors of the Debtors. The Trustee may, in his or her discretion, file all necessary certificates of dissolution and take any other actions necessary or appropriate to reflect the dissolutions of each of the Debtors under the state law where the respective Debtors were incorporated. All applicable regulatory or governmental agencies shall accept any certificates of dissolution or other papers filed by the Trustee on behalf of the Debtors and shall take all steps necessary to allow and reflect the prompt dissolution of the Debtors as provided herein, without the payment of any fee, tax, or charge and without need for the filing of reports or certificates, except as the Trustee may determine in his or her sole discretion. The use and distribution of Net Trust Recoveries shall be made in accordance with this Trust Agreement and the Plan. In furtherance of such purposes, in consultation with and at the direction of the Trust Oversight Committee, the Trustee shall be responsible for pursuing the aforementioned purposes of the Polaroid Liquidating Trust with respect to the Assets, liabilities and Claims which are transferred to the Polaroid Liquidating Trust, shall be the representative of all Beneficiaries in all litigation relating to all Causes of Action, and shall perform all obligations specified for the Trustee under the Plan and this Trust Agreement. In the event of any inconsistency between the recitation of the duties and powers of the Trustee as set forth in the Trust Agreement and as set forth in the Plan, the provisions of the Plan shall govern.

2.2 Title to Trust Assets.

(a) The transfer of the Trust Assets to the Trustee shall be made by the Debtors for the benefit and on behalf of the Beneficiaries. In this regard, the Trust Assets will be treated for tax purposes as being transferred (subject to the liabilities and Allowed Claims indicated herein) by the Debtors to the Beneficiaries, and then by such holders to the Polaroid Liquidating Trust in exchange for interests (the "Liquidating Trust Interests") for the benefit of such holders in accordance with the Plan. Upon the transfer of the Trust Assets, the Trustee shall succeed to all of the Debtors' right, title and interest in the Trust Assets and the Debtors will have no further interest in or with respect to the Trust Assets or this Liquidating Trust.

(b) For all United States federal income tax purposes, all parties (including, without limitation, the Debtors, the Trustee, the Beneficiaries and the Disbursing Agent) shall treat the transfer of Trust Assets to the Trustee, as set forth in this Section 2.2 and in accordance with the Plan, as a transfer to the Beneficiaries, followed by a transfer by such Beneficiaries to the Trustee, and the Beneficiaries shall be treated as the grantors and owners hereof in accordance with Sections 671-679 of the I.R.C. and the Treasury Regulations thereunder.

2.3 Causes of Action. All Causes of Action shall be transferred into the Liquidating Trust. Causes of Action may be prosecuted, settled or abandoned with or without Court approval by the Trustee. Notwithstanding anything to the contrary herein, no Distribution shall be made to the holder of any Claim, including by way of setoff or recoupment by such claimant, if the Debtors, the Committee or the Trustee has taken action to recover, or given notice to the applicable party of intent to take such action, on a Cause of Action against the holder of such Claim (or the direct or indirect transferor to, or transferee of, such holder), until

such Cause of Action is resolved by Final Order or otherwise in accordance with this section. The Trustee will be substituted as the party in interest instead of the Debtors or Committee for all Causes of Action pending on the Effective Date.

2.4 Assignment and Assumption of Claims. In accordance with Section 2.2 hereof, the Debtors hereby transfer and assign the Trust Assets to the Trustee, and the Trustee on behalf of the Liquidating Trust hereby assumes and agrees that all such Trust Assets will be transferred to the Trustee subject to liabilities, in each case subject to the Trustee's right to set off or otherwise contest such liabilities, arising out of scheduled and timely-filed claims, including: (a) Administrative Claims, Secured Claims, Priority Tax Claims and Priority Claims that have not been Allowed as of the Effective Date but which are subsequently Allowed; (b) all U.S. Trustee Fees until such time as the Court enters a Final Decree closing each Debtors' Chapter 11 Case; (c) any expenses incurred and unpaid, or to be incurred, by the Trustee and Disbursing Agent in the performance of their administrative duties in respect of the winding up of the Debtors' Estates (including, the filing of final tax returns and the payment of any taxes shown thereon, and any tax liability determined to be due and owing pursuant to the requests for expedited determinations under Section 505 of the Bankruptcy Code); and (d) any obligations owing pursuant to the Plan and unpaid (including, without limitation, obligations incurred after the Confirmation Date and the fees and expenses of Professionals under Article II.I of the Plan); but specifically excluding any Claims which have been barred or discharged pursuant to the Plan.

2.5 Valuation of Trust Assets. As soon as possible after the Effective Date, (i) the Trustee shall value the Trust Assets pursuant to Section 7.1 of this Trust Agreement, and (ii) the Trustee shall apprise the Beneficiaries in writing of such valuation. The valuation shall be used consistently by all parties (including, without limitation, the Debtors, the Trustee, the Beneficiaries and the Disbursing Agent) for all purposes, including federal income tax purposes.

2.6 Appointment of the Trustee. The Trustee shall be Avidity Partners, LLC. The Trustee may serve in a separate capacity as the Disbursing Agent.

2.7 Trust Oversight Committee.

(a) The Trust Oversight Committee shall be comprised of four (4) members: three (3) members selected by the Committee and the U.S. Trustee as an *ex-officio* member. In the case of an inability or unwillingness of any member of the Trust Oversight Committee to serve subsequent to his or her original appointment and acceptance, such member shall be replaced by designation of the remaining members of the Trust Oversight Committee. A member of the Trust Oversight Committee may resign for any reason or no reason. If any position on the Trust Oversight Committee remains vacant for more than thirty (30) days, such vacancy may be filled within fifteen (15) days thereafter by the designation of the Trustee without the requirement of a vote by the other members of the Trust Oversight Committee. Each replacement member of the Trust Oversight Committee must be a Beneficiary of this Trust. The Trust Oversight Committee will continue to fully function even while a position on the Trust Oversight Committee remains vacant.

(b) Along with the U.S. Trustee, [_____] have been appointed by the Committee as the initial members of the Trust Oversight Committee that will consult with, advise and direct the Trustee and make certain determinations regarding the liquidation of the Trust Assets, and are deemed to have accepted this appointment.

(c) The Trust Oversight Committee shall have the duty to take actions in accordance with the provisions of the Plan and this Trust Agreement and the rights, duties and powers set forth herein.

(d) The Trust Oversight Committee shall govern its proceedings through the adoption of by-laws, which the Trust Oversight Committee shall adopt by majority vote. No provision of such by-laws shall supersede any express provision of the Plan or of this Trust Agreement. Without limiting the generality of the foregoing, the Trust Oversight Committee by-laws shall provide that all authorizations, directions and advice rendered by the Trust Oversight Committee to the Trustee at any time pursuant to the Plan and this Trust Agreement shall be by majority vote of the Trust Oversight Committee members voting in any case and that at least two (2) members of the Trust Oversight Committee shall constitute a necessary quorum required to vote on any matter to be voted upon by the Trust Oversight Committee.

(e) The Trust Oversight Committee shall have the right to retain counsel and other professionals of its choice and the Trust Expenses shall be paid by the Trustee in accordance with the following procedures (unless, in consultation with the Trust Oversight Committee, the Trustee determines to follow other procedures): upon the submission of a monthly fee and/or expense statement to the Trustee and the Trust Oversight Committee, the Trustee and the Trust Oversight Committee shall have ten (10) days from the delivery of a fee statement to give notice of an objection to the fee statement to the professional or Person seeking compensation or reimbursement. For an objection to be valid, it shall be in writing and set forth in detail the specific fees objected to and the basis for the objection. Any objection that remains unresolved fifteen (15) days after it is made shall be filed with the Bankruptcy Court by the objecting party, served upon the professional or Person seeking compensation or reimbursement, and shall be heard by the Bankruptcy Court at the next regularly scheduled omnibus hearing. The uncontested portion of each invoice shall be paid within twenty (20) days after its delivery to the Trustee and the Trust Oversight Committee.

(f) Neither the Trust Oversight Committee nor any of its Members shall be liable for the act, default or misconduct of any other Member of the Trust Oversight Committee, nor shall any Member be liable for anything other than such Member's own gross negligence, willful misconduct or fraud. The Trust Oversight Committee may, in connection with the performance of its duties, and in its sole and absolute discretion, consult with the Trustee's counsel and any other of the Trustee's professionals and/or with counsel and other professional advisors directly retained by the Trust Oversight Committee, and the Trust Oversight Committee shall not be liable for anything done or omitted or suffered to be done in accordance with the advice or opinions of such professionals. The Trust Oversight Committee shall not be liable for not requiring the Trustee to give a bond or surety or any other security for the performance of the Trustee's duties. If the Trust Oversight Committee determines not to

consult with counsel, accountants or other professionals, such failure to consult shall not be deemed to impose any liability on the Trust Oversight Committee, or its Members.

(g) The Trust Oversight Committee may rely, and shall be fully protected personally in acting upon any resolution, statement, certificate, instrument, opinion, report, notice, request, consent, order or other instrument or document that the Trust Oversight Committee has no reasonable belief to be other than genuine and to have been signed or presented other than by the proper party or parties or, in the case of facsimile transmissions, to have been sent other than by the proper party or parties, in each case without obligation to satisfy itself that the same was given in good faith and without responsibility for errors in delivery, transmission or receipt.

(h) In performance of their duties hereunder, members of the Trust Oversight Committee shall be entitled to receive (i) reimbursement of reasonable expenses, (ii) reimbursement as set forth in Section 5.10 hereof, and (iii) compensation as provided for in Section 5.11 hereof.

(i) Upon the certification by the Trustee that all Trust Assets have been distributed, abandoned or otherwise disposed of, the members of the Trust Oversight Committee shall resign their positions, whereon they shall be discharged from further duties and responsibilities.

ARTICLE III

LIQUIDATING TRUST INTERESTS

3.1 Identification of Holders of Liquidating Trust Interests. The record holders of Liquidating Trust Interests shall be recorded and set forth in a register (the "Beneficiary List") maintained by the Trustee expressly for such purpose. All references in this Trust Agreement to holders shall be read to mean holders of record as set forth in the official register maintained by the Trustee and shall not mean any beneficial owner not recorded on such official registry. Unless expressly provided herein, the Trustee may establish a record date that he deems practicable for determining the holders for a particular purpose. The distribution of Liquidating Trust Interests to Beneficiaries shall be accomplished as set forth in the Plan.

3.2 Limitation on Transferability of Liquidating Trust Interests. To the fullest extent permitted by applicable law, the beneficial interests in the Liquidating Trust may not be assigned or otherwise transferred by any holder other than (i) to any relative, spouse or relative of the spouse of such holder; (ii) to any trust or estate in which such holder has a majority of the beneficial interest (excluding contingent interests); (iii) to any corporation, partnership or other organization in which such holder is the beneficial owner of a majority of the voting securities or equity interests, or which owns a majority of the voting securities or beneficial interests of such holder; and (iv) upon the death or dissolution of such holder in accordance with the operation of law; provided, that any such transfer pursuant to clause (iii) shall be effected in compliance with the Securities Act of 1933, as amended, and the rules and regulations of the Securities and Exchange Commission thereunder, and any other applicable federal or state securities law.

ARTICLE IV

PURPOSE, AUTHORITY, LIMITATIONS, DISTRIBUTIONS AND DUTIES

4.1 Purpose of the Liquidating Trust. The Liquidating Trust shall be established for the sole purpose of liquidating the Trust Assets, in accordance with Treasury Regulations Section 301.7701.4(d), with no objective to continue or engage in the conduct of a trade or business. Accordingly, the Trustee shall, in an expeditious but orderly manner, (a) liquidate the Estates and the Polaroid Liquidating Trust Assets, (b) investigate, litigate and/or settle Causes of Action, (c) review, reconcile and object to Disputed Claims, (d) sell, liquidate and/or recover any and all Assets of the Estates and the Polaroid Liquidating Trust Assets, and (e) make distributions of any Polaroid Liquidating Trust Assets and the proceeds thereof to the Beneficiaries, as set forth in the Plan.

4.2 Authority of Trustee.

(a) In connection with the administration of the Liquidating Trust, except as set forth in Sections 4.2(b) and 4.2(c) of this Trust Agreement, the Trustee has the power and authority to perform on behalf of the Liquidating Trust any and all acts necessary or desirable to accomplish the purposes of the Liquidating Trust in consultation with the Trust Oversight Committee as more fully set forth in this Trust Agreement and the Plan. Subject to Sections 4.2(b) and 4.2(c), Trustee has the power and authority on behalf of the Liquidating Trust to:

(1) hold legal title to any and all rights of the holders of the Liquidating Trust Interests in or arising from the Trust Assets, including but not limited to, collecting, receiving any and all money and other property belonging to the Liquidating Trust and the right to vote any claim or interest in a case under the Bankruptcy Code and receive any distribution therein;

(2) perform the duties, exercise the powers, and assert the rights of a trustee under Sections 704 and 1106 of the Bankruptcy Code, including, without limitation, commencing, prosecuting or settling Causes of Action, enforcing contracts, and asserting claims, defenses, offsets and privileges;

(3) protect and enforce the rights to the Trust Assets by any method deemed appropriate including, without limitation, by judicial proceedings or pursuant to any applicable bankruptcy, insolvency, moratorium or similar law and general principles of equity;

(4) compromise, adjust, arbitrate, sue on or defend, pursue, prosecute abandon, or otherwise deal with and settle Causes of Action in favor of or against the Liquidating Trust as the Trustee shall deem advisable;

(5) avoid and recover transfers of the Debtors' property as may be permitted by the Bankruptcy Code or applicable state law, including, without limitation, those identified in the Disclosure Statement;

(6) determine and satisfy any and all liabilities created, incurred or assumed by the Liquidating Trust;

(7) file, on behalf of the Debtors' affiliated tax group, any and all tax returns;

(8) file, if necessary, any and all tax and information returns with respect to the Liquidating Trust and pay taxes properly payable by the Liquidating Trust, if any;

(9) exercise any and all rights afforded a debtor under Section 505 of the Bankruptcy Code to request a prompt determination of the state and federal tax liabilities of the Debtors, whether such liabilities were incurred prior to the Petition Date or during the pendency of the Chapter 11 Cases;

(10) execute offsets against Claims as provided for in the Plan;

(11) assert or waive any privilege or defense on behalf of the Liquidating Trust or the Debtors;

(12) pay all expenses and make all other payments relating to the Trust Assets;

(13) pay all fees or charges assessed against the Estates of the Debtors under 28 U.S.C. § 1930 until such time as the Court enters a Final Decree closing each Debtors' Chapter 11 Cases;

(14) obtain insurance coverage with respect to the liabilities and obligations of the Trustee and the Members of the Trust Oversight Committee under this Trust Agreement (in the form of an errors and omissions policy or otherwise);

(15) obtain insurance coverage with respect to real and personal property which may become Trust Assets, if any;

(16) retain and pay such independent law firms as counsel to the Liquidating Trust to aid in the prosecution of any claims that constitute the Trust Assets, and to perform such other functions as may be appropriate. A law firm shall not be disqualified from serving as independent counsel to the Liquidating Trust solely because of its prior retention by the Debtors or the Committee;

(17) retain and pay a public accounting firm to perform such reviews and/or audits of the financial books and records of the Liquidating Trust as may be appropriate and to prepare and file any tax returns or informational returns for the Liquidating Trust as may be required;

(18) retain and pay such third parties as the Trustee may deem necessary or appropriate to assist the Trustee in carrying out his powers and duties under this Trust Agreement including, but not limited to, financial advisors;

(19) employ such employees as the Trustee, as consistent with the purposes of the Liquidating Trust, may deem necessary or appropriate to assist the Trustee in carrying out his powers and duties under this Trust Agreement. If the Trustee shall employ employees pursuant to this Section 4.2(a)(19), the Trustee shall establish payroll procedures and pay any and all federal, state or local tax withholding required under applicable law with respect to any such employees, and he will take all other actions he deems necessary to effectuate the provisions of this Section 4.2(a)(19);

(20) establish and adopt or cease to provide such employee benefits for the benefit of any employees described above as the Trustee, as consistent with the purposes of the Liquidating Trust, may deem necessary or appropriate, including the adoption of any group health plan;

(21) invest any moneys held as part of the Liquidating Trust in accordance with the terms of Section 5.8 hereof, limited, however, to such investments that are consistent with the Liquidating Trust's status as a liquidating trust within the meaning of Treasury Regulations Section 301.7701-4(d);

(22) request any appropriate tax determination with respect to the Liquidating Trust, including, without limitation, a determination pursuant to Section 505 of the Bankruptcy Code;

(23) seek the examination of any entity under, and subject to, the provisions of Bankruptcy Rule 2004;

(24) make any advance tax payment; and

(25) take or refrain from taking any and all actions the Trustee reasonably deems necessary for the continuation, protection and maximization of the Trust Assets or to carry out the purposes of this Trust Agreement.

(b) In connection with the administration of the Liquidating Trust, the Trustee shall have the power, authority and duty in consultation with the Trust Oversight Committee:

- (1) to sell, liquidate and/or recover any and all Assets of the Estates and of the Liquidating Trust;
- (2) to manage, control and operate the Liquidating Trust;
- (3) to investigate and, if necessary and appropriate, to prosecute, enforce (or to not prosecute or enforce), or to compromise, release, or settle any Causes of Action on behalf of the Estates and the Liquidating Trust;
- (4) to invest the Cash and other Assets of the Liquidating Trust and the Estates;
- (5) to create the Wind-down Reserve and allocate funds to such reserve;
- (6) to file any and all reports, pleadings and other documents;
- (7) to make any and all distributions required or permitted to be made under this Trust Agreement and the Plan;
- (8) to procure an errors and omissions policy of not less than \$10 million pursuant to which the Liquidating Trust will be insured for any errors and omissions of the Trustee and/or the Trust Oversight Committee;
- (9) to pay out of the Liquidating Trust any and all claims, liabilities, losses, damages, costs and expenses incurred in connection therewith or as a result thereof, including all Post-Confirmation Expenses accruing from and after the Effective Date, in accordance with the Administrative Budget;
- (10) to employ, supervise and compensate any employees of the Liquidating Trust;
- (11) to carry out all member duties and obligations in connection with the operating agreement of PLC until the Liquidating Trust's interest in PLC has been liquidated.
- (12) to make and file tax returns for any of the Debtors and the Liquidating Trust;
- (13) to commence and pursue dissolution or winding up proceedings for the Liquidating Trust;
- (14) to request the entry of a Final Decree(s);

(15) to take any and all actions, including any action set forth in Article IV.Q of the Plan, necessary to dissolve and cancel the existence of each of the Debtors in the State of Delaware, and in any other jurisdiction in which a Debtor is qualified to do business; and

(16) to take any and all other actions necessary or appropriate to implement the Plan and the liquidation and winding up of the Debtors, the Estates and the Liquidating Trust in accordance with applicable law; provided, that nothing herein shall permit the Trustee to terminate or cancel the Debtors' director and officer liability insurance coverage for periods prior to the Effective Date; provided further that, the Trustee shall not renew or extend such insurance coverage, or other new or substitute coverage, without the approval of the Trust Oversight Committee.

(c) In connection with the execution of his duties under this Trust Agreement, the Trustee may, in consultation with the Trust Oversight Committee:

(1) execute such documents and take such other actions as are necessary to effectuate the Plan and perform his duties as liquidating agent of and for the Estates and the Polaroid Liquidating Trust, including to execute such documents and take such other action on behalf of the Polaroid Liquidating Trust;

(2) open, close and manage bank accounts, and enter into business transactions within or without the ordinary course of business;

(3) authorize and benefit from any insurance policies and rights of indemnification;

(4) retain and pay professionals (including any of the Debtors' or the Committee's professionals) or other Persons to assist the Trustee in the liquidation of the Trust Assets, in accordance with Section 2.7(e) and without prior Bankruptcy Court approval, and to designate another Person to be the Disbursing Agent;

(5) incur any reasonable and necessary expenses (up to the amounts set forth in the Administrative Budget) in the performance of his duties as liquidating agent of and for the Estates and the Liquidating Trust;

(6) prepare and deliver to the Trust Oversight Committee the Administrative Budget of the Liquidating Trust with respect to each 6-month period following the Effective Date and any amendments or modifications thereto;

(7) settle, without approval of the Trust Oversight Committee, any Claim or Cause of Action where the Claim or Cause of Action has an asserted value of less than \$250,000 or for which the difference between

the asserted value and the actual value of the Claim or Cause of Action is less than \$50,000;

(8) seek an order of the Bankruptcy Court approving the compromise, release or settlement of any Cause of Action that has an asserted value of \$250,000 or more or for which the difference between the asserted value and the actual value of the Claim or Cause of Action is \$50,000 or more, provided that the Trust Oversight Committee must approve any action to seek Bankruptcy Court approval and that nothing herein shall require the Trustee to seek any such order; and

(9) employ such other procedures, not inconsistent with the Plan, necessary for the Trustee to perform his duties hereunder.

4.3 Limitation of Trustee's Authority.

(a) Notwithstanding anything herein to the contrary, the Trustee shall not and shall not be authorized to engage in any trade or business, and shall take such actions consistent with the orderly liquidation of the Trust Assets as are required by applicable law, and such actions permitted under Sections 4.2, 4.5, 4.6, 4.7, 4.8 and 5.8 hereof. Notwithstanding any other authority granted by Section 4.2, the Trustee is not authorized to engage in any investments or activities inconsistent with the treatment of the Liquidating Trust as a liquidating trust within the meaning of Treasury Regulations Section 301.7701-4(d).

(b) The Liquidating Trust shall not hold 50% or more of the stock (in either vote or value) of any entity that is treated as a corporation for federal income tax purposes, nor have any interest in an entity that is treated as a partnership for federal income tax purposes, unless such stock or partnership interest was obtained involuntarily or as a matter of practical economic necessity in order to preserve the value of the Trust Assets.

4.4 Books and Records. The Trustee shall maintain in respect of the Liquidating Trust and the holders of Liquidating Trust Interests books and records relating to the Trust Assets and income of the Liquidating Trust and the payment of expenses of, and liabilities of claims against or assumed by, the Liquidating Trust in such detail and for such period of time as may be necessary to enable it to make full and proper accounting in respect thereof. Such books and records shall be maintained on a modified cash or other comprehensive basis of accounting necessary to facilitate compliance with the tax reporting requirements of the Liquidating Trust. Except as provided in Section 8.1, nothing in this Trust Agreement requires the Trustee to file any accounting or seek approval of any court with respect to the administration of the Liquidating Trust, or as a condition for managing any payment or distribution out of the Trust Assets. Holders of the Liquidating Trust Interests shall have the right upon thirty (30) days' prior written notice delivered to the Trustee to inspect such books and records (including financial statements) relative to such Holder's claims, provided that, if so requested, such holder shall have entered into a confidentiality agreement satisfactory in form and substance to the Trustee.

4.5 Additional Powers. Except as otherwise set forth in this Trust Agreement or in the Plan, and subject to the Treasury Regulations governing liquidating trusts and the retained jurisdiction of the Court as provided for in the Plan, but without prior or further authorization, the Trustee may control and exercise authority over the Trust Assets and over the protection, conservation and disposition thereof. No Person dealing with the Liquidating Trust shall be obligated to inquire into the authority of the Trustee in connection with the protection, conservation or disposition of the Trust Assets.

4.6 Wind-down Reserve. On the Effective Date, or as soon thereafter as reasonably practicable, the Trustee shall create the Wind-down Reserve and shall transfer an appropriate amount into such reserve from the assets transferred by the Debtors to the Liquidating Trust. The Committee anticipates that the Wind-down Reserve will be approximately \$5 million, covering expenses accruing from the Effective Date forward. The Trustee shall pay Plan administration costs and costs of holding and liquidating any non-Cash property, including but not limited to taxes and professional fees, from the Wind-down Reserve. To the extent that the Trustee, in consultation with the Trust Oversight Committee, determines that funds allocated to the Wind-down Reserve are insufficient for such purposes, the net proceeds of the continuing liquidation of the Debtors' assets and any other Distributable Cash shall, to the extent necessary for such purposes, be allocated to the Wind-down Reserve. After all costs associated with the Wind-down Reserve have been paid, and/or upon the reasonable determination of the Trustee, in consultation with the Trust Oversight Committee, that the funds in the Wind-down Reserve exceed the amounts necessary to pay the expenses for which such fund is established, the remaining or excess funds, as applicable, in the Wind-down Reserve shall be designated Distributable Cash.

4.7 Funding of the Plan.

(a) The Cash Distributions to be made pursuant to the Plan will be made and the Cash necessary to fund the Liquidating Trust and the Wind-down Reserve will be derived from (i) Cash proceeds received by the Debtors from the liquidation of their Assets as of the Effective Date and other funds then available, and (ii) any payments to be received by the Debtors from the further liquidation of Assets and the prosecution and enforcement of Causes of Action of the Debtors, and other funds available after the Effective Date.

(b) To the extent not otherwise provided for herein or ordered by the Court, the Trustee, with the consent of the Trust Oversight Committee, shall estimate appropriate reserves of Cash to be set aside in order to pay or reserve for accrued expenses and for the payment of prospective expenses and liabilities of the Estates and the Liquidation Trust after the Effective Date. Without limitation, these reserves shall include funds for the Wind-down Reserve, Administrative Claims, Priority Tax Claims, Priority Claims, Secured Claims, Convenience Claims and Disputed Claims.

(c) Notwithstanding any contrary provision contained herein, the Trustee shall not be obligated to physically segregate and maintain separate accounts for reserves or for the Distribution Fund. Separate reserves and funds may be merely bookkeeping entries or accounting methodologies, which may be revised from time to time, to enable the Liquidation Trustee to determine Distributable Cash, reserves and amounts to be paid to parties in interest.

4.8 Application of Trust Assets and Other Property. Prior to distribution of any portion of the Trust Recoveries to any Beneficiaries, Trust Recoveries shall be paid as follows (i) to the Trustee's and the Trust Oversight Committee's professionals, in accordance with Section 2.7(e), for services rendered and expenses incurred in aiding in the performance of the Trustee's responsibilities, (ii) to the Trustee for the Trustee's compensation and reasonable and necessary expenses incurred and/or to be incurred (as estimated by the Trustee in consultation with the Trust Oversight Committee) in fulfilling the Trustee's obligations set forth in the Plan and in this Trust Agreement, and (iii) to the members of the Trust Oversight Committee for their reasonable and necessary expenses incurred in fulfilling the obligations of the Trust Oversight Committee set forth in the Plan and in this Trust Agreement. The Trustee shall apply all Net Trust Recoveries and any proceeds therefrom, as follows:

(a) The Trustee shall distribute Net Trust Recoveries as set forth below:

FIRST, to pay any unpaid obligations of the Debtors incurred from the Confirmation Date through the Effective Date, including, without limitation, the fees and expenses of Professionals. Thereafter, such obligations shall become obligations of the Liquidating Trust and shall be paid in accordance with this Trust Agreement.

SECOND, to make the payments required under the Plan in accordance with the terms, provisions and priorities set forth in the Plan.

Notwithstanding anything to the contrary in this Section 4.8(a) or in Section 4.8(b) below, prior to making any distribution to holders of Liquidating Trust Interests, the Trustee may retain such amounts (i) as are reasonably necessary to meet contingent liabilities and to maintain the value of the Trust Assets of the Liquidating Trust during liquidation, (ii) to pay reasonable estimated administrative expenses (including any taxes imposed on the Liquidating Trust or in respect of the Trust Assets of the Liquidating Trust), (iii) as the Trustee may deem necessary to provide further funding to the Disbursing Agent, and (iv) to satisfy other liabilities incurred or assumed by the Liquidating Trust (or to which the Trust Assets are otherwise subject), all for the term of the Liquidating Trust and in accordance with this Trust Agreement and the Plan. In addition, the Trustee shall establish a Distribution Reserve Account (the "Distribution Reserve Account") as of the first Distribution Date. The Trustee shall deposit into the Distribution Reserve Account on each Distribution Date, pending resolution of Disputed Claims, that portion of Net Trust Recoveries that would otherwise be distributable in accordance with the Plan in respect of such Disputed Claims, if such Disputed Claim had then constituted an Allowed Claim entitled to receive Trust Recoveries in accordance with the Plan. The amount of such deposits made by the Trustee into the Distribution Reserve Account on any Distribution Date shall be in an amount as directed by the Trust Oversight Committee pursuant to the Beneficiary List. The Trustee shall distribute the Net Trust

Recoveries on deposit in the Distribution Reserve Account to the holder of any Disputed Claims that become Allowed Claims on the next Distribution Date after the date the Disputed Claim becomes an Allowed Claim.

(b) Distribution; Withholding. The Trustee shall not distribute any Net Trust Recoveries to any Beneficiaries in a particular Class prior to the earliest date on which the holders of such Claims in such Class are entitled to receive Net Trust Recoveries in accordance with the Plan and shall not be required to make any such distribution if the Net Trust Recoveries and income therefrom (if any) available for distribution to the Beneficiaries are not sufficient, in the Trustee's discretion (after consultation with the Trust Oversight Committee) to justify incurring the Trust Expenses necessarily associated with making distribution of monies. The Trustee shall have the power, subject to Trust Oversight Committee consent, to make interim distributions to the Beneficiaries if the Trustee determines that such interim distributions are warranted and economical; provided, however, that the Trustee shall make interim distributions at least annually to the extent the Liquidating Trustee determines there are sufficient available excess funds in the Distribution Fund. If the Trustee determines to make interim distributions to the Beneficiaries, the Trustee will determine the amount to be distributed by taking into account such factors as ongoing expenses and costs, taxes and reserves necessary to provide for the resolution of Disputed Claims. Amounts withheld will be placed in an interest-bearing account which shall fund ongoing expenses and costs relating to such reserves, including, without limitation, taxes in respect of Disputed Claims, if any.

4.9 Delivery of Distributions. Except as otherwise provided in this Trust Agreement, distributions to Beneficiaries shall be made by the Disbursing Agent (i) at the addresses set forth on the Proofs of Claim filed by such Beneficiary (or at the last known addresses of such Beneficiary if no motion requesting payment or Proof of Claim is filed or the Debtors or the Polaroid Liquidating Trust have been notified in writing of a change of address), (ii) at the addresses set forth in any written notices of address changes delivered to the Trustee after the date of any related Proof of Claim, or (iii) at the addresses reflected in the Schedules if no Proof of Claim has been filed and the Trustee has not received a written notice of a change of address. At the option of the Trustee, any distributions under this Plan may be made either in Cash, by check drawn on a domestic bank, by wire transfer or by ACH.

4.10 Undeliverable Distributions. If a distribution to a Beneficiary is returned as undeliverable, no further distributions to such Beneficiary shall be made unless and until the Trustee and the Disbursing Agent are notified of the then-current address of such Beneficiary, at which time all missed distributions shall be made to such Beneficiary without interest. Amounts in respect of undeliverable distributions shall be returned to the Trustee until such distributions are claimed. All funds or other undeliverable distributions returned to the Trustee in respect of any Claim and not claimed within four (4) months of return shall be forfeited and remain with and vest in the Polaroid Liquidating Trust for distribution to other Holders of Allowed Claims.

Any unclaimed funds held by the Polaroid Liquidating Trust at the time the Final Decree is entered may be donated to a charity selected by the Trustee and the Trust Oversight Committee provided that such funds do not exceed \$10,000 without further order of the Court.

4.11 Fractional Dollars. Notwithstanding any other provisions of this Trust Agreement to the contrary, no payment of fractional cents will be made under this Trust Agreement. Cash will be issued to Holders entitled to receive a Distribution of Cash in whole cents (rounded to the nearest whole cent when and as necessary).

4.12 DeMinimis Distributions. Any distribution of less than \$10.00 will be considered de minimis, and Beneficiaries that are entitled to any distribution of less than \$10.00 will not receive any distribution unless and until the aggregate of such distributions exceeds \$10.00. Such funds shall remain with and vest in the Polaroid Liquidating Trust for distribution to other Holders of Allowed Claims.

4.13 Deposit into Reserve. Distributions of Trust Assets with respect to Disputed Claims shall be deposited into the Distribution Reserve Account as set forth in Section 4.8(a) of this Trust Agreement. The amount deposited shall be determined by the Trustee based upon each Beneficiary List delivered to the Trustee, or as otherwise agreed to by the Debtors and the Trustee. The Trustee will also place in the applicable Distribution Reserve Account any dividends, payments or other income received on account of the property withheld in the Distribution Reserve Account, to the extent that such property continues to be held in the Distribution Reserve Account at the time such dividends and/or other income are received by the Trustee. The Trustee may, in the Trustee's sole discretion, unless otherwise instructed by the Trust Oversight Committee, invest any Cash that is withheld in the Distribution Reserve Account in a manner that will yield a reasonable net return, taking into account the safety of the investment. Notwithstanding any such investment and the addition to Trust Assets of any income earned in respect thereof, nothing in this Trust Agreement shall be deemed to entitle the holder of a Disputed Claim to postpetition interest on such Claim, in the event such Claim ultimately becomes an Allowed Claim.

4.14 Distributions After Allowance.

(a) On the next Distribution Date after the date when the order or judgment of the Bankruptcy Court allowing all or part of a Disputed Claim becomes a Final Order, the Trustee will distribute to the holders of Disputed Claims that have become Allowed any property in the Distribution Reserve Account that would have been distributed to such Claim holders on the Distribution Dates on which distributions previously were made to Beneficiaries, as if the Disputed Claims that have become Allowed had been Allowed Claims, on such earlier Distribution Dates. All distributions made under this Section 4.14 of the Trust Agreement on account of an Allowed Claim will be made together with any dividends, payments or other distributions made on account of, as well as subject to any obligations arising from, the distributed property as if such Allowed Claim had been an Allowed Claim on the Distribution Dates on which distributions were previously made to Beneficiaries.

(b) After a Final Order has been entered, or other final resolution has been reached with respect to all Disputed Claims, any remaining property held in the

Distribution Reserve Account will be distributed in accordance with the Plan and this Trust Agreement.

4.15 No Partial Distributions. The Trustee shall not make any partial distributions to any holder of any Disputed Claims pending resolution of such Disputed Claims, provided that, the foregoing shall not limit, impair or otherwise affect the right of such holder to receive, in accordance with the Plan and this Trust Agreement, Net Trust Recoveries in respect of any other claims of such holder that are Allowed Claims.

4.16 Duties of the Trustee.

(a) Reporting Duties.

(1) Federal Income Tax. Subject to definitive guidance from the IRS or a court of competent jurisdiction to the contrary (including the receipt by the Trustee of a private letter ruling if the Trustee so requests one, or the receipt of an adverse determination by the IRS upon audit if not contested by the Trustee), the Trustee shall file returns for the Liquidating Trust for United States federal and state income tax purposes as a grantor trust pursuant to Treasury Regulations Section 1.671-4(a). Consistent with its status as a grantor trust, the Liquidating Trust shall not be, and the Beneficiaries shall be, responsible for the payment of their allocable portion of any federal income tax liability related to the operation of the Liquidating Trust. With respect to any Person from whom a tax identification number, certificate tax identification number or other tax information required by law to avoid withholding or to file information or tax returns has not been received by the Trust (or the Disbursing Agent), the Trust or the Disbursing Agent, as the case may be, at their sole option, may decline to make such distribution until the information is received and if such information is not received within 180 days of the Effective Date, the Trust or Disbursing Agent may redistribute any such monies to other Trust Beneficiaries in the same Class.

(2) Other. The Trustee shall file (or cause to be filed) any other statements, returns or disclosures relating to the Liquidating Trust that are required by any governmental authority.

(b) Winding Up Debtors. The Trustee shall wind up the remaining affairs of the Debtors, including the filing of all required tax returns including, without limitation, IRS forms related to the Debtors' 401(k) plan and other ERISA plans, and the handling of audits and shall have the right to request an expedited determination under Section 505(b) of the Bankruptcy Code with respect to tax returns filed, or to be filed, for any and all taxable periods ending after the Petition Date through, and including, the dissolution of the Debtors.

4.17 Compliance with Laws. Any and all distributions of Trust Assets and proceeds of borrowings, if any, shall be in compliance with applicable laws, including, but not limited to, applicable federal and state securities laws.

ARTICLE V

THE TRUSTEE AND TRUST OVERSIGHT COMMITTEE

5.1 Generally. The Trustee's powers are exercisable solely in a fiduciary capacity consistent with, and in furtherance of, the purposes of this Liquidating Trust and not otherwise, except that the Trustee may deal with the Trust Assets for his own account as permitted by Section 5.8.

5.2 Responsibilities of Trustee. The Trustee shall, in an expeditious but orderly manner, liquidate and convert to Cash the Trust Assets, make timely Distributions and not unduly prolong the duration of the Polaroid Liquidating Trust. In so doing, the Trustee will exercise his reasonable business judgment in liquidating the Trust Assets. The liquidation of the Trust Assets may be accomplished through the sale of Trust Assets (in whole or in part or combination), including the sale of any Causes of Action or through the prosecution or settlement of any or all Causes of Action, or otherwise. In connection therewith, the Trustee will have the power to prosecute for the benefit of the Polaroid Liquidating Trust all claims, rights and Causes of Action transferred to the Liquidating Trust, whether such suits are brought in the name of the Polaroid Liquidating Trust, the Debtors or otherwise for the benefit of the Beneficiaries. Any and all proceeds generated from such Trust Assets shall be held by the Polaroid Liquidating Trust. The Trustee shall pursue or not pursue any and all claims, rights or causes of action, as is determined to be in the best interests of the holders of the Liquidating Trust Interests and consistent with the purposes of the Polaroid Liquidating Trust, and the Trustee shall have no liability for the outcome of the decision. The Trustee may incur any reasonable and necessary expenses in liquidating the Trust Assets.

5.3 No Recourse to Trustee. Notwithstanding that the allowed amount of any particular Disputed Claim is reconsidered under the applicable provisions of the Bankruptcy Code and Bankruptcy Rules or is allowed in an amount for which there is insufficient Cash in the relevant fund or reserve to provide a recovery equal to that received by other holders of Allowed Claims in the relevant Class, no Claim holder shall have recourse to the Protected Parties, or their successors or assigns, or the holder of any other Claim, or any of their respective property. However, nothing in the Plan shall modify any right of a holder of a Claim under section 502(j) of the Bankruptcy Code. **THUS, THE BANKRUPTCY COURT'S ENTRY OF AN ESTIMATION ORDER MAY LIMIT THE DISTRIBUTION TO BE MADE ON INDIVIDUAL DISPUTED CLAIMS, REGARDLESS OF THE AMOUNT FINALLY ALLOWED ON ACCOUNT OF SUCH DISPUTED CLAIMS.**

5.4 Liability of Trustee; Indemnification. None of the Trustee, and the Trust Oversight Committee and their respective members, and their respective designees and professionals, and all duly designated agents and representatives thereof (in their capacity as such) shall be liable for the act or omission of any other member, designee, professional, agent, or representative of the Trustee or the Trust Oversight Committee, nor shall the Trustee, or any

member of the Trust Oversight Committee be liable for any act or omission taken or omitted to be taken in its capacity as the Trustee, or as a member of the Trust Oversight Committee, respectively, other than acts or omissions resulting from the Trustee's or such member's willful misconduct, gross negligence or fraud. The Trustee, or the Trust Oversight Committee may, in connection with the performance of their functions, and in their sole and absolute discretion, consult with their respective members, and their respective designees and professionals, and all duly designated agents and representatives thereof (in their capacity as such), and shall not be liable for any act taken, omitted to be taken, or suffered to be done in accordance with advice or opinions rendered by such Persons. Notwithstanding such authority, neither the Trustee, nor the Trust Oversight Committee shall be under any obligation to consult with their respective members, and their respective designees and professionals, and all duly designated agents and representatives thereof (in their capacity as such), and their determination not to do so shall not result in the imposition of liability on the Trustee or the Trust Oversight Committee or, as applicable, their respective members, and their respective designees and professionals, and all duly designated agents and representatives thereof, unless such determination is based on willful misconduct, gross negligence or fraud. The Trust Assets of the Liquidating Trust shall be used to indemnify and hold harmless the Trustee, and the Trust Oversight Committee and their respective members, and their respective designees and professionals, and all duly designated agents and representatives thereof (in their capacity as such), from and against and in respect of all liabilities, losses, damages, claims, costs and expenses, including, but not limited to attorneys' fees and costs arising out of or due to their actions or omissions, or consequences of such actions or omissions with respect to the Polaroid Liquidating Trust or the implementation or administration of the Plan, and such indemnification shall survive the resignation of the Trustee or any Member of the Trust Oversight Committee, as applicable; provided, however, that no such indemnification will be available to such Persons for such actions or omissions if a court of competent jurisdiction has determined by final order that the challenged conduct occurred as a result of willful misconduct, gross negligence or fraud.

5.5 Standard of Care; Indemnification; Exculpation. The Trustee shall perform the duties and obligations imposed on the Trustee by this Trust Agreement with reasonable diligence and care under the circumstances. Neither the Trustee, the Trust Oversight Committee, nor its Members shall be personally liable to the Polaroid Liquidating Trust, to any Beneficiary or any other Person (or any predecessor or successor thereto) for any reason whatsoever, except for such of his own acts as shall constitute willful misconduct, gross negligence or fraud. Except as aforesaid, the Trustee and the Trust Oversight Committee and its Members shall be defended, held harmless and indemnified from the Trust Assets (but not indemnified or defended by the Beneficiaries or any of the parties released in the Plan), against any and all losses, claims, costs, expenses and liabilities to which the Trustee or the Trust Oversight Committee and its Members may be subject by reason of their respective execution in good faith of their respective duties under this Trust Agreement. The Trustee's officers, employees, agents, if any (including, without limitation, the Trustee's professionals) shall be held harmless and indemnified upon authorization of the Trust Oversight Committee. Without limiting the generality of the foregoing, neither the Trustee, the Trust Oversight Committee, nor its Members shall have any liability to any Beneficiary on account of the Trustee's investment or non-investment of any Trust Assets or any losses with respect to any such investments of Trust Assets, provided such investments are made, or the Trustee's decision not to invest any Trust Assets in any case is made, in accordance with the terms of this Trust Agreement.

5.6 Action Upon Instructions. If in performing the Trustee's duties under this Trust Agreement, the Trustee is required to decide between alternative courses of action, or the Trustee is unsure of the application of any provision of this Trust Agreement or the Plan, then the Trustee may promptly deliver a notice to the Trust Oversight Committee requesting written instructions as to the course of action to be taken by the Trustee. If the Trust Oversight Committee provides the Trustee with written instructions as to the course of action to be taken by the Trustee pursuant to this Section 5.6, absent willful misconduct, gross negligence or fraud, the Trust Oversight Committee and its Members shall be defended, held harmless and indemnified from the Trust Assets (but not defended or indemnified by the Beneficiaries or any of the parties released in the Plan), against any and all losses, claims, costs, expenses and liabilities to which the Trust Oversight Committee may be subject by reason of the Trust Oversight's Committee written instructions pursuant to this Section 5.6. If the Trustee does not receive such written directions within ten (10) Business Days after the Trustee has delivered such notice, the Trustee may, but shall be under no duty to, take or refrain from taking such action not inconsistent with this Trust Agreement as the Trustee shall deem advisable. If the Trustee does not receive direction from the Trust Oversight Committee within such ten (10) Business Day period or the Trustee believes that a court order is necessary or advisable to protect the interests of the Beneficiaries or to otherwise determine the Trustee's rights or duties in any respect under this Trust Agreement, then the Trustee may apply to the Bankruptcy Court for a determination as to the course of action to be taken by the Trustee.

5.7 Reliance by Trustee or Trust Oversight Committee and its Members. Except as otherwise provided in Sections 5.4 and 5.5:

(a) the Trustee and the Trust Oversight Committee and its Members may rely, and shall be protected in acting upon, any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, or other paper or document believed by him to be genuine and to have been signed or presented by the proper party or parties; and

(b) Persons dealing with the Trustee and the Trust Oversight Committee and its Members shall look only to the Trust Assets to satisfy any liability incurred by the Trustee or the Trust Oversight Committee and its Members to such person in carrying out the terms of this Trust Agreement, and the Trustee and the Trust Oversight Committee and its Members shall have no personal obligation to satisfy any such liability.

5.8 Investment and Safekeeping of Trust Assets. The right and power of the Trustee to invest Trust Assets, the proceeds thereof, or any income earned by the Liquidating Trust, shall be limited to the right and power that a liquidating trust, within the meaning of Treasury Regulations Section 301.7701-4(d), is permitted to hold, pursuant to the Treasury Regulations, or any modification in the IRS guidelines, whether set forth in IRS rulings, other IRS pronouncements or otherwise including, but not limited to, Revenue Procedure 94-45, 1994-2 C.B. 684. The Trustee may expend the Cash of the Liquidating Trust (x) as reasonably necessary to meet contingent liabilities and to maintain the value of the respective assets of the Liquidating Trust during liquidation, (y) to pay Post-Confirmation Expenses according to the Administrative Budget (including, but not limited to, any taxes imposed on the Liquidating Trust) and (z) to satisfy other respective liabilities incurred by the Liquidating Trust in

accordance with the Plan or the Liquidating Trust Agreement (including, without limitation, the making of advance tax payments).

5.9 Authorization to Expend Trust Assets. The Trustee may expend the Trust Assets (i) as reasonably necessary to meet contingent liabilities and to maintain the value of the Trust Assets during liquidation, (ii) to pay all administrative expenses of the Liquidating Trust (including, but not limited to, any taxes imposed on the Liquidating Trust), and (iii) to satisfy all other liabilities incurred or assumed by the Liquidating Trust (or to which the Trust Assets are otherwise subject) in accordance with this Trust Agreement or the Plan, including, without limitation, those liabilities set forth in Section 4.8 hereof.

5.10 Expense Reimbursement and Indemnification. The Trust Assets shall be subject to the claims of the Trustee and the Trust Oversight Committee and its Members, and the Trustee shall be entitled to reimburse himself and the Trust Oversight Committee and its Members out of any available Cash in the Liquidating Trust, for their actual out-of-pocket expenses and against and from any and all loss, liability, expense, or damage which the Trustee and the Trust Oversight Committee and its Members may sustain in good faith and without willful misconduct, gross negligence or fraud in the exercise and performance of any of the powers and duties of the Trustee or the Trust Oversight Committee under this Trust Agreement.

5.11 Compensation. As compensation for the performance of his duties, the Trustee will be entitled to bill hourly for services rendered by the Trustee and his employees. Notice of the compensation rates of the Trustee and his employees shall be provided to the members of the Trust Oversight Committee. Each member of the Trust Oversight Committee may be paid reasonable compensation as established between the Trust Oversight Committee and the Trustee.

5.12 No Bond. The Trustee shall serve without bond.

5.13 Confidentiality. The Trustee shall, during the period that he serves as Trustee under this Trust Agreement and thereafter, hold strictly confidential and not use for personal gain any material, non-public information of or pertaining to any entity to which any of the Trust Assets relates or of which he has become aware in his capacity as Trustee; provided, however, that this section 5.13 shall not apply to information provided in compliance with an Order of the Court.

ARTICLE VI

SUCCESSOR TRUSTEE

6.1 Removal. The Trustee may be removed by a two-thirds affirmative vote of the Trust Oversight Committee or upon order of the Bankruptcy Court upon good cause shown by any Creditor. Such removal shall become effective on the later to occur of: (i) the date action is taken by the Trust Oversight Committee, (ii) the entry of a Final Order of the Bankruptcy Court, or (iii) the appointment of a successor by the Trust Oversight Committee and the acceptance by such successor of such appointment.

6.2 Resignation. The Trustee may resign by giving not less than ninety (90) days' prior written notice thereof to the members of the Trust Oversight Committee. Such resignation shall become effective on the later to occur of: (i) the day specified in such notice; and (ii) the appointment of a successor by the Trust Oversight Committee and the acceptance by such successor of such appointment. If a successor Trustee is not appointed or does not accept his or her appointment within ninety (90) days following delivery of notice of resignation, the Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

6.3 Appointment of Successor upon Removal, Resignation, or Incapacity. If the Trustee is removed pursuant to Section 6.1, resigns pursuant to Section 6.2 or otherwise is incapable of serving as Trustee, the Trust Oversight Committee shall appoint a successor Trustee by an affirmative vote of two-thirds of the Trust Oversight Committee. If a successor Trustee is not appointed or does not accept his or her appointment pursuant to the preceding sentence of this Section 6.3 within ninety (90) days following such action for removal, delivery of notice of resignation or incapacity of the predecessor Trustee, as the case may be, any holder of Liquidating Trust Interests may petition any court of competent jurisdiction for the appointment of a successor Trustee.

6.4 Acceptance of Appointment by Successor Trustee. Any successor Trustee appointed hereunder shall execute an instrument accepting such appointment hereunder and shall file such acceptance with the Liquidating Trust records. Thereupon, such successor Trustee shall, without any further act, become vested with all the estates, properties, rights, powers, trusts and duties of his predecessor in the Liquidating Trust with like effect as if originally named herein; provided, however, that a removed or resigning Trustee shall, nevertheless, when requested in writing by the successor Trustee, execute and deliver an instrument or instruments conveying and transferring to such successor Trustee under the Liquidating Trust all the estates, properties, rights, powers, and trusts of such predecessor Trustee.

ARTICLE VII

REPORTS TO HOLDERS OF LIQUIDATING TRUST INTERESTS

7.1 Securities Laws, Tax and Other Reports to Holders of Liquidating Trust Interests.

(a) Securities Laws. Under Section 1145 of the Bankruptcy Code, the issuance of Liquidating Trust Interests under the Plan shall be exempt from registration under the Securities Act of 1933 and applicable state and local laws requiring registration of securities. If the Trustee determines, with the advice of counsel, that the Liquidating Trust is required to comply with the registration and reporting requirements of the Securities Exchange Act of 1934, as amended, or the Investment Company Act of 1940, as amended, then the Trustee shall take any and all actions to comply with such reporting requirements and file periodic reports with the Securities and Exchange Commission.

(b) Attributes of Liquidating Trust Taxable Income. Subject to the provisions of Article 4.14(a) hereof, attribution of taxable income or credits of the Liquidating

Trust shall be determined by reference to the manner in which an amount of Cash equal to such taxable income would be distributed (without regard to any restriction on distributions described herein) if, immediately prior to such deemed distribution, the Liquidating Trust had distributed all of its other assets (valued for this purpose at their "tax book value") to the Beneficiaries, taking into account all prior and concurrent distributions from the Liquidating Trust. Similarly, taxable losses or deductions of the Liquidating Trust shall be attributed by reference to the manner in which an economic loss would be borne immediately after a liquidating distribution of the remaining Trust Assets. The tax book value of the Trust Assets for this purpose shall equal their fair market value on the date hereof or, if later, the date such assets were acquired by the Liquidating Trust, adjusted in either case in accordance with tax accounting principles prescribed by the IRS, the Treasury Regulations and other applicable administrative and judicial authorities and pronouncements.

(c) Other Reporting. If the Trustee is not required to file the periodic reports referred to in Section 7.1(a) above, as soon as practicable after the end of each calendar year and six (6) months thereafter, and as soon as practicable upon termination of the Liquidating Trust, the Trustee shall submit to each holder of Liquidating Trust Interests appearing on his records as of the end of such period or such date of termination a written report including: (i) financial statements of the Liquidating Trust for such period; and (ii) a description of any action taken by the Trustee in the performance of his duties which materially affects the Liquidating Trust and of which notice has not previously been given to the holders of Liquidating Trust Interests. The Liquidating Trust's taxable income will be allocated *pro rata* to the holders of the Liquidating Trust Interests in accordance with such holder's relative beneficial interest, with appropriate adjustments for any change in a holder's percentage interest during the year.

(d) Any report required to be distributed by the Trustee under Section 7.1(c) shall also be distributed to the Trust Oversight Committee within ten (10) Business Days of its distribution to holders of Liquidating Trust Interests under Section 7.1(c). The Trustee may post any report required to be provided under this Section 7.1 on the web site maintained by the Trustee in lieu of actual notice to holders of Liquidating Trust Interests (unless otherwise required by law).

ARTICLE VIII

TERMINATION OF LIQUIDATING TRUST AND TRUSTEE

8.1 Termination of Liquidating Trust. This Trust Agreement and the Liquidating Trust will terminate on the earlier of: (a) thirty (30) days after the distribution of the Trust Assets in accordance with the terms of this Trust Agreement and the Plan; and (b) the fifth (5th) anniversary of the Effective Date, provided, however, that within a period of three (3) months prior to such termination date, the Court, upon motion by a party in interest in consultation with the Trust Oversight Committee, may extend the term of the Polaroid Liquidating Trust if it is necessary to facilitate or complete the liquidation of the trust's assets. Notwithstanding the foregoing, multiple fixed term extensions can be obtained long as Bankruptcy Court approval is obtained within three (3) months prior to the expiration of each extended term; provided, however, that the aggregate of all such extensions shall not exceed

three (3) years, unless the Trustee receives a favorable ruling from the IRS that any further extension would not adversely affect the status of the Polaroid Liquidating Trust as a liquidating trust within the meaning of Treas. Reg. § 301.7701-4(d) for federal income tax purposes. The Trustee shall not unduly prolong the duration of the Liquidating Trust and shall at all times endeavor to resolve, settle or otherwise dispose of all claims that constitute Trust Assets and to effect the distribution of the Trust Assets to the holders of the Liquidating Trust Interests in accordance with the terms hereof and terminate the Liquidating Trust as soon as practicable. Prior to and upon termination of the Liquidating Trust, the Trust Assets will be distributed to the holders of Liquidating Trust Interests, pursuant to the provisions set forth in Section 4.8 hereof. If any Trust Assets are not duly claimed, such Trust Assets will be distributed, *pro rata*, to all holders of Liquidating Trust Interests receiving Trust Assets pursuant to this Section 8.1. Thereafter, if there are still any Trust Assets not duly claimed, such Trust Assets will be disposed of in accordance with applicable law.

8.2 Term of Trustee. The initial Trustee, and each successor Trustee, shall serve until the earlier of (i) the later to occur of (a) the entry of the Final Decree, (b) the dissolution of the Polaroid Liquidating Trust, and (c) the payment of the final distributions to the Beneficiaries; or (ii) the expiration of the term of such Trustee's employment agreement or such Trustee's resignation, death, incapacity, removal or termination by the Trust Oversight Committee pursuant to the Liquidating Trust Agreement or order of the Bankruptcy Court.

ARTICLE IX

AMENDMENT AND WAIVER

9.1 Amendment and Waiver. This Trust Agreement may be amended from time to time by written instrument executed by the Debtors and the Trustee, upon authorization by the Trust Oversight Committee on majority vote, except that, no such Trust Oversight Committee authorization shall be required if the Trustee's counsel advises the Trustee that any such amendment is required to ensure that the Polaroid Liquidating Trust will not become subject to the Exchange Act or pursuant to Bankruptcy Court order. Technical amendments to this Trust Agreement may be made, as necessary to clarify this Trust Agreement or enable the Trustee to effectuate the terms of this Trust Agreement, by the Trustee and with the consent of the Trust Oversight Committee. Notwithstanding this Section 9.1, any amendments to this Trust Agreement shall not be inconsistent with the purpose and intention of the Liquidating Trust to liquidate in an expeditious but orderly manner the Trust Assets in accordance with Treasury Regulations Section 301.7701-4(d) and Section 4.1 hereof.

ARTICLE X

MISCELLANEOUS PROVISIONS

10.1 Intention of Parties to Establish Liquidating Trust. This Trust Agreement is intended to create a common law trust under the laws of the State of Delaware, qualifying as a liquidating trust for United States federal income tax purposes and, to the extent provided by law, shall be governed and construed in all respects as such a trust and any ambiguity herein

shall be construed consistent herewith and, if necessary, this Trust Agreement may be amended to comply with such federal income tax laws, which amendments may apply retroactively.

10.2 Preservation of Privilege and Defenses. In connection with the rights, claims, and Causes of Action that constitute the Trust Assets, 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 Liquidating Trust shall vest in the Trustee and his representatives, and the Debtors and the Trustee are authorized to take all necessary actions to effectuate the transfer of such privileges and available defenses.

10.3 Cooperation. The Debtors shall provide the Trustee with copies of such of their books and records as the Trustee shall reasonably require for the purpose of performing his duties and exercising his powers hereunder.

10.4 Laws as to Construction/Governing Law. This Trust Agreement shall be governed and construed in accordance with the laws of the State of Delaware, without giving effect to rules governing the conflict of law.

10.5 Taxation. For United States federal income tax purposes, it is intended that the Trust be classified as a liquidating trust under § 301.7701-4 of the Procedure and Administration Regulations and as a grantor trust subject to the provisions of Subchapter J, Subpart E of the Code that is owned by its Beneficiaries as grantors. Accordingly, the parties hereto intend that, for United States federal income tax purposes, the Beneficiaries be treated as if they had received a distribution of an undivided interest in the Trust Assets and then contributed such interests to the Trust.

10.6 Counterparts. This Trust Agreement may be executed in one or more counterparts (via facsimile or otherwise), each of which shall be deemed an original but which together shall constitute but one and the same instrument.

10.7 Headings. Sections, subheadings and other headings used in this Trust Agreement are for convenience only and shall not affect the construction of this Trust Agreement.

10.8 Interpretative Provisions.

(a) All references to the plural herein shall also mean the singular and to the singular shall also mean the plural unless the context otherwise requires.

(b) All references to the Debtors and the Trustee pursuant to the definitions set forth in the Recitals hereto, or to any other Person herein, shall include their respective successors and assigns.

(c) The words “hereof”, “herein”, “hereunder”, “this Trust Agreement” and words of similar import when used in this Trust Agreement shall refer to this Trust Agreement as a whole and not any particular provision of this Trust Agreement and as this Trust Agreement now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced.

(d) The word “including” when used in this Trust Agreement shall mean “including, without limitation”.

10.9 Severability. If any provision of this Trust Agreement or the application thereof to any Person or circumstance shall be finally determined by a court of competent jurisdiction to be invalid or unenforceable to any extent, the remainder of this Trust Agreement, or the application of such provision to Persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and such provision of this Trust Agreement shall be valid and enforced to the fullest extent permitted by law.

10.10 Notices. Any notice or other communication hereunder shall be in writing and shall be deemed to have been sufficiently given, for all purposes, if deposited, postage prepaid, in a post office or letter box addressed to the person for whom such notice is intended:

To the Debtors:

Lindquist & Vennum P.L.L.P.
4200 IDS Center
80 South Eighth Street
Minneapolis, MN 55402-2274
Attn: George H. Singer, Esq.

To the Trustee:

Avidity Partners, LLC
Attn: John J. Ray III
One Lincoln Center,
18W140 Butterfield Road, 15th Floor
Oakbrook Terrace, Illinois 60181

With a copy to:

Paul, Hastings, Janofsky & Walker, LLP
Attn: Stephenie S. Park, Esq.
191 N. Wacker Dr., Suite 3000
Chicago, IL 60606

If to a holder of a Liquidating Trust Interest:

To the name and address set forth on the registry maintained by the Trustee.

10.11 Relationship to the Plan. The principal purpose of this Trust Agreement is to aid in the implementation of the Plan. To that end, the Trustee shall have full power and authority to take any action consistent with the purpose and provisions of the Plan, and to seek any orders from the Bankruptcy Court in furtherance of implementation of the Plan and this Trust Agreement. If any provisions of this Trust Agreement are found to be inconsistent with the provisions of the Plan, the provisions of the Plan shall control.

10.12 Non-transferability of Beneficial Interests; Interests Beneficial Only; No Voting Rights; Successors.

(a) All interests of the Beneficiaries of this Trust shall be uncertificated and non-transferable, except upon the death of a Beneficiary that is a natural Person or by operation of law.

(b) The rights to a beneficial interest hereunder shall not entitle any Beneficiary to (i) any title in or to the Trust Assets as such (which title is vested in the Trustee) or to any right to call for a partition or division of Trust Assets or to require an accounting, or (ii) any voting rights with respect to the administration of the Trust and the actions of the Trustee in connection therewith.

(c) This Trust Agreement shall bind and inure to the benefit of the parties hereto and their respective successors and permitted assigns hereunder.

10.13 No Suits by Claimholders. No Claimholder shall have any right by virtue of any provision of this Trust Agreement to institute any action or proceeding in law or in equity against any party other than the Trustee on or under or with respect to the Trust Assets.

10.14 Irrevocability. The Polaroid Liquidating Trust is irrevocable, but is subject to amendment as provided for herein.

10.15 Trust Continuance. The death, dissolution, resignation, incompetency or removal of the Trustee shall not operate to terminate the Polaroid Liquidating Trust created by this Trust Agreement or to revoke any existing agency created under the terms of this Trust Agreement or invalidate any action theretofore taken by the Trustee. In the event of the resignation or removal of the Trustee, the Trustee shall promptly (a) execute and deliver such documents, instruments and other writings as may be requested by the Bankruptcy Court or reasonably requested by the Trust Oversight Committee or a successor Trustee to effect the termination of the Trustee's capacity under this Trust Agreement and the conveyance of the Trust Assets then held by the Trustee to the successor, (b) deliver to the Bankruptcy Court or the successor Trustee all documents, instruments, records and other writings related to the Trust as may be in the possession of the Trustee and (c) otherwise assist and cooperate in effecting the assumption of his obligations and functions by such successor Trustee.

10.16 Enforcement and Administration. The Bankruptcy Court shall enforce and administer the provisions of this Trust Agreement, as set forth in the Plan and herein.

10.17 Submission to Jurisdiction; Appointment of Agent for Service of Process.

(a) The Court shall retain and have exclusive jurisdiction (to the extent granted by applicable law, including any provisions permitting mandatory or discretionary withdrawal of such jurisdiction) over any matter arising out of or related to the Chapter 11 Cases and the Plan, including any matters involving the Trustee, Liquidating Trust or Trust Oversight Committee.

(b) In addition, each of the parties hereto hereby irrevocably and unconditionally agrees (a) to be subject to the jurisdiction of the courts of the State of Delaware and of the federal courts sitting in the State of Delaware, and (b) (1) to the extent such party is not otherwise subject to service of process in the State of Delaware, to appoint and maintain an agent in the State of Delaware as such party's agent for acceptance of legal process, and (2) that, to the fullest extent permitted by applicable law, service of process may also be made on such party by prepaid certified mail with a proof of mailing receipt validated by the United States Postal Service constituting evidence of valid service, and that service made pursuant to (b) (1) or (2) above shall, to the fullest extent permitted by applicable law, have the same legal force and effect as if served upon such party personally within the State of Delaware. For purposes of implementing the parties' agreement to appoint and maintain an agent for service of process in the State of Delaware, each such party that has not as of the date hereof already duly appointed such an agent does hereby appoint _____, as such agent.

IN WITNESS WHEREOF, the parties hereto have either executed and acknowledged this Trust Agreement, or caused it to be executed and acknowledged on their behalf by their duly authorized officers all as of the date first above written.

Polaroid Corporation

By: _____
Name:
Title:

Polaroid Holding Company

By: _____
Name:
Title:

Polaroid Consumer Electronics, LLC

By: _____
Name:
Title:

Polaroid Capital, LLC

By: _____
Name:
Title:

Polaroid Latin America I Corporation

By: _____
Name:
Title:

Polaroid Asia Pacific LLC

By: _____
Name:
Title:

Polaroid International Holding, LLC

By: _____
Name:

Title:

Polaroid New Bedford Real Estate, LLC

By: _____

Name:

Title:

Polaroid Norwood Real Estate, LLC

By: _____

Name:

Title:

Polaroid Waltham Real Estate, LLC

By: _____

Name:

Title:

EXHIBIT B

(Agreement Retaining Trustee)