

TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1
 Stylesheet Version v1.2

ETAS ID: TM510023

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	Bankruptcy Court Order Releasing All Liens including the Security Interest recorded at Reel/Frame 3942/0464
SEQUENCE:	1

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Wells Fargo Retail Finance, LLC		09/17/2014	Limited Liability Company: DELAWARE

RECEIVING PARTY DATA

Name:	Coldwater Creek U.S. Inc.
Street Address:	One Coldwater Creek Drive
City:	Sandpoint
State/Country:	IDAHO
Postal Code:	83864
Entity Type:	Corporation: DELAWARE
Name:	Coldwater Creek The Spa Inc.
Street Address:	One Coldwater Creek Drive
City:	Sandpoint
State/Country:	IDAHO
Postal Code:	83864
Entity Type:	Corporation: IDAHO
Name:	Coldwater Creek Merchandising & Logistics Inc.
Street Address:	One Coldwater Creek Drive
City:	Sandpoint
State/Country:	IDAHO
Postal Code:	83864
Entity Type:	Corporation: DELAWARE
Name:	Coldwater Creek Inc.
Street Address:	One Coldwater Creek Drive
City:	Sandpoint
State/Country:	IDAHO
Postal Code:	83864
Entity Type:	Corporation: DELAWARE
Name:	C Squared, LLC
Street Address:	One Coldwater Creek Drive

TRADEMARK

City:	Sandpoint
State/Country:	IDAHO
Postal Code:	83864
Entity Type:	Limited Liability Company: DELAWARE
Name:	Aspenwood Advertising, Inc.
Street Address:	One Coldwater Creek Drive
City:	Sandpoint
State/Country:	IDAHO
Postal Code:	83864
Entity Type:	Corporation: DELAWARE
Name:	CWC Worldwide Services Inc.
Street Address:	One Coldwater Creek Drive
City:	Sandpoint
State/Country:	IDAHO
Postal Code:	83864
Entity Type:	Corporation: IDAHO
Name:	Coldwater Creek Sourcing Inc.
Street Address:	One Coldwater Creek Drive
City:	Sandpoint
State/Country:	IDAHO
Postal Code:	83864
Entity Type:	Corporation: IDAHO
Name:	CWC Sourcing LLC
Street Address:	One Coldwater Creek Drive
City:	Sandpoint
State/Country:	IDAHO
Postal Code:	83864
Entity Type:	Limited Liability Company: IDAHO

PROPERTY NUMBERS Total: 64

Property Type	Number	Word Mark
Registration Number:	3193614	A DREAM A RACE A CURE
Registration Number:	3193616	A DREAM A RACE A CURE
Registration Number:	3193617	A DREAM A RACE A CURE
Registration Number:	3193618	A DREAM A RACE A CURE
Registration Number:	2765319	ASPENWOOD ADVERTISING
Registration Number:	1531418	COLDWATER CREEK
Registration Number:	2786840	COLDWATER CREEK
Registration Number:	2602690	COLDWATER CREEK

TRADEMARK

REEL: 006573 FRAME: 0235

Property Type	Number	Word Mark
Registration Number:	2217173	COLDWATER CREEK
Registration Number:	2634836	COLDWATER CREEK
Registration Number:	2783590	COLDWATER CREEK
Registration Number:	1861320	COLDWATER CREEK
Registration Number:	2544861	COLDWATER CREEK
Registration Number:	2714390	COLDWATER CREEK
Registration Number:	2555721	COLDWATER CREEK
Registration Number:	2769235	COLDWATER CREEK
Registration Number:	2740447	COLDWATER CREEK
Registration Number:	2754147	COLDWATER CREEK SPIRIT
Registration Number:	3177920	COLDWATER CREEK SPORT
Registration Number:	3306042	COLDWATER CREEK THE SPA
Registration Number:	3508430	INVISIBLE COMFORT
Registration Number:	2571280	
Registration Number:	2571198	OUTLET @ THE CREEK
Registration Number:	2573351	OUTLET@THE CREEK
Registration Number:	2797480	PALE JADE
Registration Number:	3193631	
Registration Number:	3193628	
Registration Number:	3193621	
Registration Number:	3193625	
Registration Number:	2312899	SPIRIT OF THE WEST
Registration Number:	1860160	SPIRIT OF THE WEST
Registration Number:	3378479	UNIQUE BY NATURE
Registration Number:	2756116	WATERSILK
Registration Number:	2578477	WORK WHERE FUN IS ALWAYS IN FASHION
Registration Number:	1876534	COLDWATER CREEK
Registration Number:	3266290	COLDWATER CREEK THE SPA
Registration Number:	3433086	INVISIBLE COMFORT
Registration Number:	2613512	THE GALLERY AT COLDWATER CREEK
Registration Number:	2690725	COLDWATER CREEK ELEMENTS
Registration Number:	2625622	YOUR KIND OF CLOTHES. ONLINE. ALL THE TI
Serial Number:	78843931	INVISIBLE COMFORT
Serial Number:	78825762	
Serial Number:	77573914	COLDWATER CREEK ELEMENTS
Serial Number:	77573920	WISHES RARE AND BEAUTIFUL
Serial Number:	77207784	1 CREEK
Serial Number:	77207793	1 CREEK

Property Type	Number	Word Mark
Serial Number:	77396865	AMERICAN CABIN
Serial Number:	77396851	AMERICAN CABIN
Serial Number:	77396856	AMERICAN CABIN BY COLDWATER CREEK
Serial Number:	78674810	COLDWATER CREEK
Serial Number:	77069007	CWC
Serial Number:	77127888	LUXELLE
Serial Number:	77207789	ONE CREEK
Serial Number:	77207777	ONE CREEK
Serial Number:	77207782	ONECREEK
Serial Number:	77207791	ONECREEK
Serial Number:	77396979	READYWEAR
Serial Number:	77396996	READYWEAR
Serial Number:	77183068	SHAPEME
Serial Number:	77183040	SHAPEME
Serial Number:	77069008	SPIRIT BY COLDWATER CREEK
Serial Number:	77127886	TRAVALLURE
Serial Number:	77665567	COLDWATER CREEK OUTLET
Serial Number:	77623398	CALM CANCER AND LIFE MANAGEMENT

CORRESPONDENCE DATA

Fax Number: 3128622200

Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.

Phone: 312-862-6371

Email: renee.prescan@kirkland.com

Correspondent Name: Renee Prescan

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Address Line 2: Kirkland & Ellis LLP

Address Line 4: Chicago, ILLINOIS 60654

ATTORNEY DOCKET NUMBER:	24461-1 rmp
NAME OF SUBMITTER:	Renee M. Prescan
SIGNATURE:	/Renee M. Prescan/
DATE SIGNED:	02/13/2019

Total Attachments: 160

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

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	:	
In re:	:	Chapter 11
	:	
COLDWATER CREEK INC., et al.,¹	:	Case No. 14-10867 (BLS)
	:	
Debtors.	:	(Jointly Administered)
	:	
	X	

**FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER CONFIRMING
MODIFIED THIRD AMENDED JOINT PLAN OF LIQUIDATION OF COLDWATER
CREEK INC. AND ITS DEBTOR AFFILIATES PURSUANT
TO CHAPTER 11 OF THE BANKRUPTCY CODE**

The *Third Amended Joint Plan of Liquidation of Coldwater Creek Inc. and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 835] (the “**Original Plan**”) proposed by Coldwater Creek Inc. (“**Coldwater**”) and its debtor affiliates, as debtors and debtors in possession (the “**Debtors**”) having been filed with this Court; and the *Third Amended Disclosure Statement for the Third Amended Joint Plan of Liquidation of Coldwater Creek Inc. and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 836] (the “**Disclosure Statement**”) having been filed with this Court, together with appropriate ballots for voting on the Plan, all of which having been approved and sent to holders of claims in Classes 3, 4 and 5 in accordance with the *Amended Order (I) Approving Disclosure Statement, (II) Fixing Voting Record Dates, (III) Approving Solicitation Materials and Procedures for Distribution Thereof, (IV) Approving Forms of Ballots and Establishing Procedures for Voting on Plan, (V)*

¹ The Debtors in these proceedings (including the last four digits of their respective taxpayer identification numbers) are: Coldwater Creek Inc. (9266), Coldwater Creek U.S. Inc. (8831), Aspenwood Advertising, Inc. (7427), Coldwater Creek The Spa Inc. (7592), CWC Rewards Inc. (5382), Coldwater Creek Merchandising & Logistics Inc. (3904) and Coldwater Creek Sourcing Inc. (8530). Debtor CWC Sourcing LLC has the following Idaho organizational identification number: W38677. The Debtors’ corporate headquarters is located at One Coldwater Creek Drive, Sandpoint, Idaho 83864.

Scheduling Hearing and Establishing Notice and Objection Procedures in Respect of Confirmation of the Plan and (VI) Granted Related Relief [Docket No. 839] (the “**Disclosure Statement Order**”); and the *Modified Third Amended Joint Plan of Liquidation of Coldwater Creek Inc. and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 965] (as amended, modified or supplemented by this Confirmation Order, (the “**Plan**”)² having been filed with this Court, a copy of which is attached hereto as Exhibit 1 and a redline copy of the Plan showing the modifications from the Original Plan being attached hereto as Exhibit 2 (such modifications, the “**Plan Modifications**”); and the Debtors having filed the *Plan Supplement for the Third Amended Joint Plan of Liquidation of Coldwater Creek Inc. and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 932] (the “**Plan Supplement**”); and the Debtors having filed their *Memorandum of Law in Support of Confirmation of the Modified Third Amended Joint Plan of Liquidation of Coldwater Creek Inc. and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 968] (the “**Confirmation Memorandum**”); and the Debtors having filed the *Declaration of James A. Bell in Support of Confirmation of the Modified Third Amended Joint Plan of Liquidation* [Docket No. 967] (the “**Bell Declaration**”); and Debtors having filed the *Declaration of Christina Pullo of Prime Clerk LLC Regarding the Solicitation of Votes and Tabulation of Ballots Cast on the Third Amended Joint Plan of Liquidation of Coldwater Creek, Inc. and its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 963] (the “**Voting Report**”), which reports the voting results for the Plan; and the hearing to consider confirmation of the Plan having been held before this Court on September 17, 2014 (the “**Confirmation Hearing**”) after due and sufficient notice was given to holders of claims against, and interests in, the Debtors and

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Plan.

other parties in interest in accordance with the Disclosure Statement Order, title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the “**Bankruptcy Code**”), the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”) and the local bankruptcy rules of this Court, in each case as established by the affidavits of service, mailing and/or publication filed with this Court prior to the Confirmation Hearing (collectively, the “**Notice Affidavits**”);³ and upon all of the proceedings held before this Court and after full consideration of: (a) the *Limited Objection of Casto-OakBridge Venture, LTD., CLP-SPF Rockwood Commons, LLC and Winter Park Town Center LTD to Confirmation of Third Amended Joint Plan of Liquidation of Coldwater Creek Inc. and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 918]; (b) the *Objection of Maria Victoria Pablo* [Docket No. 949]; (c) the *Limited Objection to Confirmation of Debtors’ Third Amended Joint Plan of Liquidation* filed by United HealthCare Service Inc. [Docket No. 953] ((a) through (c) collectively, the “**Objections**”); (d) the Plan Supplement; (e) the Confirmation Memorandum; (f) the Voting Report; (g) testimony proffered or presented at the Confirmation Hearing; (h) the Bell Declaration and any other declarations and/or affidavits filed with this Court; (i) all other evidence proffered or adduced at, memoranda and objections filed in connection with and arguments of counsel made at, the Confirmation Hearing; and (j) the entire record of the above-captioned chapter 11 cases; and after due deliberation thereon; and good cause appearing therefor, this Court hereby makes and issues the following Findings of Fact, Conclusions of Law and Orders:

³ The Notice Affidavits are located at Docket Nos. 929, 931, 943 and 944.

FINDINGS OF FACT AND CONCLUSIONS OF LAW⁴

A. Exclusive Jurisdiction; Venue; Core Proceeding (28 U.S.C. §§ 157(b)(2) and 1334(a)). This Court has jurisdiction over these chapter 11 cases pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. Confirmation of the Plan is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and this Court has exclusive jurisdiction to determine whether the Plan complies with the applicable provisions of the Bankruptcy Code and should be confirmed.

B. Commencement and Joint Administration of the Chapter 11 Cases. On April 11, 2014 (the “**Petition Date**”), each of the Debtors commenced a voluntary case before this Court. In accordance with the *Order Authorizing Joint Administration of Related Chapter 11 Cases* [Docket No. 73], the cases have been procedurally consolidated. Since the Petition Date, the Debtors have operated their business and managed their assets as debtors in possession. On April 23, 2014, the United States Trustee for the District of Delaware appointed an official committee of unsecured creditors (the “**Committee**”) pursuant to section 1102 of the Bankruptcy Code [Docket No. 163].

C. Judicial Notice. This Court takes judicial notice of the docket in these chapter 11 cases maintained by the Clerk of this Court, including, without limitation, all pleadings and other documents filed, all orders entered, all prior hearing transcripts and evidence and argument made, proffered or adduced at the hearings held before this Court during the pendency of these chapter 11 cases.

⁴ This order (this “**Confirmation Order**”) constitutes this Court’s findings of fact and conclusions of law under Rule 52 of the Federal Rules of Civil Procedure, as made applicable herein by Bankruptcy Rules 7052 and 9014. Findings of fact shall be construed as conclusions of law and conclusions of law shall be construed as findings of fact when appropriate. *See* Fed. R. Bankr. P. 7052.

D. Notice of Plan Modifications. Adequate and sufficient notice of the Plan Modifications has been given, and no other or further notice, or resolicitation of votes on the Plan with respect thereto, is or shall be required. The Plan, as modified by the Plan Modifications, satisfies section 1127 of the Bankruptcy Code and does not require any additional postpetition disclosure or solicitation.

E. Burden of Proof. The Debtors, as proponents of the Plan, have met the burden of satisfying and proving the elements of sections 1125 and 1129 of the Bankruptcy Code by a preponderance of the evidence as further found and determined herein.

F. Appropriateness of the Plan Procedures. The solicitation and voting procedures set forth in the Disclosure Statement Order were fair and appropriate under the circumstances, provided adequate notice to all parties in interest and otherwise complied with sections 1125 and 1126 of the Bankruptcy Code.

G. Transmittal and Mailing of Solicitation Materials and Notices. The solicitation materials and notices prescribed by the Disclosure Statement Order were served in compliance with the Disclosure Statement Order and such service was adequate and sufficient. Adequate and sufficient notice of the Confirmation Hearing and the other deadlines and matters required to be noticed pursuant to the Disclosure Statement Order was given in compliance with the Bankruptcy Code, Bankruptcy Rules and the Disclosure Statement Order, and no other or further notice is or shall be required.

H. Adequacy of Voting Procedures. All procedures used to distribute the solicitation materials to the appropriate creditors entitled to vote on the Plan and to tabulate the ballots returned by creditors were fair and were conducted in accordance with the applicable provisions of the Bankruptcy Code, Bankruptcy Rules and the Disclosure Statement Order. Votes for

acceptance or rejection of the Plan were solicited and cast in good faith, only after transmittal of the approved Disclosure Statement, and otherwise in compliance with sections 1125 and 1126 of the Bankruptcy Code and Bankruptcy Rules 3017 and 3018. As evidenced by the Voting Report, all ballots were properly tabulated. All parties in interest had the opportunity to appear and be heard at the Confirmation Hearing and no other or further notice is required.

I. Bar Date. On May 6, 2014, the Court entered an order (the “**Bar Date Order**”) [Docket No. 349] establishing June 13, 2014, as the general deadline to file proofs of claim for prepetition claims against the Debtor (the “**General Bar Date**”) and October 8, 2014, as the bar date for governmental units (the “**Governmental Unit Bar Date**”).

J. Impaired Classes Voting to Accept or Reject the Plan. As provided in Article III of the Plan, Classes 3, 4 and 5 are impaired and, as evidenced by the Voting Report which certified both the method and results of the voting, have voted to accept the Plan pursuant to the requirements of sections 1125 and 1126. Thus, more than one impaired class has voted to accept the Plan.

K. Classes Deemed to Accept Plan. Classes 1 and 2 are not impaired under the Plan and are deemed to have accepted the Plan pursuant to section 1126(f). Holders of claims and interests in Classes 6 and 7, as plan proponents, are deemed to accept the Plan and are not entitled to vote.

L. Classes Deemed to Reject the Plan. Class 8 is impaired and not receiving a distribution or retaining property under the Plan. Holders of interests in Class 8 are deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code and are not entitled to vote. Rule 9019(a) Settlement. Except as otherwise provided in the Plan and this Confirmation Order, the Plan is a settlement between and among the Debtors and their creditors and equity

holders of all claims and litigation against the Debtors, pending or threatened, or that were or could have been commenced against the Debtors prior to the date of entry of this Confirmation Order. Such settlement, as reflected in the relative distributions and recoveries or other benefits provided to holders of claims or interests under the Plan, saves the Debtors and their estates the costs and expenses of prosecuting various disputes, the outcome of which is likely to consume substantial resources of the Debtors' estates and require substantial time to adjudicate, and has facilitated the creation and implementation of the Plan and benefits the Debtors' estates and creditors. Accordingly, such settlement is fair and reasonable.

N. Releases, Exculpation and Injunction. Pursuant to section 1123(b)(3) of the Bankruptcy Code and Bankruptcy Rule 9019(a), the settlements, compromises, exculpations and injunctions set forth in Article VIII of the Plan and implemented by this Confirmation Order, are fair, equitable, reasonable and in the best interests of the Debtors, their estates, creditors and equity holders. The record of the Confirmation Hearing and these chapter 11 cases is sufficient to support the releases, exculpations, and injunctions provided for in Article VIII of the Plan.

O. Assumption, Assumption and Assignment and Rejection of Executory Contracts and Unexpired Leases. Article V of the Plan governing the assumption and rejection of executory contracts and unexpired leases satisfies the requirements of all applicable provisions of section 365 of the Bankruptcy Code. The assumption or assumption and assignment of any executory contract or unexpired lease, as may be modified or amended, listed on the Assumed Executory Contract and Unexpired Lease List included as Exhibit A in the Plan Supplement shall be legal, valid, and binding upon the Debtors and all parties to such executory contract or unexpired lease, as may be modified or amended, to the same extent as if such assumption or assumption and assignment had been effectuated pursuant to an order of this Court entered

before the confirmation of the Plan. The rejection of any executory contract or unexpired lease pursuant to Article V of the Plan shall be legal, valid, and binding upon the Debtors and all parties to such executory contract or unexpired lease to the same extent as if such rejection had been effectuated pursuant to an order of this Court entered before the confirmation of the Plan.

P. Plan's Compliance with Bankruptcy Code (11 U.S.C. § 1129(a)(1)). The Plan complies with the applicable provisions of the Bankruptcy Code, including, without limitation, sections 1122 and 1123, thereby satisfying section 1129(a)(1) of the Bankruptcy Code.

i. *Proper Classification (11 U.S.C. §§ 1122, 1123(a)(1))*. The classification of claims and interests set forth in the Plan is based upon the legal nature and relative rights of such claims and interests and is not imposed for any improper purpose. The Plan designates all claims and interests of the Debtors into eight classes, each containing claims and equity interests that are substantially similar to other claims and equity interests therein. The classifications do not unfairly discriminate between holders of claims and interests that have not consented to such treatment. Thus, the Plan satisfies sections 1122 and 1123(a)(1) of the Bankruptcy Code.

ii. *Specify Unimpaired Classes (11 U.S.C. § 1123(a)(2))*. Article III of the Plan specifies that Class 1 (Priority Non-Tax Claims) and Class 2 (Other Secured Claims) are unimpaired, which satisfies section 1123(a)(2) of the Bankruptcy Code.

iii. *Specify Treatment of Impaired Classes (11 U.S.C. § 1123(a)(3))*. Article III of the Plan sets forth the treatment of classes that are impaired by the Plan. Holders of claims in Classes 3, 4 and 5 will receive interests in a liquidating trust formed pursuant to Article IV of the Plan (the "**Liquidating Trust**") that will entitle them to cash distribution, while holders of claims and interests in Classes 6, 7 and 8 will not receive or retain any property on account of their claims or interests.

iv. *No Discrimination (11 U.S.C. § 1123(a)(4)).* The treatment of each claim or equity interest in each class is the same treatment as each other claim or equity interest in such class, unless a particular claim or equity interest agreed to a less favorable treatment, which satisfies section 1123(a)(4) of the Bankruptcy Code.

v. *Implementation of the Plan (11 U.S.C. § 1123(a)(5)).* The Plan and the various documents and agreements set forth in the Plan Supplement provide adequate and proper means for implementation of the Plan, thereby satisfying section 1123(a)(5) of the Bankruptcy Code.

vi. *Non-Voting Equity Securities (11 U.S.C. § 1123(a)(6)).* Section 1123(a)(6)) of the Bankruptcy Code does not apply to the Plan because the Debtors do not propose to issue any non-voting equity securities under the Plan and the charter of each Debtor will, after the Effective Date, no longer be valid and existing.

vii. *Selection of Officers, Directors and the Trustee (11 USC. § 1123(a)(7)).* The identity of the individual selected to serve as the trustee of the Liquidating Trust (the “**Liquidating Trustee**”) has been fully disclosed and was selected in a manner consistent with the interests of creditors and with public policy.

viii. *Additional Provisions of the Plan (11 U.S.C. § 1123(b)).* The Plan contains certain provisions that may be construed as permissive, but are not required for confirmation under the Bankruptcy Code. These discretionary provisions comply with section 1123(b) of the Bankruptcy Code, are appropriate, in the best interests of the Debtors and their estates and are not inconsistent with the applicable provisions of the Bankruptcy Code, including, without limitation, provisions for: (a) releases of certain claims by the Debtors and other parties; (b) the rejection of the Debtors’ remaining executory contracts; (c) preservation of

the Liquidating Trustee's right to enforce any non-released causes of action; (d) the modified substantive consolidation of the Debtors' estates for purposes of voting and distributions; (e) exculpation; and (f) injunction.

Q. Compliance with Bankruptcy Rule 3016. The Plan is dated and identifies the entities submitting it, thereby satisfying Bankruptcy Rule 3016(a). The filing of the Disclosure Statement with this Court satisfies Bankruptcy Rule 3016(b). The Plan describes in specific and conspicuous language all acts to be enjoined under the Plan and identifies all entities that are subject to the injunctions set forth in the Plan in accordance with Bankruptcy Rule 3016(c).

R. Debtor's Compliance with Bankruptcy Code (11 U.S.C. § 1129(a)(2)). The Debtors have complied with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules and the Disclosure Statement Order and have otherwise complied with the provisions of the Bankruptcy Code, thereby satisfying section 1129(a)(2) of the Bankruptcy Code.

S. Plan Proposed in Good Faith (11 U.S.C. § 1129(a)(3)). The Debtors have proposed the Plan in good faith and not by any means forbidden by law, thereby satisfying section 1129(a)(3) of the Bankruptcy Code. In determining that the Plan has been proposed in good faith, this Court has examined the totality of the circumstances surrounding the filing of these chapter 11 cases, the Plan itself (and the Plan Supplement) and the formulation and confirmation of the Plan. The good faith of each of the Debtors is evident from the facts and records of these chapter 11 cases, the Disclosure Statement and the hearing thereon, the record of the Confirmation Hearing, and other proceedings held in these chapter 11 cases. The Debtors have negotiated the Plan (and to the extent applicable, the Plan Supplement) and participated in the Plan (and to the extent applicable, the Plan Supplement) formulation process at arms' length and in good faith. The Plan itself, and the process leading to its formation, provide independent

evidence that: (i) the Debtors negotiated the Plan in good faith, (ii) the Plan serves the public interest, and (iii) the Plan provides for the fair treatment of holders of claims and equity interests. Consistent with the overriding purpose of the Bankruptcy Code, these chapter 11 cases were filed, and the Plan was proposed, with the legitimate and honest purpose of liquidating the Debtors' estates and maximizing the value of the Debtors' assets.

T. Payments for Services or Costs and Expenses (11 U.S.C. § 1129(a)(4)). Except as otherwise provided in the Plan or orders of this Court, any payment made or to be made by the Debtors, as applicable, for services or for costs and expenses in or in connection with these chapter 11 cases, or in connection with the Plan and incident to these chapter 11 cases requiring approval, has been approved by, or is subject to the approval of, this Court as reasonable, thereby satisfying section 1129(a)(4) of the Bankruptcy Code.

U. Directors, Officers and Insiders (11 U.S.C. § 1129(a)(5)). The Plan satisfies the requirements of section 1129(a)(5) of the Bankruptcy Code. The identity of the proposed Liquidating Trustee has been disclosed in the Plan Supplement.

V. No Rate Changes (11 U.S.C. § 1129(a)(6)). Debtors are not subject to the oversight of a governmental regulatory commission with jurisdiction over the Debtors' rates. Thus, section 1129(a)(6) of the Bankruptcy Code is inapplicable.

W. Best Interests Test (11 U.S.C. § 1129(a)(7)). Each holder of a claim or equity interest in an impaired class either (i) has accepted the Plan or (ii) will receive or retain under the Plan, on account of such claim or equity interest, property of a value, as of the Effective Date of the Plan, that is not less than the amount that it would receive if the Debtors were liquidated under chapter 7 of the Bankruptcy Code on such date.

X. Acceptance by Impaired Classes (11 U.S.C. § 1129(a)(8)). Classes 1 and 2 are conclusively presumed to have accepted the Plan. Classes 3, 4 and 5 have voted to accept the Plan. Classes 6 and 7 are deemed to accept the Plan as proponents of the Plan. Class 8 is deemed to reject the Plan because holders of interests in that class will neither receive nor retain any property on account of their interests.

Y. Treatment of Administrative, Priority and Tax Claims (11 U.S.C. § 1129(a)(9)). Article II of the Plan satisfies section 1129(a)(9) because it provides that each holder of an allowed Administrative Claim, Priority Non-Tax Claim and Priority Tax Claim shall be paid in full in cash on or as soon as reasonably practicable after the Effective Date.

Z. Acceptance By Impaired Class (11 U.S.C. § 1129(a)(10)). Section 1129(a)(10) is satisfied because creditors in three impaired classes have voted in sufficient numbers and amounts to accept the Plan, without including any votes by an insider.

AA. Feasibility (11 U.S.C. § 1129(a)(11)). The evidence proffered or adduced at or prior to the Confirmation Hearing, including the liquidation analyses attached to the Disclosure Statement, the Confirmation Memorandum, the Bell Declaration and the Voting Report, (i) is reasonable, persuasive, credible and accurate as of the dates such analysis or evidence was prepared, presented or proffered, (ii) utilizes reasonable and appropriate methodologies and assumptions, (iii) has not been controverted by other evidence and (iv) establishes that the Plan is feasible, thereby satisfying section 1129(a)(11) of the Bankruptcy Code.

BB. Payment of Statutory Fees (11 U.S.C. § 1129(a)(12)). Article II of the Plan requires that statutory fees be paid in full in cash on or as soon as reasonably practicable after the Effective Date. Therefore, the Plan meets the requirements of section 1129(a)(12) of the Bankruptcy Code.

CC. Non-Applicability of Certain Sections (11 U.S.C. § 1129(a)(13), (14), (15), (16)).

The Debtors have no obligation to pay for retiree benefits, they do not owe any domestic support, are not individuals and are not nonprofit corporations, and thus sections 1129(a)(13), 1129(a)(14), 1129(a)(15) and 1129(a)(16) do not apply to these chapter 11 cases.

DD. No Unfair Discrimination; Fair and Equitable (11 U.S.C. § 1129(b)). The holders of interests in Class 8 are deemed to have rejected the Plan. The evidence proffered or adduced at the Confirmation Hearing (i) is reasonable, persuasive, credible and accurate as of the dates such evidence was prepared, presented, or proffered, (ii) utilizes reasonable and appropriate methodologies and assumptions, (iii) has not been controverted by other evidence and (iv) establishes that the Plan does not discriminate unfairly and is fair and equitable with respect to Class 8, as required by sections 1129(b)(1) and (b)(2) of the Bankruptcy Code, because no holder of any interest that is junior to Class 8 interests will receive or retain any property under the Plan on account of such junior interest, and no holder of a claim in a class senior to Class 8 is receiving more than 100% recovery on account of its claim. Thus, the Plan may be confirmed notwithstanding the deemed rejection by Class 8.

EE. Only One Plan (11 U.S.C. § 1129(c)). Other than the Plan (including previous versions thereof), no other plan has been filed for the Debtors in these chapter 11 cases and the Plan thereby satisfies the requirements of section 1129(c) of the Bankruptcy Code.

FF. Principal Purpose (11 U.S.C. § 1129(d)). The avoidance of section 5 of the Securities Act of 1933 is not the principal purpose of the Plan, nor is the avoidance of taxes or any provision of applicable tax law a principal purpose of the plan, and no governmental unit has objected to the confirmation of the Plan asserting such avoidance. The Plan, therefore, satisfies the requirements of section 1129(d) of the Bankruptcy Code.

GG. Small Business Case (11 U.S.C. § 1129(e)). None of these chapter 11 cases are a “small business case,” as that term is defined in the Bankruptcy Code, and, accordingly, section 1129(e) of the Bankruptcy Code is inapplicable.

HH. Good Faith Solicitation (11 U.S.C. § 1125(e)). Based on the record in these chapter 11 cases, the Debtors, the Debtors’ current and former officers and directors, the Committee, each member of the Committee in its capacity as such and Professionals retained by the Debtors and the Committee have acted in “good faith” within the meaning of section 1125(e) of the Bankruptcy Code and the Bankruptcy Rules in compliance with all of their respective activities related to the Plan and their participation in the activities described in section 1125 of the Bankruptcy Code and, accordingly, such parties are entitled to the protections afforded by section 1125(e) of the Bankruptcy Code and the exculpation provisions set forth in Article VIII of the Plan. Based upon this Court’s review of the Plan Modifications, no resolicitation is necessary.

II. Satisfaction of Confirmation Requirements. The Plan satisfies the requirements for confirmation set forth in section 1129 of the Bankruptcy Code.

JJ. Implementation of Other Necessary Documents and Agreements. All documents and agreements necessary or advisable to implement or carry out the Plan shall be valid, binding and enforceable in accordance with their respective terms and conditions. The Debtors have exercised reasonable business judgment in determining which agreements to enter into and have provided sufficient and adequate notice of such documents and agreements. The terms and conditions of such documents and agreements have been negotiated in good faith, at arm’s length, are fair and reasonable and are reaffirmed and approved. The Debtors are authorized, without any further notice to or action, order, or approval of this Court, to finalize and execute

and deliver all agreements, documents, instruments and certificates relating thereto and perform their obligations thereunder in accordance with the Plan.

KK. Retention of Jurisdiction. Pursuant to sections 105(a) and 1142 of the Bankruptcy Code, and notwithstanding the entry of this Confirmation Order or the occurrence of the Effective Date, this Court, except as otherwise provided in the Plan or herein, shall retain exclusive jurisdiction over all matters arising out of, and related to, these chapter 11 cases and the Plan to the fullest extent permitted by law, including, but not limited to, the matters set forth in Article XI of the Plan.

LL. Additional Findings Regarding Releases. The releases provided pursuant to Article VIII of the Plan: (i) represents a sound exercise of the Debtors' business judgment; (ii) were negotiated in good faith and at arms' length; and (iii) are (a) in exchange for good and valuable consideration, (b) a good faith settlement and compromise of the claims released thereby, (c) in the best interest of the Debtors and their estates and (d) fair, equitable, and reasonable under the circumstances of these chapter 11 cases.

MM. Additional Findings Regarding Substantive Consolidation Settlement. The modified substantive consolidation of the Debtors' estates provided for in Article IV.M of the Plan (the "**Substantive Consolidation Settlement**") (i) represents a sound exercise of the Debtors' business judgment (ii) was negotiated in good faith and at arms' length; (iii) is a good faith settlement and compromise; (iv) is in the best interest of the Debtors and their estates; and (v) is fair, equitable, and reasonable under the circumstances of these chapter 11 cases.

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

1. Objections Withdrawn or Overruled. The Objections, and all other objections and responses to the Plan, if any, not heretofore withdrawn or resolved, or otherwise resolved at the Confirmation Hearing as announced on the record, are overruled in their entirety or deemed withdrawn with prejudice.

2. Confirmation of the Plan. The Plan (as deemed amended by this Confirmation Order) is approved and confirmed under section 1129 of the Bankruptcy Code. The terms of each of the documents in the Plan, including the Plan Supplement and any other exhibits or annexations thereto (subject to further modifications by the Debtors, which modifications shall not be inconsistent with the Plan or this Confirmation Order and shall be subject to the consent of the Committee), and any documents necessary in the judgment of the Liquidating Trustee to implement, effectuate and finalize the Plan, whether or not specifically contemplated in the Plan and the Plan Supplement, are approved, are an integral part of the Plan, and are incorporated by reference into the Plan and this Confirmation Order. To the extent that there is any inconsistency between the Plan and any documents necessary (in the judgment of the Liquidating Trustee) to implement, effectuate and finalize the Plan, the Plan shall control.

3. Plan Classification Controlling. The classifications of claims and interests for purposes of distributions under the Plan shall be governed solely by the terms of the Plan. The classifications set forth on the ballots tendered to or returned by the Debtors' creditors in connection with voting on the Plan (a) were set forth on the ballots solely for the purposes of voting to accept or reject the Plan, (b) do not necessarily represent, and in no event shall be

deemed to modify or otherwise affect, the actual classification of such claims or equity interests under the Plan for distribution purposes, (c) may not be relied upon by any creditor or interest holder as representing the actual classification of such claims or equity interests under the Plan for distribution or any other purpose (other than for evidencing the vote of such party on the Plan), and (d) shall not be binding on the Debtors or holders of claims or equity interests for purposes other than for voting.

4. Severability. Should any provision of the Plan or this Confirmation Order, including the findings of fact and conclusions of law set forth herein, be determined to be unenforceable after the Effective Date, such determination shall in no way limit or affect the enforceability and operative effect of any and all of the other provisions of the Plan.

5. Record Closed. The record of the Confirmation Hearing is hereby closed.

6. Notice. The Debtors provided good and sufficient notice of the Confirmation Hearing and the deadline for filing and serving objections to the Plan, which notice is hereby approved.

7. Authorization and Direction to Act. In accordance with section 1142 of the Bankruptcy Code and any other applicable law of any jurisdiction, the Debtors, the Liquidating Trustee and each other appropriate party are hereby authorized and directed to take all steps and perform such acts as may be necessary, desirable or appropriate, to comply with, implement and effectuate the Plan, whether or not such action is specifically contemplated by the Plan, the Plan Supplement or this Confirmation Order.

8. No further approval by the Bankruptcy Court shall be required for any action, transaction or agreement that is necessary or appropriate to implement and effectuate or consummate the Plan, whether or not such action, transaction or agreement is specifically

contemplated in the Plan or this Confirmation Order. This Confirmation Order shall further constitute all approvals, consents and directions required for management of the Debtors or the Liquidating Trustee to act consistent with the Plan and any documents, instruments or agreements referred to in or contemplated by the Plan and the Plan Supplement, notwithstanding any laws, rules, and regulations of all states and any other governmental authority with respect to the implementation or consummation of the Plan.

9. Unless specifically directed by this Confirmation Order, no further approval shall be necessary for the Debtors or the Liquidating Trustee to perform any act to comply with, implement and effectuate the Plan. The approvals and authorizations specifically set forth in this Confirmation Order are nonexclusive and are not intended to limit the authority of the Debtors or the Liquidating Trustee to take any and all actions necessary or appropriate to implement, effectuate and consummate any and all documents or transactions contemplated by the Plan, the Plan Supplement or this Confirmation Order.

10. Corporate Action. Prior to, on, or after the Effective Date, as appropriate, all matters expressly provided for under the Plan that would otherwise require approval of the shareholders, directors or managers of the Debtors shall be deemed to have occurred and shall be in effect prior to, on, or after the Effective Date (as appropriate) pursuant to the applicable general corporation or other applicable law of the jurisdictions in which the Debtors are incorporated without any requirement of further action by such shareholders, directors or managers of the Debtors.

11. Binding Effect. Except as otherwise provided in section 1141(d)(3) of the Bankruptcy Code and subject to the occurrence of the Effective Date, on and after the Confirmation Date, the provisions of the Plan shall bind any holder of a claim against, or interest

in, the Debtors and such holder's respective successors and assigns, whether or not the claim or interest of such holder is impaired under the Plan and whether or not such holder has accepted the Plan. Pursuant to sections 1123(a) and 1142(a) of the Bankruptcy Code and the provisions of this Confirmation Order, the Plan, and all documents related to the Plan shall apply and be enforceable notwithstanding any otherwise applicable non-bankruptcy law.

12. Vesting of Estate Assets in Liquidating Trust. Notwithstanding section 1141(b) of the Bankruptcy Code, the Liquidating Trust Assets, including Causes of Action, shall not revert in the Debtors, but shall vest in the Liquidating Trust, under the exclusive control of the Liquidating Trustee, in accordance with the provisions of the Plan, this Confirmation Order and the Liquidating Trust Agreement.

13. Liquidating Trust Agreement. Except as otherwise expressly provided in the Plan, this Confirmation Order and the Liquidating Trust Agreement, pursuant to sections 1123(a)(5), 1123(b)(3), 1141(b) and (c) and other applicable provisions of the Bankruptcy Code, on and after the Effective Date, all Liquidating Trust Assets, shall vest in the Liquidating Trust free and clear of all claims, liens, charges, and other encumbrances, subject to any liens which survive the occurrence of the Effective Date pursuant to the Plan. On and after the Effective Date, the Liquidating Trust may compromise or settle any Causes of Action, in each case without notice to, supervision of or approval by this Court and free and clear of any restrictions of the Bankruptcy Code or the Bankruptcy Rules, other than restrictions expressly imposed by the Plan, the Liquidating Trust Agreement or this Confirmation Order.

14. Liquidating Trust. The Liquidating Trust shall be established on the Effective Date and shall be maintained thereafter in accordance with the terms of the Plan and the Liquidating Trust Agreement. The Liquidating Trust Agreement, in the final form annexed to

as such Plan Supplement may be amended through the Effective Date

the Plan Supplement as Exhibit B, and all provisions therein, are hereby approved by this Confirmation Order. The designation of Peter Kravitz as the Liquidating Trustee is approved. Pending the occurrence of the Effective Date, the Debtors are authorized to take all actions as may be necessary to facilitate the creation and implementation of the Liquidating Trust. The Liquidating Trust is authorized and empowered, pursuant to the Plan, including, without limitation, Article IV of the Plan and the Liquidating Trust Agreement, to liquidate or otherwise administer the trust assets.

15. Cancellation of Outstanding Interests. As of the Effective Date, except for purposes of evidencing a right to a Distribution or as otherwise provided for in the Plan or herein, (a) all agreements and other documents evidencing the claims or rights of any holders of such claims against the Debtors, including, but not limited to, all contracts, notes, guarantees, and mortgages, and (b) all interests, shall be canceled.

16. Failure to Timely File Proof of Claim. Any person or entity (including, without limitation, any individual, partnership, joint venture, corporation, limited liability company, estate or trust) that was required to file a timely proof of claim in the form and manner specified by the Bar Date Order, and failed to do so on or before the General Bar Date, and failed to file a motion seeking to allow such untimely proof of claim by the date set for the Confirmation Hearing, shall be, absent further Order of this Court, forever barred, estopped, and enjoined from asserting such claim against the Debtors, the Liquidating Trust or the Liquidating Trustee and shall not receive or be entitled to receive any payment or distribution of property from the Debtors or the Liquidating Trust with respect to such claim. The Debtors and the Liquidating Trustee retain the right, but shall not be required, to object to any untimely filed proof of claim.

17. Objections to Claims. Any objections to a Proof of Claim shall be filed on or before the 180th day after the Effective Date, or such later deadline for objecting to claims as may be fixed by an order of this Court upon motion filed by the Liquidating Trustee. Absent further order of this Court, any objection not filed by such deadline shall be deemed waived, and the claim shall be an allowed claim in the amount set forth on the Proof of Claim filed by the holder of such claim. Notwithstanding anything to the contrary in the Plan, the U.S. Trustee's rights to object to claims after the date hereof are hereby reserved.

18. Incorporation of Terms and Provisions of Plan. The terms and provisions of the Plan are incorporated by reference into and are an integral part of this Confirmation Order. Each term and provision of the Plan is valid, binding, and enforceable as though fully set forth herein. The failure specifically to include or reference any particular term or provision of the Plan in this Confirmation Order shall not diminish or impair the effectiveness of such term and provision, it being the intent of this Court that the Plan be confirmed in its entirety.

19. Substantive Consolidation Settlement. The Substantive Consolidation Settlement provided for in Article IV.M of the Plan, is in the best interests of the Debtors, their estates and the holders of claims and equity interests and is fair, equitable and reasonable under the circumstances of these chapter 11 cases. Accordingly, the terms and conditions of the Substantive Consolidation Settlement are hereby approved.

20. Rejection of Executory Contracts. In accordance with Article V of the Plan, except as otherwise provided herein, all of the Debtors' prepetition executory contracts and unexpired leases are deemed rejected, effective as of the Effective Date, in accordance with sections 365 and 1123 of the Bankruptcy Code unless such executory contract or unexpired lease: (a) was assumed, assumed and assigned or rejected previously by the Debtors during the

course of these chapter 11 cases; (b) previously expired or terminated pursuant to its own terms; (c) is the subject of a motion to assume or assume and assign such contract or lease currently pending before this Court; or (d) is identified as an executory contract or unexpired lease on the Assumed Executory Contract and Unexpired Lease List attached as Exhibit A to the Plan Supplement. Entry of this Confirmation Order shall constitute approval of such rejections pursuant to sections 365(a) and 1123 of the Bankruptcy Code.

21. Assumption and Assumption and Assignment of Executory Contracts. Each executory contract and unexpired lease listed on the Assumed Executory Contract and Unexpired Lease List set forth on Exhibit A to the Plan Supplement shall be assumed or assumed and assigned, as applicable and as may be modified or amended. Entry of this Confirmation Order shall constitute approval of such assumptions and assumptions and assignments, including any agreements related thereto, pursuant to sections 365(a) and 1123 of the Bankruptcy Code. Pursuant to section 365(k) of the Bankruptcy Code, the Debtors and the Liquidating Trust shall be relieved of all post-assignment liability under any executory contract or unexpired lease assumed and assigned to a non-Debtor party occurring after the effective date of the assumption and assignment thereof. Any assumed executory contract that is not assigned to a non-Debtor party shall vest in and be fully enforceable by the Liquidating Trustee in accordance with its terms, except as modified by the provisions of the Plan or any order of this Court authorizing and providing for its assumption or applicable federal law.

22. Assumption of SAP Contract. The Debtors are authorized to assume that certain Software License Agreement entered into between SAP America, Inc. ("SAP") and Coldwater effective March 31, 2006, including all schedules, appendices, amendments and exhibits thereto (the "SAP License Agreement"); *provided, however*, the Debtors shall have no right to, nor

shall SAP have any obligation to provide, any enterprise support services, maintenance services, technical support services, professional services, premium support services and any other services (collectively, "**Enterprise Support**") arising under the SAP License Agreement, and the Debtors shall have no obligation to pay any fees nor any other obligations in connection therewith, as such Enterprise Support was terminated prepetition at the request of the Debtors. Under the SAP License Agreement, the Liquidating Trustee shall be permitted to use the license keycodes provided to Coldwater by SAP to access and use the Software (as defined in the SAP License Agreement). SAP shall at all times remain the owner of the Software and all intellectual property associated therewith. Neither Coldwater nor the Liquidating Trustee shall acquire any ownership rights or title to the Software or any intellectual property rights associated therewith, and any right of Coldwater or the Liquidating Trustee to use the Software is subject to the SAP License Agreement. Coldwater and the Liquidating Trustee shall be bound by all the applicable terms, conditions and obligations of the SAP License Agreement, including, but not limited to, those provisions which prohibit (a) the sale, transfer or assignment of the Software (or any computers, equipment, hardware or other property of the Debtors on which any Software is embedded or loaded) to any person or entity and (b) the use of the Software for the benefit of any third party. On the date that Software ceases to be of use in administering the assets of the Debtors (the "**Termination Date**"), the Debtors and the Liquidating Trustee shall be obligated to (i) comply with all End of Term Duties as set forth in Section 5.2 of the SAP License Agreement, including, but not limited to, the permanent deletion of all Software and (ii) provide a written certification to SAP as to compliance with such End of Term duties no later than fifteen business days of the Termination Date. As of the date of entry of this Confirmation Order, SAP agrees that it has no claims against the Debtors, including but not limited to, any prepetition or

administrative expense claims arising out of the SAP License Agreement or otherwise; *provided, however*, that nothing herein shall relieve Coldwater or the Liquidating Trust, as successor to Coldwater's rights and obligations under the SAP License Agreement, from any prospective non-monetary obligations to SAP under the SAP License Agreement.

23. UHC Administrative Services Agreement. The Debtors' entry into the Administrative Services Agreement between United HealthCare Services, Inc. ("UHC") and Coldwater Creek Inc., dated and executed as of September 17, 2014, but effective as of March 1, 2013, and identified by UHC as Contract No. 753209 (the "**UHC Agreement**") is hereby approved. As of September 17, 2014, UHC agrees that it has no Claims, including but not limited to any administrative expense claims, against the Debtors arising out of the UHC Agreement; *provided, however*, that nothing herein shall relieve Coldwater or the Liquidating Trust, as successor to Coldwater's rights and obligations under the UHC Agreement, from any prospective obligations to UHC under the UHC Agreement, including any amounts invoiced after September 17, 2014. The Debtors and the Liquidating Trust agree to waive any and all claims against UHC under section 547 of the Bankruptcy Code.

24. Bar Date for Rejection Claims. Proofs of claim with respect to claims arising from the rejection of executory contracts or unexpired leases, if any, must be filed within 30 days after the effective date of such rejection. Any claims arising from the rejection of an executory contract or unexpired lease not filed within such time will be automatically disallowed, forever barred from assertion and shall not be enforceable against the property to be distributed under the Plan without the need for any objection by the Liquidating Trustee or further notice to, or action, order or approval of this Court. Claims arising from the rejection of the Debtors' executory contracts or unexpired leases shall be classified as General Unsecured Claims, Guaranteed

Claims, or Coldwater/Aspenwood Claims, as applicable, and shall be treated in accordance with Article III of the Plan, as applicable. Rejection claims for which a proof of claim is not timely filed will be forever barred from assertion against the Debtors, their estates and the Debtors' property or the Liquidating Trustee unless otherwise ordered by this Court or as otherwise provided herein.

25. Releases and Exculpation. The releases and exculpation provisions contained in the Plan, including, but not limited to, those provided in Article VIII of the Plan, are hereby authorized, approved, and binding on all persons and entities described therein; *provided, however,* that nothing herein or in the Plan shall affect the allowability of any Claims and/or Proofs of Claim against the Debtors or the rights of the Liquidating Trustee to object to any Claims and/or Proofs of Claim against the Debtors on any grounds.

including Proofs of Claim filed by any insider of the Debtors or any Released Party
or seek to equitably subordinate

26. Injunction. The injunctions contained in the Plan, including, but not limited to, those provided for in Article VIII of the Plan, are hereby authorized, approved, and binding on all persons and entities described therein. All injunctions or stays provided for in these chapter 11 cases under sections 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the date hereof, shall remain in full force and effect until the Effective Date. Nothing in the foregoing shall limited the ability of any person to assert a right of recoupment against the Debtors, and the objections and defenses of the Debtors are reserved with respect thereto.

27. Survival of Indemnification Obligations. Except as set forth in the Plan or in this Confirmation Order, the obligations of the Debtors to indemnify any past and present directors, officers, agents, employees and representatives, pursuant to certificates or articles of incorporation, by-laws, contracts and/or applicable statutes, in respect of all actions, suits and proceedings against any of such officers, directors, agents, employees, and representatives, shall

not be discharged or impaired by, and shall survive confirmation or consummation of the Plan to the extent, and only to the extent, that such parties have timely filed Proofs of Claim with regard to such indemnity obligations that become allowed.

28. Termination of Claims and Interests. Except as otherwise provided in the Plan or this Confirmation Order, all consideration distributed under the Plan shall be in exchange for, and in satisfaction, settlement and release of, all claims and interests of any nature whatsoever against the Debtors or their estates, assets, properties or interest in property, and regardless of whether any property shall have been distributed or retained pursuant to the Plan on account of such claims and interests.

29. Exemption from Certain Taxes. Pursuant to section 1146(a) of the Bankruptcy Code, any transfers of property pursuant to the Plan or this Confirmation Order shall not be subject to any stamp tax, recording tax, personal property tax, real estate transfer tax, sales tax, use tax, privilege tax or other similar tax or governmental assessment in the United States and the appropriate federal, state or local governmental officials or agents shall forgo the collection of any such tax or governmental assessment and shall further accept for filing and recordation instruments or other documents pursuant to such transfers of property without the payment of any such tax or governmental assessment. Such exemption specifically applies, without limitation, to: (a) the assuming or assuming and assigning of any contract, lease or sublease; (b) any transaction authorized by the Plan; (c) any sale of a Liquidating Trust Asset by the Liquidating Trust in furtherance of the Plan, including but not limited to any sale of personal or real property; and (d) the making or delivery of any deed or other instrument of transfer under, in furtherance of or in connection with the Plan, including agreements of consolidation, disposition,

liquidation or dissolution, deeds, bills of sale or assignments executed in connection with any transaction occurring under the Plan.

30. Debtors' Status Prior to Effective Date. The Debtors shall remain debtors in possession under the Bankruptcy Code until the Effective Date. The Liquidating Trust shall wind-up the affairs of the Debtors and make distributions to creditors after the Effective Date in accordance with the Plan and the Liquidating Trust Agreement.

31. Cancellation of Securities. In accordance with the terms of the Plan, upon the Effective Date, the equity interests in the Debtors shall be cancelled for all purposes without the necessity for any other or further actions to be taken by or on behalf of the Debtors or payments to be made in connection therewith.

32. Transfer of Records. Notwithstanding anything to the contrary in the Plan or the Liquidating Trust Agreement, the Liquidating Trustee shall be and is hereby appointed as custodian of all books and records in possession and control of the Debtors, which shall include but is not limited to, (a) all electronic documents and data, (b) hard drives, (c) software, (d) cloud storages, (e) archives and (f) hard copies.

33. Committee. On the Effective Date, the Committee shall be dissolved and members thereof shall be released and discharged from all rights and duties from or related to these chapter 11 cases; *provided, however*, that the Committee shall continue to exist for the sole purpose of, and shall have standing and capacity to prepare and prosecute, (a) applications for or objections to the payment of fees and reimbursement of expenses of Professionals, (b) applications for reimbursement of expenses of Committee members and (c) any appeals of this Confirmation Order.

34. Liquidating Trust Oversight Committee. On the Effective Date, the Liquidating Trust Oversight Committee shall be formed in accordance with the Plan. The Liquidating Trust Oversight Committee shall have the rights and powers provided for under the Plan and the Liquidating Trust Agreement.

35. No Discharge. Notwithstanding any other provision of the Plan or this Confirmation Order, pursuant to section 1141(d)(3) of the Bankruptcy Code, the Debtors shall not receive a discharge.

36. Bar Date for Administrative Expense Claims. Except as otherwise provided herein, requests for payment of Administrative Claims must be filed on or before 30 days after the occurrence of the Effective Date (the “**Administrative Claims Bar Date**”). Holders of Administrative Claims that are required to, but do not, file and serve a request for payment of such Administrative Claims by such date shall be forever barred, estopped and enjoined from asserting such Administrative Claims against the Debtors’ property to be distributed under the Plan, the Liquidating Trust Assets or the Liquidating Trust. Objections to such requests, if any, must be filed and served on the Liquidating Trustee and the requesting party no later than 60 days after the Effective Date, unless such objection deadline is extended by order of this Court. Nothing herein shall extend or be deemed to extend the deadline of June 13, 2014 fixed by the Bar Date Order for filing Section 503(b)(9) Claims.

37. Professional Fee Claims. Professionals asserting a Fee Claim for services rendered on or before the Effective Date must file and serve on the Debtors, the Committee and such other entities who are designated by the Bankruptcy Rules and any applicable order of this Court, an application for final allowance of such Fee Claim no later than 40 days after ~~service of~~ ~~notice of~~ the occurrence of the Effective Date. Objections to any Fee Claim must be filed and

served on the Liquidating Trustee and the requesting party no later than 60 days after the Effective Date.

38. Post-Effective Date Fees and Expenses. Except as otherwise specifically provided for in the Plan, from and after the Effective Date, any requirement that Professionals comply with sections 327 through 331 and 1103 of the Bankruptcy Code in seeking retention or compensation for services rendered after such date shall terminate, and, subject to the terms of the Liquidating Trust Agreement, the Liquidating Trustee may employ and pay any professional for services rendered or expenses incurred after the Effective Date in the ordinary course of business without any further notice to any party or action, order or approval of this Court, except as provided for in the Liquidating Trust Agreement.

39. Statutory Fees. All fees due and payable pursuant to section 1930 of Title 28 of the U.S. Code prior to the Effective Date shall be paid by the Debtors. On and after the Effective Date, the Liquidating Trustee shall pay any and all such fees when due and payable, and shall file with the Bankruptcy Court quarterly reports in a form reasonably acceptable to the U.S. Trustee. Notwithstanding the modified substantive consolidation of the Debtors called for in the Plan, each and every one of the Debtors shall remain obligated to pay quarterly fees to the Office of the U.S. Trustee until the earliest of that particular Debtor's case being closed, dismissed or converted to a case under Chapter 7 of the Bankruptcy Code.

40. No Liability for Solicitation. Based on the factual findings described in this Confirmation Order, the Debtors, ^{and the Committee} and each of their respective related persons are not, and on account of or with respect to the solicitation of votes on the Plan, will not be, liable at any time for any violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan. The Debtors, ^{and the Committee} and each of their respective related persons

have solicited votes on the Plan in good faith and in compliance with applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, and all other applicable rules, laws, and regulations and are, therefore, entitled to, and are hereby granted, the protections afforded by section 1125(e) of the Bankruptcy Code.

41. Agency Agreement and Liens. Nothing in the Plan or this Confirmation Order shall supersede the Agency Agreement or the Store Closing Approval Order and each of the parties reserves their respective rights thereunder.

42. Reversal or Modification of Confirmation Order. Except as otherwise provided in this Confirmation Order, if any or all of the provisions of this Confirmation Order are hereafter reversed, modified, vacated, or stayed by subsequent order of this Court, or any other court of competent jurisdiction, such reversal, stay, modification, or vacatur shall not affect the validity or enforceability of any act, obligation, indebtedness, liability, priority or lien incurred or undertaken by the Debtors, as applicable, prior to the date that the Debtors received actual written notice of the effective date of such reversal, stay, modification, or vacatur. Notwithstanding any such reversal, stay, modification or vacatur of this Confirmation Order, any such act, obligation, indebtedness, liability, priority, or lien incurred or undertaken pursuant to, or in reliance on, this Confirmation Order prior to the date that the Debtors received actual written notice of the effective date of such reversal, stay, modification, or vacatur shall be governed in all respects by the original provisions of this Confirmation Order and the Plan, or any amendments or modifications thereto, in each case in effect immediately prior to the date that the Debtors received such actual written notice.

43. Failure to Consummate Plan. If consummation of the Plan does not occur, then the Plan shall be null and void in all respects and nothing contained in the Plan, the Disclosure

Statement or this Confirmation Order shall: (a) constitute a waiver or release of any claims by or claims against or equity interests in the Debtors; (b) prejudice in any manner the rights of the Debtors, any holders of claims or interests or any other entity; (c) constitute an allowance of any claim or equity interest; or (d) constitute an admission, acknowledgement, offer, or undertaking by the Debtors, any holders of claims or interests or any other entity in any respect.

44. Case Caption. After the Effective Date, all pleadings filed in these chapter 11 cases shall bear the following caption:

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

In re:

**CWC LIQUIDATION INC.
(f/k/a Coldwater Creek Inc.), et al.,¹

Debtors.**

Chapter 11

Case No. 14-10867 (BLS)

(Jointly Administered)

¹ The Debtors in these proceedings (including the last four digits of their respective taxpayer identification numbers) are: CWC Liquidation Inc. (f/k/a Coldwater Creek Inc.) (9266), CWC U.S. Liquidation Inc. (f/k/a Coldwater Creek U.S. Inc.) (8831), CWC Advertising Liquidation Inc. (f/k/a Aspenwood Advertising, Inc.) (7427), CWC Spa Liquidation Inc. (f/k/a Coldwater Creek The Spa Inc.) (7592), CWC Rewards Liquidation Inc. (f/k/a CWC Rewards Inc.) (5382), CWC M&L Liquidation Inc. (f/k/a Coldwater Creek Merchandising & Logistics Inc.) (3904), and CWC Sourcing Liquidation Inc. (f/k/a Coldwater Creek Sourcing Inc.) (8530). Debtor CWC Sourcing Liquidation LLC (f/k/a CWC Sourcing LLC) has the following Idaho organizational identification number: W38677. The Debtors' corporate headquarters is located at One Coldwater Creek Drive, Sandpoint, Idaho 83864.

46. Notice of Entry of Confirmation Order. Pursuant to Bankruptcy Rules 2002(f)(7) and 3020(c), promptly after entry of this Confirmation Order and the Effective Date, the Liquidating Trustee shall cause a notice of the entry of this Confirmation Order and the Effective

Date, substantially in the form attached hereto as Exhibit 3, to be served on all parties on whom the Notice of Confirmation Hearing was served.

47. Confirmation Order Controlling. If there is any inconsistency between the provisions of the Plan and this Confirmation Order, the terms and conditions contained in this Confirmation Order shall govern. However, any inconsistencies shall be interpreted so as to further the goals of and to facilitate the finalization, effectuation and implementation of the Plan.

48. Applicable Non-Bankruptcy Law. Pursuant to section 1123(a) and 1142(a) of the Bankruptcy Code, the provisions of this Confirmation Order and the Plan shall apply and be enforceable notwithstanding any otherwise applicable non-bankruptcy law.

49. Retention of Jurisdiction. Pursuant to sections 105(a) and 1142 of the Bankruptcy Code, and notwithstanding the entry of this Confirmation Order or the occurrence of the Effective Date, this Court, except as otherwise provided in the Plan, the Liquidating Trust Agreement or herein, shall retain exclusive jurisdiction over all matters arising in, arising out of, and related to, these chapter 11 cases and the Plan including, but not limited to, those matters set forth in Article XI of the Plan.

50. Final Order, Effective Date. This Confirmation Order is a final order and the period in which an appeal must be filed shall commence upon the entry hereof. Notwithstanding Bankruptcy Rules 3020(e), 6004(h), 6006(d) or 7062, this Confirmation Order shall be effective and enforceable immediately upon its entry.

Dated: Wilmington, Delaware
September 17, 2014


HONORABLE BRENDAN LINEHAN SHANNON
CHIEF UNITED STATES BANKRUPTCY JUDGE

Exhibit 1

Modified Plan

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

In re:

**COLDWATER CREEK INC., et al.,¹
Debtors.**

Chapter 11

Case No. 14-10867 (BLS)

(Jointly Administered)

**MODIFIED THIRD AMENDED JOINT PLAN OF LIQUIDATION OF COLDWATER
CREEK INC. AND ITS DEBTOR AFFILIATES PURSUANT
TO CHAPTER 11 OF THE BANKRUPTCY CODE**

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Dated: September 15, 2014

¹ The Debtors in these proceedings (including the last four digits of their respective taxpayer identification numbers) are: Coldwater Creek Inc. (9266), Coldwater Creek U.S. Inc. (8831), Aspenwood Advertising, Inc. (7427), Coldwater Creek The Spa Inc. (7592), CWC Rewards Inc. (5382), Coldwater Creek Merchandising & Logistics Inc. (3904) and Coldwater Creek Sourcing Inc. (8530). Debtor CWC Sourcing LLC has the following Idaho organizational identification number: W38677. The Debtors' corporate headquarters is located at One Coldwater Creek Drive, Sandpoint, Idaho 83864.

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INTRODUCTION

Coldwater Creek Inc. and its debtor affiliates, as debtors and debtors in possession, propose this joint plan of liquidation² pursuant to chapter 11 of the Bankruptcy Code. This Plan constitutes a single chapter 11 plan for all of the Debtors and the classifications and treatment of Claims and Interests herein apply to all of the Debtors. Pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, this Plan incorporates a proposed compromise and settlement of potential litigation regarding certain issues, including, without limitation, the substantive consolidation of the Debtors' estates for the purposes set forth herein and the resolution of outstanding Claims against, and Interests in, the Debtors. The classifications of Claims and Interests set forth in Article III hereof shall be deemed to apply to all Debtors, unless otherwise specified.

This Plan provides for the liquidation and conversion of all of the Debtors' remaining assets to Cash and the Distribution of the net proceeds realized therefrom to creditors holding Allowed Claims in accordance with the relative priorities established in the Bankruptcy Code. This Plan contemplates the formation of a Liquidating Trust and the appointment of a Liquidating Trustee to, among other things, resolve Disputed Claims, implement the terms of this Plan and make Distributions in accordance with this Plan.

Holders of Claims and Interests should refer to the Disclosure Statement for a discussion of the Debtors' history, businesses, assets, results of operations and historical financial information, as well as a summary and description of this Plan.

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

A. Defined Terms

As used in this Plan, capitalized terms have the meanings ascribed to them below.

1. **"ABL Agent"** means Wells Fargo Bank, National Association, in its respective capacities as administrative agent and collateral agent under the ABL Credit Agreement.

2. **"ABL Claim"** means the Secured Claim derived from, based upon, relating to or arising from the ABL Credit Agreement.

3. **"ABL Credit Agreement"** means that certain Amended and Restated Senior Secured Credit Agreement dated as of May 16, 2011, as amended by that certain First Amendment to Amended and Restated Credit Agreement dated as of July 9, 2012 by and among Coldwater Creek U.S. Inc., as lead borrower, the other borrowers thereto, the guarantors party thereto, the lenders party thereto and the ABL Agent.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in Article I.A.

4. “**ABL Lender**” means Wells Fargo Bank, National Association, in its capacity as lender under the ABL Credit Agreement.

5. “**Administrative Claim**” means any Claim for costs and expenses of administration pursuant to sections 503(b), 507(a)(2), 507(b) or 1114(e)(2) of the Bankruptcy Code, including: (a) the actual and necessary costs and expenses incurred after the Petition Date and through the Effective Date of preserving the Estates and operating the businesses of the Debtors; (b) all fees and charges assessed against the Estates pursuant to section 1930 of chapter 123 of the Judicial Code; (c) all Fee Claims; (d) all requests for compensation or expense reimbursement for making a substantial contribution in the Chapter 11 Cases pursuant to sections 503(b)(3), (4) and (5) of the Bankruptcy Code; and (e) all Section 503(b)(9) Claims.

6. “**Administrative Claims Bar Date**” means the date by which all requests for payment of Administrative Claims (excluding Fee Claims and Section 503(b)(9) Claims) must be Filed and served on the Liquidating Trustee pursuant to the procedures specified in the Confirmation Order and the notice of entry of the Confirmation Order, which date shall be 30 days after the Effective Date.

7. “**Affiliate**” has the meaning set forth in section 101(2) of the Bankruptcy Code.

8. “**Agency Agreement**” means that certain Amended and Restated Agency Agreement between the Debtors and the GOB Agent dated as of May 2, 2014 and entered into in accordance with the Store Closing Approval Order.

9. “**Allowed**” means with respect to any Claim, except as otherwise provided herein: (a) a Claim that is scheduled by the Debtors as neither disputed, contingent nor unliquidated and for which no Proof of Claim, objection or request for estimation has been timely Filed on or before any applicable objection deadline (including the Claims Objection Deadline), if any, set by the Bankruptcy Court or the expiration of such other applicable period fixed by the Bankruptcy Court; (b) a Claim that is not a Disputed Claim on or before the Claims Objection Deadline (as the same may be extended from time to time) or has been allowed by a Final Order; (c) a Claim that has been estimated by the Bankruptcy Court for purposes of allowance in accordance with section 502(c) of the Bankruptcy Code; (d) a Claim that is allowed (i) pursuant to the terms of this Plan, (ii) in any stipulation that is approved by the Bankruptcy Court or (iii) pursuant to any contract, instrument, indenture or other agreement entered into or assumed in connection herewith; (e) a Claim that is allowed by the Liquidating Trustee in its reasonable discretion consistent with its authority set forth in this Plan; or (f) any Claim that is compromised, settled or otherwise resolved pursuant to the authority granted to the Debtors or the Liquidating Trustee, as the case may be, or pursuant to a Final Order of the Bankruptcy Court; *provided, however*, that Claims allowed solely for the purpose of voting to accept or reject this Plan pursuant to an order of the Bankruptcy Court shall not be considered “Allowed Claims” hereunder. Except for any Claim that is expressly Allowed herein, any Claim that has been or is hereafter listed in the Schedules as contingent, unliquidated or disputed and for which no Proof of Claim has been Filed is not considered Allowed and shall be deemed disallowed upon the later of entry of the Confirmation Order or the applicable Claims Bar Date.

10. “**Aspenwood**” means Aspenwood Advertising, Inc., a Debtor.

11. ***“Assumed Executory Contract and Unexpired Lease List”*** means the list (as may be amended), if any, as determined by the Debtors or the Debtors’ agent, with the consent of the Committee, of Executory Contracts and Unexpired Leases (including any amendments or modifications thereto) that will be assumed or assumed and assigned pursuant to the provisions of Article V and which shall be included in the Plan Supplement.

12. ***“Avoidance Actions”*** means any and all Causes of Action to avoid a transfer of property or an obligation incurred by the Debtor pursuant to any applicable section of the Bankruptcy Code, including sections 544, 545, 547, 548, 549, 550, 551, 553(b), and 724(a) of the Bankruptcy Code or under similar or related state or federal statutes and common law, including fraudulent transfer or conveyance laws.

13. ***“Bankruptcy Code”*** means chapter 11 of title 11 of the United States Code.

14. ***“Bankruptcy Court”*** means the United States Bankruptcy Court for the District of Delaware having jurisdiction over the Chapter 11 Cases or any other court having jurisdiction over the Chapter 11 Cases, including, to the extent of the withdrawal of the reference under 28 U.S.C. § 157, the United States District Court for the District of Delaware.

15. ***“Bankruptcy Rules”*** means the Federal Rules of Bankruptcy Procedure promulgated under section 2075 of the Judicial Code and the general, local and chambers rules of the Bankruptcy Court.

16. ***“Bar Date Order”*** means the *Order (I) Establishing Bar Dates for Filing Proofs of Prepetition Claims, Including Section 503(b)(9) Claims, and (II) Approving the Form and Manner of the Notice Thereof* [Docket No. 349].

17. ***“Business Day”*** means any day, other than a Saturday, Sunday or “legal holiday” (as defined in Bankruptcy Rule 9006(a)(6)).

18. ***“Cash”*** means the legal tender of the United States of America.

19. ***“Causes of Action”*** means any action, claim, cause of action, controversy, demand, right, Lien, indemnity, guaranty, suit, obligation, liability, damage, judgment, account, defense, offset, power, privilege, license and franchise of any kind or character whatsoever, known, unknown, contingent or non-contingent, matured or unmatured, suspected or unsuspected, liquidated or unliquidated, disputed or undisputed, secured or unsecured, assertable directly or derivatively, whether arising before, on or after the Petition Date, in contract or in tort, in law or in equity, or pursuant to any other theory of law. Causes of Action also include: (a) any right of setoff, counterclaim or recoupment and any claim for breaches of duties imposed by law or in equity; (b) the right to object to Claims or Interests; (c) any claim pursuant to sections 362 of the Bankruptcy Code; (d) Avoidance Actions; (e) any claim or defense including fraud, mistake, duress and usury and any other defenses set forth in section 558 of the Bankruptcy Code; and (f) any state law fraudulent transfer claim.

20. ***“Chapter 11 Cases”*** means (a) when used with reference to a particular Debtor, the case pending for that Debtor under chapter 11 of the Bankruptcy Code and (b) when used

with reference to all Debtors, the procedurally consolidated chapter 11 cases pending for the Debtors in the Bankruptcy Court under Case number 14-10867 (BLS).

21. “**Claim**” means any claim, as such term is defined in section 101(5) of the Bankruptcy Code, against a Debtor.

22. “**Claims Bar Date**” means the dates established by the Bankruptcy Court by which Proofs of Claim must be Filed as set forth in the Bar Date Order.

23. “**Claims Objection Deadline**” means 180 days after the Effective Date, or (b) such later deadline for objecting to Claims as may be fixed by an order of the Bankruptcy Court upon motion Filed by the Liquidating Trustee.

24. “**Claims Register**” means the official register of Claims maintained by the Notice, Claims and Balloting Agent.

25. “**Class**” means a class of Claims or Interests as set forth in Article III hereof pursuant to section 1122(a) of the Bankruptcy Code.

26. “**Coldwater**” means Coldwater Creek Inc., a Debtor.

27. “**Coldwater/Aspenwood Claim**” means an Unsecured Claim against Coldwater or Aspenwood that is not a Guaranteed Claim.

28. “**Committee**” means the statutory committee of unsecured creditors appointed by the U.S. Trustee on April 23, 2014 in the Chapter 11 Cases pursuant to section 1102 of the Bankruptcy Code, as may be reconstituted from time to time.

29. “**Confirmation**” means the entry of the Confirmation Order on the docket of the Chapter 11 Cases, subject to all conditions specified in Article IX.A having been satisfied or waived pursuant to Article IX.C.

30. “**Confirmation Date**” means the date upon which the Bankruptcy Court enters the Confirmation Order on the docket of the Chapter 11 Cases, within the meaning of Bankruptcy Rules 5003 and 9021.

31. “**Confirmation Hearing**” means the confirmation hearing held by the Bankruptcy Court pursuant to section 1129 of the Bankruptcy Code, as such hearing may be continued from time to time.

32. “**Confirmation Order**” means the order of the Bankruptcy Court confirming this Plan pursuant to section 1129 of the Bankruptcy Code.

33. “**Consummation**” means the occurrence of the Effective Date.

34. “**Cure Claim**” means a Claim, if any, based upon a Debtor’s default under an Executory Contract or Unexpired Lease at the time such contract or lease is assumed or assumed

and assigned by the Debtor, or the Debtors' agent, pursuant to section 365 of the Bankruptcy Code.

35. **"Cure Notice"** means a notice, if any, of a proposed amount to be paid on account of a Cure Claim in connection with an Executory Contract or Unexpired Lease to be assumed or assumed and assigned by the Debtors, or the Debtors' agent, under this Plan pursuant to section 365 of the Bankruptcy Code.

36. **"Debtor"** means one or more of the Debtors, as debtors and debtors in possession, each in its respective individual capacity as a debtor and debtor in possession in the Chapter 11 Cases.

37. **"Debtors"** means, collectively: (a) Coldwater; (b) U.S. Inc.; (c) The Spa; (d) M&L; (e) Aspenwood; (f) Rewards; (g) Sourcing; and (h) Sourcing LLC.

38. **"DIP Agent"** means Wells Fargo Bank, National Association, in its respective capacities as administrative agent and collateral agent under the DIP Facility Credit Agreement, together with its respective successors and assigns in such capacities.

39. **"DIP Facility"** means that senior secured superpriority debtor-in-possession credit facility, comprised of a revolving credit facility in an aggregate amount that, when aggregated with the revolving exposure outstanding under the ABL Credit Agreement, shall not exceed \$75,000,000.

40. **"DIP Facility Claim"** means any Claim derived from, based upon, relating to or arising from the DIP Facility Credit Agreement.

41. **"DIP Facility Credit Agreement"** means the agreement governing the DIP Facility, dated as of April 10, 2014 among the Debtors, the DIP Agent and the DIP Lender (as amended, restated, supplemented or otherwise modified from time to time), as well as any other documents entered into in connection therewith.

42. **"DIP Facility Lenders"** means the banks, financial institutions and other lenders party to the DIP Facility Credit Agreement from time to time.

43. **"DIP Order"** means the *Final Order (I) Authorizing Postpetition Financing, (II) Granting Liens and Proving Super Priority Administrative Expense Priority, (III) Authorizing Use of Cash Collateral, (IV) Granting Adequate Protection to Prepetition Secured Lenders, (V) Modifying the Automatic Stay and (VI) Scheduling a Final Hearing* [Docket No. 573], authorizing, *inter alia*, the Debtors to enter into the DIP Facility Credit Agreement and incur postpetition obligations thereunder.

44. **"Disbursing Agent"** means (1) the Liquidating Trustee or the Entity or Entities selected by the Liquidating Trustee, with the consent of the Liquidating Trust Oversight Committee, to make or facilitate Distributions contemplated under this Plan, and (2) the Debtors solely with respect to Distributions that are required to be made on the Effective Date to Holders of Administrative Claims, Priority Tax Claims, Priority Non-Tax Claims and Other Secured Claims that are Allowed as of the Effective Date.

45. ***"Disclosure Statement"*** means the *Third Amended Disclosure Statement for the Third Amended Joint Plan of Liquidation of Coldwater Creek Inc. and its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code*, dated August 8, 2014 as amended, supplemented or modified from time to time, including all exhibits and schedules thereto and references therein that relate to this Plan, and that is prepared and distributed in accordance with the Bankruptcy Code, the Bankruptcy Rules and any other applicable law.

46. ***"Disputed"*** means, with respect to any Claim or Interest, any Claim or Interest that is (a) disputed under this Plan or subject to a timely objection and/or request for estimation in accordance with section 502(c) of the Bankruptcy Code and Bankruptcy Rule 3018, which objection and/or request for estimation has not been withdrawn or determined by a Final Order, (b) improperly asserted, by the untimely or otherwise improper filing of a Proof of Claim as required by order of the Bankruptcy Court or (c) that is the subject of a Filed objection or adversary proceeding seeking to disallow such Claim pursuant to section 502(d) of the Bankruptcy Code. A Claim or Administrative Claim that is Disputed as to its amount shall not be Allowed in any amount for purposes of distribution until it is no longer a Disputed Claim.

47. ***"Disputed Claims Reserve"*** means a reserve, which may be held in a segregated account, for the payment of Disputed Claims that become Allowed Claims after the Effective Date, which reserve shall be held in trust and maintained by the Liquidating Trustee for the benefit of the Holders of Disputed Claims.

48. ***"Distribution"*** means any distribution provided for in this Plan to Holders of Allowed Claims in full or partial satisfaction of such Allowed Claims.

49. ***"Distribution Dates"*** means, collectively, the First Distribution Date, any Subsequent Distribution Date and the Final Distribution Date.

50. ***"Distribution Record Date"*** means the date that is the Confirmation Date.

51. ***"Effective Date"*** means the date selected by the Debtors, with the consent of the Committee, that is a Business Day after the Confirmation Date on which (a) the conditions to the occurrence of the Effective Date have been met or waived pursuant to Article IX.B and Article IX.C and (b) no stay of the Confirmation Order is in effect.

52. ***"Entity"*** means an entity as such term is defined in section 101(15) of the Bankruptcy Code.

53. ***"Estate"*** means, as to each Debtor, the estate created for the Debtor in its Chapter 11 Case pursuant to section 541 of the Bankruptcy Code.

54. ***"Exculpated Claim"*** means any Claim related to any act or omission derived from, based upon, related to or arising from the Chapter 11 Cases, the liquidation of assets, formulation, preparation, dissemination, negotiation, filing, confirmation, approval, implementation or administration of the Plan Support Agreement, the Global Settlement Agreement, the Disclosure Statement, this Plan (including any term sheets related thereto), the property to be distributed under this Plan or any contract, instrument, release or other agreement or document created or entered into in connection with the Plan Support Agreement, Disclosure

Statement, this Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation and Consummation and the administration and implementation of this Plan, or the distribution of property under this Plan or any other related agreement. For the avoidance of doubt, the term "Exculpated Claim" does not include any Avoidance Actions or other Causes of Action against any Entity that is not a Released Party.

55. "**Exculpated Party**" means each of: (a) the Debtors; (b) the Debtors' current and former officers and directors; (c) the Committee; (d) each member of the Committee in its capacity as such; and (e) Professionals retained by the Debtors and the Committee.

56. "**Executory Contract**" means a contract to which one or more of the Debtors is a party and that is subject to assumption or rejection under section 365 of the Bankruptcy Code.

57. "**Federal Judgment Rate**" means the federal judgment rate in effect as of the Petition Date.

58. "**Fee Claim**" means an Administrative Claim under sections 328, 330, 331, 503 or 1103 of the Bankruptcy Code for compensation of a Professional or other Person, for services rendered in the Chapter 11 Cases on or prior to the Effective Date (including the reasonable expenses of the members of the Committee incurred in the discharge of their duties as such, but specifically excluding the fees and expenses incurred by the professionals and advisors to the DIP Agent, the ABL Agent, the Term Loan Agent and the Term Loan Lenders, which fees and expenses incurred on or prior to the Effective Date shall be paid pursuant to the terms of the DIP Order as modified by the Global Settlement Agreement).

59. "**Fee Claims Reserve**" means a reserve, which may be held in a segregated account, for the payment of Fee Claims that become Allowed Claims after the Effective Date, which reserve shall be held in trust and maintained by the Liquidating Trustee for the benefit of the Holders of Fee Claims.

60. "**File**" or "**Filed**" means file or filed with the Bankruptcy Court or its authorized designee in the Chapter 11 Cases.

61. "**Final Distribution Date**" means the date when, (a) in the reasonable judgment of the Liquidating Trustee, with the consent of the Liquidating Trust Oversight Committee, substantially all of the assets of the Liquidating Trust have been liquidated and there are no substantial potential sources of additional Cash for Distribution, (b) there remain no Disputed Claims and (c) the Liquidating Trustee distributes all remaining Cash held by the Liquidating Trust to the Holders of Liquidating Trust Interests in accordance with this Plan and the Liquidating Trust Agreement.

62. "**Final Order**" means, as applicable, an order or judgment of the Bankruptcy Court or other court of competent jurisdiction with respect to the relevant subject matter, which has not been reversed, stayed, modified or amended, and as to which the time to appeal or seek certiorari has expired and no appeal or petition for certiorari has been timely taken, or as to which any appeal that has been taken or any petition for certiorari that has been or may be filed has been resolved by the highest court to which the order or judgment could be appealed or from

which certiorari could be sought or the new trial, reargument or rehearing shall have been denied, resulted in no modification of such order or has otherwise been dismissed with prejudice.

63. ***"First Distribution Date"*** means, the Effective Date or the date occurring as soon as practicable after the Effective Date on which the initial Distributions are made to Holders of Allowed Claims entitled to receive distributions from the Liquidating Trust in accordance with Article III of this Plan.

64. ***"General Unsecured Claim"*** means an Unsecured Claim, including any claim arising from the rejection of an Unexpired Lease or Executory Contract, but excluding any Coldwater/Aspenwood Claim, Guaranteed Claim, or Intercompany Claim.

65. ***"Global Settlement Agreement"*** means that certain Global Settlement Agreement dated July 10, 2014 approved by the Bankruptcy Court pursuant to the Order, Pursuant to section 105(a) of the Bankruptcy Code and Bankruptcy Rule 9019, Approving Global Settlement Agreement [Docket No. 734].

66. ***"GOB Agent"*** means the joint venture of Hilco Merchant Resources, LLC and Gordon Brothers Retail Partners, LLC.

67. ***"Guaranteed Claim"*** means an Unsecured Claim against any Debtor that is (a) guaranteed by another Debtor pursuant to a valid written guarantee executed by such Debtor and (b) evidenced by timely Filed Proofs of Claim against (i) the Debtor that is the primary obligor and (ii) the Debtor that is the guarantor; excluding, for the avoidance of doubt, any ABL Claim, DIP Facility Claim or Term Loan Claim.

68. ***"Holder"*** means any Entity holding, or deemed to be holding under applicable law the beneficial or economic interest or rights in, a Claim or Interest.

69. ***"Impaired"*** means, with respect to a Class of Claims or Interests, a Class of Claims or Interests that is impaired within the meaning of section 1124 of the Bankruptcy Code.

70. ***"Intercompany Claim"*** means any Claim held by a Debtor or non-debtor Affiliate against another Debtor.

71. ***"Intercompany Interest"*** means an Interest in a Debtor held by another Debtor or non-debtor Affiliate.

72. ***"Interests"*** means any equity security in a Debtor as defined in section 101(16) of the Bankruptcy Code, including all issued, unissued, authorized or outstanding shares of capital stock of the Debtors together with any warrants, options or other rights to purchase or acquire such equity securities at any time and all rights arising with respect thereto.

73. ***"Interim Compensation Order"*** means the *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Retained Professionals* [Docket No. 449].

74. ***"Judicial Code"*** means title 28 of the United States Code, 28 U.S.C. §§ 1-4001.

75. ***“Lien”*** means a lien as defined in section 101(37) of the Bankruptcy Code.
76. ***“Liquidating Trust”*** means the liquidating trust established by this Plan and described in Article IV of this Plan and the Liquidating Trust Agreement.
77. ***“Liquidating Trust Agreement”*** means the agreement establishing and delineating the terms and conditions of the Liquidating Trust filed as part of the Plan Supplement.
78. ***“Liquidating Trust Assets”*** means all property and assets of the Debtors remaining after payment of Administrative Claims, Priority Tax Claims, Priority Non-Tax Claims and Other Secured Claims that are Allowed as of the Effective Date, including without limitation, all Cash and Cash equivalents, all Claims and Causes of Action (including any Avoidance Actions) not otherwise released pursuant to this Plan, the Debtors’ books and records, and other remaining assets of the Debtors, which shall vest in the Liquidating Trust on the Effective Date.
79. ***“Liquidating Trust Interests”*** means the uncertificated beneficial interests in the Liquidating Trust representing the right of each Holder of an Allowed General Unsecured Claim, Allowed Guaranteed Claim, or Allowed Coldwater/Aspenwood Claim, to receive Cash distributions from the Liquidating Trust in accordance with the terms of this Plan.
80. ***“Liquidating Trust Beneficiaries”*** means the Holders of Allowed General Unsecured Claims, Allowed Guaranteed Claims and Allowed Coldwater/Aspenwood Claims under this Plan, whether or not such Claims are Allowed as of the Effective Date.
81. ***“Liquidating Trust Oversight Committee”*** means the committee appointed pursuant to Article IV of this Plan to oversee the activities of the Liquidating Trust and the Liquidating Trustee.
82. ***“Liquidating Trustee”*** means the Person appointed to act as trustee of the Liquidating Trust in accordance with the terms of this Plan, the Confirmation Order, and the Liquidating Trust Agreement, or any successor appointed in accordance with the terms of this Plan and the Liquidating Trust Agreement.
83. ***“M&L”*** means Coldwater Creek Merchandising & Logistics Inc., a Debtor.
84. ***“Notice, Claims and Balloting Agent”*** means Prime Clerk LLC.
85. ***“Ordinary Course Professional Order”*** means the *Order Authorizing the Employment and Compensation of Certain Professionals in the Ordinary Course of Business* [Docket No. 329].
86. ***“Other Secured Claim”*** means any Secured Claim that is not a DIP Facility Claim, an ABL Claim or a Term Loan Claim.
87. ***“Person”*** means a person as such term as defined in section 101(41) of the Bankruptcy Code.

88. **"Petition Date"** means April 11, 2014, the date on which each of the Debtors commenced the Chapter 11 Cases.

89. **"Plan"** means this *Modified Third Amended Joint Plan of Liquidation of Coldwater Creek Inc. and its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code*, dated August 8, 2014 including the Plan Supplement (as modified, amended or supplemented from time to time), which is incorporated herein by reference.

90. **"Plan Supplement"** means the compilation of documents and forms of documents, schedules and exhibits to this Plan (including, without limitation, the Liquidating Trust Agreement and any other documents governing the Liquidating Trust) to be Filed, with the consent of the Committee, no later than seven days before the Voting Deadline, on notice to parties in interest, and additional documents, if any, Filed before the Effective Date as supplements or amendments to the Plan Supplement. The Debtors, with the consent of the Committee, shall have the right to amend the documents contained in, and exhibits to, the Plan Supplement through the Effective Date; *provided*, that any amendments to the Plan Supplement may be made only in accordance with section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019.

91. **"Plan Support Agreement"** means the agreement, effective as of April 11, 2014 by and among the Debtors, the Term Loan Lenders and the ABL Agent, pursuant to which such parties agreed (subject to certain conditions specified therein) to support this Plan.

92. **"Priority Non-Tax Claims"** means any Claim, other than an Administrative Claim or a Priority Tax Claim, entitled to priority in right of payment under section 507(a) of the Bankruptcy Code.

93. **"Priority Tax Claim"** means any Claim of the kind specified in section 507(a)(8) of the Bankruptcy Code.

94. **"Professional"** means an Entity: (a) employed pursuant to a Bankruptcy Court order in accordance with sections 327, 363 or 1103 of the Bankruptcy Code and to be compensated for services rendered before or on the Confirmation Date, pursuant to sections 327, 328, 329, 330, 331 and 363 of the Bankruptcy Code; or (b) awarded compensation and reimbursement by the Bankruptcy Court pursuant to section 503(b)(4) of the Bankruptcy Code.

95. **"Proof of Claim"** means a written proof of Claim Filed against any of the Debtors in the Chapter 11 Cases.

96. **"Pro Rata"** means the proportion that (a) an Allowed Claim in a particular Class bears to the aggregate amount of all Allowed Claims in that Class or (b) Allowed Claims in a particular Class bear to the aggregate amount of Allowed Claims in a particular Class and other Classes entitled to share in the same recovery as such Allowed Claim under this Plan, *provided*, that, with respect to Holders of Class 4 Guaranteed Claims and Class 5 Coldwater/Aspenwood Claims, Pro Rata shall take into account the incremental increase in the Allowed amount of each such Claim solely for purposes of Distributions provided for by Articles III.C.4. and III.C.5. of this Plan.

97. ***"Rejection Claim"*** means a Claim arising from the rejection of an Executory Contract or Unexpired Lease pursuant to section 365 of the Bankruptcy Code.

98. ***"Rejection Procedures Order"*** means the *Order Establishing Procedures for the Rejection of Executory Contracts and Unexpired Leases of Nonresidential Real Property* [Docket No. 348].

99. ***"Released Party"*** means each of: (a) the Debtors; (b) the ABL Lender; (c) the ABL Agent; (d) the Term Loan Lenders; (e) the Term Loan Agent; (f) the DIP Facility Lenders; (g) the DIP Agent; (h) Holders of Series A Preferred Stock and/or any shares of common stock into which any such shares of Series A Preferred Stock have been converted; (i) CC Holdings Agency Corporation, CC Holdings of Delaware, LLC - Series A, and CC Holdings of Delaware, LLC - Series B, each in all respective capacities; and (j) with respect to the entities in clauses (a) through (i), such entity's predecessors, successors and assigns, subsidiaries, affiliates, beneficial owners, managed accounts or funds, current and former officers, directors, principals, shareholders, direct and indirect equity holders, members, partners (general and limited), employees, agents, advisory board members, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, management companies, fund advisors and other Professionals.

100. ***"Rewards"*** means CWC Rewards, Inc., a Debtor.

101. ***"Schedules"*** means, collectively, the schedules of assets and liabilities, schedules of Executory Contracts and Unexpired Leases and statements of financial affairs Filed by the Debtors [Docket Nos. 356, 357, 358, 359, 360, 361, 362 and 363] pursuant to section 521 of the Bankruptcy Code, as such schedules may be amended, modified or supplemented from time to time.

102. ***"Section 503(b)(9) Claim"*** means an Administrative Claim arising under section 503(b)(9) of the Bankruptcy Code.

103. ***"Secured"*** means when referring to a Claim: (a) secured by a Lien on property in which the Estate has an interest, which Lien is valid, perfected and enforceable pursuant to applicable law or by reason of a Bankruptcy Court order, or that is subject to setoff pursuant to section 553 of the Bankruptcy Code, to the extent of the value of the creditor's interest in the Estate's interest in such property or to the extent of the amount subject to setoff, as applicable, as determined pursuant to section 506(a) of the Bankruptcy Code; or (b) Allowed as such pursuant to this Plan.

104. ***"Securities Act"*** means the Securities Act of 1933, 15 U.S.C. §§ 77a-77aa, as amended, together with the rules and regulations promulgated thereunder.

105. ***"Securities Exchange Act"*** means the Securities Exchange Act of 1934, 15 U.S.C. §§ 78a-78nn, as amended.

106. ***"Security"*** means a security as defined in section 2(a)(1) of the Securities Act.

107. ***“Series A Preferred Stock”*** means any Convertible Series A Preferred Stock of Coldwater issued pursuant to that certain Certificate of Designation of Preferences of Convertible Series A Preferred Stock, that certain Stock Purchase and Investor Rights Agreement, dated as of July 9, 2012 and that certain Registration Rights Agreement, dated as of July 9, 2012.

108. ***“Sourcing”*** means Coldwater Creek Sourcing Inc., a Debtor.

109. ***“Sourcing LLC”*** means Coldwater Creek Sourcing LLC, a Debtor.

110. ***“Store Closing Approval Order”*** means the *Order (I) Authorizing Entry into Agency Agreement, (II) Authorizing Sale of Assets and Store Closing Sales and (III) Granting Related Relief* [Docket No. 355].

111. ***“Subsequent Distribution Date”*** means any date, as determined by the Liquidating Trustee, with the consent of the Liquidating Trust Oversight Committee, which is after the First Distribution Date and prior to the Final Distribution Date, on which the Liquidating Trustee commences a Distribution to Holders of Allowed Claims entitled to receive distributions from the Liquidating Trust in accordance with Article III of this Plan.

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

113. ***“Term Loan Agent”*** means CC Holdings Agency Corporation, in its capacities as administrative agent and collateral agent under the Term Loan Credit Agreement.

114. ***“Term Loan Claims”*** means the Secured Claims of the Term Loan Lenders.

115. ***“Term Loan Credit Agreement”*** means that certain Term Loan Agreement dated as of July 9, 2012 by and among Coldwater Creek U.S. Inc., as lead borrower, the other borrowers thereto, the guarantors party thereto, the Term Loan Lenders and the Term Loan Agent.

116. ***“Term Loan Lenders”*** means, collectively, CC Holdings of Delaware, LLC - Series A and CC Holdings of Delaware, LLC - Series B, in their capacity as lenders under the Term Loan Credit Agreement.

117. ***“The Spa”*** means Coldwater Creek The Spa Inc., a Debtor.

118. ***“Unexpired Lease”*** means a lease to which one or more of the Debtors is a party that is subject to assumption or rejection under section 365 of the Bankruptcy Code.

119. ***“Unimpaired”*** means, with respect to a Class of Claims or Interests, a Class of Claims or Interests that is not impaired within the meaning of section 1124 of the Bankruptcy Code.

120. ***“Unsecured Claim”*** means any Claim that is neither Secured nor entitled to priority under the Bankruptcy Code or an order of the Bankruptcy Court.

121. ***“U.S. Inc.”*** means Coldwater Creek U.S. Inc., a Debtor.

122. ***“U.S. Trustee”*** means the Office of the United States Trustee for the District of Delaware.

123. ***“Voting Deadline”*** means 4:00 p.m. (prevailing Eastern Time) on September 10, 2014.

B. Rules of Interpretation

1. General Rules of Interpretation

For purposes of this Plan: (a) in the appropriate context, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, feminine and the neuter gender; (b) any reference herein to a contract, lease, instrument, release, indenture or other agreement or document being in a particular form or on particular terms and conditions means that the referenced document shall be substantially in that form or substantially on those terms and conditions; (c) any reference herein to an existing document, schedule or exhibit, whether or not Filed, having been Filed or to be Filed shall mean that document, schedule or exhibit, as it may thereafter be amended, modified or supplemented; (d) any reference to an Entity as a holder of a Claim or Interest includes that Entity's successors and assigns; (e) unless otherwise specified, all references herein to “Articles” are references to Articles hereof or hereto; (f) unless otherwise specified, all references herein to exhibits are references to exhibits in the Plan Supplement; (g) unless otherwise specified, the words “herein,” “hereof” and “hereto” refer to this Plan in its entirety rather than to a particular portion of this Plan; (h) subject to the provisions of any contract, certificate of incorporation, bylaw, instrument, release or other agreement or document entered into in connection with this Plan, the rights and obligations arising pursuant to this Plan shall be governed by, and construed and enforced in accordance with the applicable federal law, including the Bankruptcy Code and the Bankruptcy Rules; (i) captions and headings to Articles are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of this Plan; (j) unless otherwise specified herein, the rules of construction set forth in section 102 of the Bankruptcy Code shall apply; (k) all references to docket numbers of documents Filed in the Chapter 11 Cases are references to the docket numbers under the Bankruptcy Court's CM/ECF system; (l) all references to statutes, regulations, orders, rules of courts and the like shall mean as amended from time to time, and as applicable to the Chapter 11 Cases, unless otherwise stated; and (m) any immaterial effectuating provisions may be interpreted by the Liquidating Trustee in such a manner that is consistent with the overall purpose and intent of this Plan all without further Bankruptcy Court order.

2. Defined Terms Referring to Specific Debtors

Defined terms preceded by the name of a Debtor shall refer only to the defined term as applicable to that Debtor.

C. *Computation of Time*

Unless otherwise specifically stated herein, the provisions of Bankruptcy Rule 9006(a) shall apply in computing any period of time prescribed or allowed herein.

D. *Governing Law*

Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) or unless otherwise specifically stated, the laws of the State of New York, without giving effect to the principles of conflict of laws, shall govern the rights, obligations, construction and implementation of this Plan, any agreements, documents, instruments or contracts executed or entered into in connection with this Plan (except as otherwise set forth in those agreements, in which case the governing law of such agreement shall control); *provided, however*, that corporate governance matters relating to the Debtors or the Liquidating Trustee, as applicable, not incorporated in New York shall be governed by the laws of the state or province of incorporation of the applicable Debtor or the Liquidating Trustee, as applicable.

E. *Reference to Monetary Figures*

All references in this Plan to monetary figures shall refer to currency of the United States of America, unless otherwise expressly provided.

ARTICLE II.

ADMINISTRATIVE CLAIMS, DIP FACILITY, ABL CLAIMS AND PRIORITY TAX CLAIMS

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims, Term Loan Claims, DIP Facility Claims, ABL Claims and Priority Tax Claims have not been classified and, thus, are excluded from the Classes of Claims and Interests set forth in Article III.

A. *Administrative Claims*

1. Administrative Claims

Except with respect to Administrative Claims that are Fee Claims and except to the extent that a Holder of an Allowed Administrative Claim and the Debtors agree to less favorable treatment with respect to such Holder, each Holder of an Allowed Administrative Claim shall be paid in full in Cash on or as soon as reasonably practicable after the Effective Date. All U.S. Trustee fees due and owing under 28 U.S.C. 1930(a)(6) shall continue to accrue until the Chapter 11 Cases are closed, dismissed or converted. Notwithstanding the foregoing, no request for payment of an Administrative Claim need be Filed with respect to an Administrative Claim previously Allowed by Final Order.

2. Professional Compensation

(a) *Fee Claims*

Professionals asserting a Fee Claim for services rendered on or before the Effective Date must File and serve on the Debtors and such other Entities who are designated by the Bankruptcy Rules, the Confirmation Order, the Interim Compensation Order or any other applicable order of the Bankruptcy Court, an application for final allowance of such Fee Claim no later than 40 days after the Effective Date; *provided, however*, that any Professional who may receive compensation or reimbursement of expenses pursuant to the Ordinary Course Professional Order may continue to receive such compensation or reimbursement of expenses for services rendered before the Effective Date, without further Bankruptcy Court order, pursuant to the Ordinary Course Professional Order. Objections to any Fee Claim must be Filed and served on the Liquidating Trustee and the requesting party no later than 60 days after the Effective Date. For the avoidance of doubt, the fees and expenses incurred by the professionals and advisors to the DIP Agent, the ABL Agent, the Term Loan Agent, and the Term Loan Lenders shall be paid pursuant to the terms of the DIP Order as modified by the Global Settlement Agreement, and such parties shall not be required to file an application for allowance of such fees and expenses.

(b) *Post-Effective Date Fees and Expenses*

Except as otherwise specifically provided in this Plan, from and after the Effective Date, any requirement that Professionals comply with sections 327 through 331 and 1103 of the Bankruptcy Code in seeking retention or compensation for services rendered after such date shall terminate, and, subject to the terms of the Liquidating Trust Agreement, the Liquidating Trustee may employ and pay any Professional for services rendered or expenses incurred after the Effective Date in the ordinary course of business without any further notice to any party or action, order or approval of the Bankruptcy Court.

3. Administrative Claims Bar Date

Except as otherwise provided in this Article II.A, requests for payment of Administrative Claims must be Filed on or before the Administrative Claims Bar Date. Holders of Administrative Claims that are required to, but do not, File and serve a request for payment of such Administrative Claims by such date shall be forever barred, estopped and enjoined from asserting such Administrative Claims against the Debtors' property to be distributed under this Plan, the Liquidating Trust Assets or the Liquidating Trust. Objections to such requests, if any, must be Filed and served on the Liquidating Trustee and the requesting party no later than 60 days after the Effective Date, unless such objection deadline is extended by order of the Bankruptcy Court. Nothing in this Plan shall extend or be deemed to extend the deadline of June 13, 2014 previously fixed by the Bar Date Order for filing Section 503(b)(9) Claims.

B. *Term Loan Claims*

Pursuant to the Global Settlement Agreement, the Term Loan Claims were Allowed in the amount of \$90,739,670.15 and paid in full in Cash on July 23, 2014. Holders of Term Loan Claims shall not receive any further Distribution under this Plan, other than for reasonable

expenses and Professional fees to the extent set forth in the DIP Order as modified by the Global Settlement Agreement.

C. DIP Facility and ABL Claims

The DIP Facility Claims and ABL Claims were previously paid in Cash in full and satisfied. Holders of DIP Facility Claims and ABL Claims shall not receive any Distributions under this Plan.

D. Priority Tax Claims

Except to the extent that a Holder of an Allowed Priority Tax Claim agrees to a less favorable treatment, in settlement and satisfaction of each Allowed Priority Tax Claim, each Holder of an Allowed Priority Tax Claim due and payable on or before the Effective Date shall receive, on or as soon as reasonably practicable after the Effective Date, at the option of the Debtors, with the consent of the Committee, one of the following treatments: (1) Cash in an amount equal to the amount of such Allowed Priority Tax Claim, plus interest at the rate determined under applicable nonbankruptcy law and to the extent provided for by section 511 of the Bankruptcy Code or (2) such other treatment as may be agreed upon by such Holder and the Debtors, with the consent of the Committee, or otherwise determined upon an order of the Bankruptcy Court.

E. Statutory Fees

On the Effective Date, the Debtors shall pay, in full in Cash, any fees due and owing to the U.S. Trustee at the time of Confirmation. On and after the Effective Date, the Liquidating Trustee shall pay the applicable U.S. Trustee fees with respect to each Debtor that accrue after the Confirmation Date until the earlier of entry of (1) a final decree closing such Debtor's Chapter 11 Case or (2) conversion or dismissal of such Debtor's Chapter 11 Case.

ARTICLE III.

CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS

A. Classification of Claims and Interests

Pursuant to section 1122 of the Bankruptcy Code, set forth below is a designation of Classes of Claims and Interests. All Claims and Interests, except for Administrative Claims, DIP Facility Claims, ABL Claims and Priority Tax Claims, are classified in the Classes set forth in this Article III. A Claim or Interest is classified in a particular Class only to the extent that the Claim or Interest qualifies within the description of that Class and is classified in other Classes to the extent that any portion of the Claim or Interest qualifies within the description of such other Classes. A Claim also is classified in a particular Class for the purpose of receiving Distributions pursuant to this Plan only to the extent that such Claim is an Allowed Claim in that Class and has not been paid, released or otherwise satisfied before the Effective Date.

B. Claims Against and Interests in the Debtors

1. Class 1 – Priority Non-Tax Claims

2. Class 2 – Other Secured Claims
3. Class 3 – General Unsecured Claims
4. Class 4 – Guaranteed Claims
5. Class 5 – Coldwater/Aspenwood Claims
6. Class 6 – Intercompany Claims
7. Class 7 – Intercompany Interests
8. Class 8 – Interests in Coldwater

C. *Treatment of Claims and Interests in the Debtors*

1. Class 1 – Priority Non-Tax Claims

(a) *Classification:* Class 1 consists of Priority Non-Tax Claims.

(b) *Treatment:* Except to the extent that a Holder of an Allowed Priority Non-Tax Claim agrees to a less favorable treatment, in exchange for settlement and satisfaction of each Allowed Priority Non-Tax Claim, each Holder of such Allowed Priority Non-Tax Claim shall be paid in full in Cash on or as soon as practicable after the Effective Date. Allowed Priority Non-Tax Claims shall be paid as soon as reasonably practicable after the reconciliation of all Disputed Priority Non-Tax Claims.

(c) *Voting:* Class 1 is Unimpaired and each Holder of a Class 1 Priority Non-Tax Claim is conclusively presumed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, Holders of Class 1 Priority Non-Tax Claims are not entitled to vote to accept or reject this Plan.

2. Class 2 – Other Secured Claims

(a) *Classification:* Class 2 consists of Other Secured Claims.

(b) *Treatment:* Except to the extent that a Holder of an Allowed Other Secured Claim agrees to a less favorable treatment, in exchange for settlement and satisfaction of each Allowed Other Secured Claim, each Holder of such Allowed Other Secured Claim shall receive one of the following treatments, as determined by the Debtors, with the consent of the Committee: (i) payment in full in Cash on or as soon as practicable after the Effective Date, including the payment of any interest required to be paid under section 506(b) of the Bankruptcy Code; (ii) delivery of the collateral securing any such Allowed Other Secured Claim; or (iii) other

treatment such that the Allowed Other Secured Claim shall be rendered Unimpaired.

- (c) *Voting:* Class 2 is Unimpaired and each Holder of a Class 2 Other Secured Claim is conclusively presumed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, Holders of Class 2 Other Secured Claims are not entitled to vote to accept or reject this Plan.

3. Class 3 – General Unsecured Claims

- (a) *Classification:* Class 3 consists of General Unsecured Claims.
- (b) *Treatment:* Except to the extent that a Holder of an Allowed General Unsecured Claim agrees to a less favorable treatment, in exchange for settlement and satisfaction of each Allowed General Unsecured Claim, each Holder of an Allowed General Unsecured Claim shall receive its Pro Rata share (not to exceed the amount of such Allowed General Unsecured Claim) of the Liquidating Trust Interests issued on account of Liquidating Trust Assets on the Effective Date, representing the right of each Holder of an Allowed General Unsecured Claim to receive Cash Distributions from the Liquidating Trust.
- (c) *Voting:* Class 3 is Impaired. Therefore, Holders of Class 3 General Unsecured Claims are entitled to vote to accept or reject this Plan.

4. Class 4 – Guaranteed Claims

- (a) *Classification:* Class 4 consists of Guaranteed Claims.
- (b) *Treatment:* Except to the extent that a Holder of an Allowed Guaranteed Claim agrees to a less favorable treatment, in exchange for settlement and satisfaction of each Allowed Guaranteed Claim, each Holder of an Allowed Guaranteed Claim shall receive its Pro Rata share (not to exceed the amount of such Allowed Guaranteed Claim) of the Liquidating Trust Interests issued on account of Liquidating Trust Assets on the Effective Date, representing the right of each Holder of an Allowed Guaranteed Claim to receive Cash Distributions from the Liquidating Trust; *provided*, that, solely for purposes of Distributions under this Plan, each Allowed Guaranteed Claim shall be deemed to be increased by 65% of the Allowed amount of such Guaranteed Claim.
- (c) *Voting:* Class 4 is Impaired. Therefore, Holders of Class 4 Guaranteed Claims are entitled to vote to accept or reject this Plan.

5. Class 5 – Coldwater/Aspenwood Claims

- (a) *Classification:* Class 5 consists of Coldwater/Aspenwood Claims.

- (b) *Treatment:* Except to the extent that a Holder of an Allowed Coldwater/Aspenwood Claim agrees to a less favorable treatment, in exchange for settlement and satisfaction of each Allowed Coldwater/Aspenwood Claim, each Holder of an Allowed Coldwater/Aspenwood Claim shall receive its Pro Rata share (not to exceed the amount of such Allowed Coldwater/Aspenwood Claim) of the Liquidating Trust Interests issued on account of Liquidating Trust Assets on the Effective Date, representing the right of each Holder of an Allowed Coldwater/Aspenwood Claim to receive Cash Distributions from the Liquidating Trust; *provided*, that, solely for purposes of Distributions under this Plan, each Allowed Coldwater/Aspenwood Claim shall be deemed to be increased by 20% of the Allowed amount of such Coldwater/Aspenwood Claim.
- (c) *Voting:* Class 5 is Impaired. Therefore, Holders of Class 5 Coldwater/Aspenwood Claims are entitled to vote to accept or reject this Plan.

6. Class 6 – Intercompany Claims

- (a) *Classification:* Class 6 consists of Intercompany Claims.
- (b) *Treatment:* Holders of Intercompany Claims shall not receive any distribution on account of such Intercompany Claims. On the Effective Date, all Intercompany Claims shall be cancelled.
- (c) *Voting:* Holders of Intercompany Claims, as proponents of this Plan, are deemed to accept this Plan and are not entitled to vote to accept or reject this Plan.

7. Class 7 – Intercompany Interests

- (a) *Classification:* Class 7 consists of Intercompany Interests.
- (b) *Treatment:* Holders of Intercompany Interests shall not receive any distribution on account of such Intercompany Interests. On the Effective Date, Intercompany Interests shall be cancelled.
- (c) *Voting:* Holders of Intercompany Interests, as proponents of this Plan, are deemed to accept this Plan and are not entitled to vote to accept or reject this Plan.

8. Class 8 – Interests in Coldwater

- (a) *Classification:* Class 8 consists of Interests in Coldwater.

- (b) *Treatment:* Holders of Interests in Coldwater shall not receive any distribution on account of such Interests. On the Effective Date, Intercompany Interests shall be cancelled.
- (c) *Voting:* Class 8 is Impaired and each Holder of Class 8 Interests in Coldwater is conclusively presumed to have rejected this Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, Holders of Class 8 Interests in Coldwater are not entitled to vote to accept or reject this Plan

D. Special Provision Governing Claims that are Not Impaired

Except as otherwise provided in this Plan, nothing under this Plan shall affect the Debtors' rights in respect of any Claims that are not Impaired, including all rights in respect of legal and equitable defenses to or setoffs or recoupments against any such Claims that are not Impaired.

E. Acceptance or Rejection of this Plan

1. Voting Class

Class 3, Class 4 and Class 5 are Impaired and are entitled to vote to accept or reject this Plan.

2. Presumed Acceptance of this Plan

Class 1 and Class 2 are Unimpaired and the Holders of Claims in such Classes are deemed to have accepted this Plan and are not entitled to vote to accept or reject this Plan. In addition, Holders of Intercompany Claims in Class 6 and Intercompany Interests in Class 7, as proponents of this Plan, are deemed to accept this Plan.

3. Presumed Rejection of Plan

Class 8 is Impaired and Holders of Interests in Coldwater shall receive no distribution under this Plan. The Holders of Interests in Coldwater are deemed to have rejected this Plan and are not entitled to vote to accept or reject this Plan.

F. Confirmation Pursuant to Sections 1129(a)(10) and 1129(b) of the Bankruptcy Code

Section 1129(a)(10) of the Bankruptcy Code shall be satisfied for purposes of Confirmation by acceptance of this Plan by Class 3, Class 4 or Class 5. The Debtors shall seek Confirmation pursuant to section 1129(b) of the Bankruptcy Code with respect to any rejecting Class of Claims or Interests.

G. Subordinated Claims

Except as expressly provided herein, the allowance, classification and treatment of all Allowed Claims and Interests and the respective distributions and treatments under this Plan take into account and conform to the relative priority and rights of the Claims and Interests in each

Class in connection with any contractual, legal and equitable subordination rights relating thereto, whether arising under general principles of equitable subordination, section 510(b) of the Bankruptcy Code or otherwise.

ARTICLE IV. MEANS FOR IMPLEMENTATION OF THIS PLAN

A. Implementation of this Plan

This Plan shall be implemented by, through and at the direction of the Liquidating Trustee in a manner consistent with the terms and conditions set forth herein and in the Liquidating Trust Agreement.

B. Establishment of Liquidating Trust

Any and all of the Debtors' assets shall remain assets of the Debtors' estates pursuant to section 1123(b)(3)(B) of the Bankruptcy Code and on the Effective Date, only after payment in full of Administrative Claims, Priority Tax Claims, Priority Non-Tax Claims and Other Secured Claims that are Allowed as of the Effective Date, shall be transferred to and vest in the Liquidating Trust. On the Effective Date, the Liquidating Trust shall be established pursuant to the Liquidating Trust Agreement for the purpose of, among other things, (1) investigating and, if appropriate, pursuing Causes of Action not otherwise released under this Plan, (2) administering and pursuing the Liquidating Trust Assets, (3) resolving all Disputed Claims and (4) making Distributions from the Liquidating Trust as provided for in this Plan and the Liquidating Trust Agreement. The Liquidating Trust shall be entitled to enforce all defenses and counterclaims to all Claims asserted against the Debtors and their Estates, including setoff, recoupment and any rights under section 502(d) of the Bankruptcy Code.

Upon execution of the Liquidating Trust Agreement, the Liquidating Trustee shall be authorized to take all steps necessary to complete the formation of the Liquidating Trust; *provided*, that, prior to the Effective Date, the Debtors, the Committee or the Liquidating Trustee, as applicable, may act as organizers of the Liquidating Trust and take such steps in furtherance thereof as may be necessary, useful or appropriate under applicable law to ensure that the Liquidating Trust shall be formed and in existence as of the Effective Date.

Other than as set forth in this Plan, no Person other than the Liquidating Trustee may pursue Liquidating Trust Assets on or after the Effective Date. The Liquidating Trustee shall be deemed hereby substituted as plaintiff, defendant, or in any other capacity for the Debtors in (1) all pending matters including but not limited to motions, contested matters and adversary proceedings in the Bankruptcy Court, and (2) any Causes of Action not otherwise released pursuant to this Plan pending before the Bankruptcy Court or any other court that relates to a Liquidating Trust Asset without the need for filing any motion for such relief. On the Effective Date, the Debtors and the Liquidating Trustee shall execute the Liquidating Trust Agreement and shall have established the Liquidating Trust pursuant to this Plan. In the event of any conflict between the terms of Article IV of this Plan and the terms of the Liquidating Trust Agreement, the terms of the Liquidating Trust Agreement shall control.

C. Treatment of Liquidating Trust for Federal Income Tax Purposes; No Successor-in-Interest

The Liquidating Trust shall be established for the primary purpose of liquidating and distributing the assets transferred to it, in accordance with Treas. Reg. § 301.7701-4(d), with no objective to continue or engage in the conduct of a trade or business, except to the extent reasonably necessary to, and consistent with, the liquidating purpose of the Liquidating Trust. Accordingly, the Liquidating Trustee shall, in an expeditious but orderly manner, liquidate and convert to Cash the Liquidating Trust Assets, make timely distributions to the Liquidating Trust Beneficiaries and not unduly prolong its duration. The Liquidating Trust shall not be deemed a successor-in-interest of the Debtors for any purpose other than as specifically set forth in this Plan or in the Liquidating Trust Agreement. The record holders of beneficial interests shall be recorded and set forth in a register maintained by the Liquidating Trustee expressly for such purpose.

The Liquidating Trust is intended to qualify as a "grantor trust" for federal income tax purposes with the Liquidating Trust Beneficiaries treated as grantors and owners of the Liquidating Trust. For all federal income tax purposes, all parties (including the Debtors, the Liquidating Trustee, and the Liquidating Trust Beneficiaries) shall treat the transfer of the Liquidating Trust Assets by the Debtors to the Liquidating Trust, as set forth in the Liquidating Trust Agreement, as a transfer of such assets by the Debtors to the Holders of Allowed Claims entitled to distributions from the Liquidating Trust Assets, followed by a transfer by such Holders to the Liquidating Trust. Thus, the Liquidating Trust Beneficiaries shall be treated as the grantors and owners of a grantor trust for federal income tax purposes.

As soon as practicable after the Effective Date, the Liquidating Trustee shall make a good faith determination of the fair market value of the Debtors' assets as of the Effective Date, *provided, however*, that the Liquidating Trustee shall not be required to hire an expert to make such a valuation. This valuation shall be used consistently by all parties (including the Debtors, the Liquidating Trustee, and the Liquidating Trust Beneficiaries) for all federal income tax purposes. The Bankruptcy Court shall resolve any dispute regarding the valuation of the Liquidating Trust Assets.

The right and power of the Liquidating Trustee to invest the Liquidating 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 section 301.7701-4(d) of the Treasury Regulations, is permitted to hold, pursuant to the Treasury Regulations, or any modification in the IRS guidelines, whether set forth in IRS rulings or other IRS pronouncements, and to the investment guidelines of section 345 of the Bankruptcy Code. The Liquidating Trustee may expend the Cash of the Liquidating Trust (1) as reasonably necessary to meet contingent liabilities and to maintain the value of the respective assets of the Liquidating Trust during liquidation, (2) to pay the respective reasonable administrative expenses (including, but not limited to, any taxes imposed on the Liquidating Trust) and (3) to satisfy other respective liabilities incurred by the Liquidating Trust in accordance with this Plan and the Liquidating Trust Agreement (including, without limitation, the payment of any taxes).

D. Liquidating Trust Interests

On the Effective Date, each Holder of an Allowed General Unsecured Claim, Guaranteed Claim, or Coldwater/Aspenwood Claim shall, by operation of this Plan, receive its Pro Rata Share of the Liquidating Trust Interests. Liquidating Trust Interests shall be reserved for Holders of Disputed General Unsecured Claims, Guaranteed Claims, or Coldwater/Aspenwood Claims and issued by the Liquidating Trust to, and held by the Liquidating Trustee in, the Disputed Claims Reserve pending allowance or disallowance of such Claims. No other entity shall have any interest, legal, beneficial, or otherwise, in the Liquidating Trust.

E. The Liquidating Trustee

The Liquidating Trustee will be selected by the Committee and identified in the Plan Supplement. The appointment of the Liquidating Trustee shall be approved in the Confirmation Order, and the Liquidating Trustee's duties shall commence as of the Effective Date. The Liquidating Trustee shall administer this Plan and the Liquidating Trust and shall serve as a representative of the Debtors' estates under section 1123(b) of the Bankruptcy Code.

In accordance with the Liquidating Trust Agreement, the Liquidating Trustee shall serve in such capacity through the earlier of (1) the date that the Liquidating Trust is dissolved and (2) the date such Liquidating Trustee resigns, is terminated, or is otherwise unable to serve; *provided, however*, that, in the event that the Liquidating Trustee resigns, is terminated, or is otherwise unable to serve, the Liquidating Trust Oversight Committee shall appoint a successor to serve as the Liquidating Trustee in accordance with the Liquidating Trust Agreement. To the extent that the Liquidating Trust Oversight Committee does not appoint a successor within the time periods specified in the Liquidating Trust Agreement, then the Bankruptcy Court, upon the motion of any party-in-interest, including counsel to the Liquidating Trust, shall approve a successor to serve as the Liquidating Trustee. Any such successor Liquidating Trustee shall serve in such capacity until the Liquidating Trust is dissolved.

1. Insurance; Bond

The Liquidating Trustee shall obtain insurance coverage with respect to the liabilities and obligations of the Liquidating Trustee and the Liquidating Trust Oversight Committee under the Liquidating Trust Agreement (in the form of an errors and omissions policy or otherwise) unless both the Liquidating Trustee and Liquidating Trust Oversight Committee unanimously agree that such insurance shall not be required. The Liquidating Trustee shall serve with a bond, the terms of which shall be agreed to by the Liquidating Trust Oversight Committee, and the cost and expense of which shall be paid by the Liquidating Trust.

2. Fiduciary Duties of the Liquidating Trustee

Pursuant to this Plan and the Liquidating Trust Agreement, the Liquidating Trustee shall act in a fiduciary capacity on behalf of the interests of all Holders of Claims that will receive Distributions pursuant to the terms of this Plan.

3. Compensation

The Liquidating Trustee shall be compensated on reasonable terms determined by the Committee and as set forth in the Plan Supplement.

4. Retention of Liquidating Trustee Professionals and Compensation Procedure

On and after the Effective Date, subject to the terms of the Liquidating Trust Agreement, the Liquidating Trustee may engage such professionals and experts as may be deemed necessary and appropriate by the Liquidating Trustee to assist the Liquidating Trustee in carrying out the provisions of this Plan and the Liquidating Trust Agreement, including, but not limited to, Professionals retained prior to the Effective Date by either the Debtors or the Committee. Subject to the terms of the Liquidating Trust Agreement, for services performed from and after the Effective Date, Professionals retained by the Liquidating Trustee shall receive compensation and reimbursement of expenses in a manner to be determined by the Liquidating Trustee in consultation with the Liquidating Trust Oversight Committee.

5. Duties and Powers

The duties and powers of the Liquidating Trustee shall include, but not be limited to, the following:

- (a) to exercise all power and authority that may be necessary to implement this Plan and enforce all provisions hereof, commence and prosecute all proceedings that may be commenced and take all actions that may be taken by any officer, director or shareholder of the Debtors with like effect as if authorized, exercised and taken by unanimous action of such officers, directors and shareholders, including consummating this Plan;
- (b) to maintain all bank accounts, make Distributions and take other actions consistent with this Plan, including the maintenance of appropriate reserves (including the Disputed Claims Reserve), in the name of the Liquidating Trust;
- (c) to maintain the books and records of the Liquidating Trust, including any books and records of the Debtors transferred to the Liquidating Trust;
- (d) to take all steps reasonably necessary and practicable to terminate the corporate existence of the Debtors, including the filing of any motions or other pleadings in the Bankruptcy Court, if necessary;
- (e) to incur and pay reasonable and necessary expenses in connection with the implementation and consummation of this Plan;

- (f) to make decisions without court approval, regarding the retention or engagement of professionals or other Persons, and to pay, without court approval, all reasonable fees and expenses of the Liquidating Trust accruing from and after the Effective Date;
- (g) to collect and liquidate all assets of the Debtors transferred to the Liquidating Trust and to administer the wind down of the Debtors' affairs;
- (h) to prepare and file Tax returns and related forms and filings on behalf of the Debtors, to protest or appeal any Tax assessment, and to apply for or otherwise pursue any Claim for any Tax refund, rebate or reduction;
- (i) to prosecute and/or settle Causes of Action not otherwise released pursuant to this Plan, on behalf of and in the name of the Debtors;
- (j) to seek a determination of Tax liability under section 505 of the Bankruptcy Code or otherwise and to pay, or cause to be paid, from the assets of the Debtors transferred to the Liquidating Trust, any Taxes incurred by the Liquidating Trustee and/or the Debtors before or after the Effective Date;
- (k) to collect, or cause to be collected, any accounts receivable or other claims of the Debtors not otherwise disposed of pursuant to this Plan;
- (l) to invest, or cause to be invested, Cash as deemed appropriate by the Liquidating Trustee;
- (m) to enter, or cause to be entered, into any agreement or execute any document required by or consistent with this Plan and perform all of the Debtors' obligations under this Plan;
- (n) to abandon, or cause to be abandoned, in any commercially reasonable manner any assets of the Debtors that the Liquidating Trustee reasonably concludes are burdensome or of inconsequential value and benefit to the Liquidating Trust without any need for Bankruptcy Court approval;
- (o) to prepare and file post-Effective Date operating reports;
- (p) to file, prosecute and/or settle objections to Proofs of Claim filed in the Chapter 11 Cases;
- (q) to take all other actions not inconsistent with the provisions of this Plan which the Liquidating Trustee deems reasonably necessary or desirable in connection with the administration and consummation of this Plan; and
- (r) to exercise such other powers as may be vested in the Liquidating Trustee by order of the Bankruptcy Court.

On and after the Effective Date, the Liquidating Trustee may exercise any of the foregoing powers without any further order of the Bankruptcy Court provided the Liquidating Trustee acts in conformity with this Plan, the Liquidating Trust Agreement (which includes, among other things, limitations on the Liquidating Trustee's discretion to take certain action without approval of the Liquidating Trust Oversight Committee) and any applicable orders of the Bankruptcy Court.

On the Effective Date, the Debtors shall transfer to the Liquidating Trustee the Debtors' evidentiary privileges, including the attorney/client privilege, solely as they relate to Causes of Action not otherwise released pursuant to this Plan. This Plan shall be considered a motion pursuant to sections 105, 363 and 365 of the Bankruptcy Code for such relief. Upon such transfer, the Debtors and the Estates shall have no other further rights or obligations with respect thereto. Privileged communications may be shared among the Liquidating Trustee and the Liquidating Trust Oversight Committee without compromising the privileged nature of such communications, in accordance with the "joint interest" doctrine.

F. The Liquidating Trust Oversight Committee

The Committee shall choose a minimum of three individuals to serve as members of the Liquidating Trust Oversight Committee, which shall have the responsibility to review and advise the Liquidating Trustee with respect to the liquidation and distribution of the Liquidating Trust Assets in accordance with the Liquidating Trust Agreement and this Plan. The Debtors or the Committee shall file a notice identifying the members of the Liquidating Trust Oversight Committee in the Plan Supplement. Vacancies on the Liquidating Trust Oversight Committee shall be filled by a Person designated by the remaining member or members of the Liquidating Trust Oversight Committee from among the Holders of General Unsecured Claims, Guaranteed Claims and Coldwater/Aspenwood Claims, and the Liquidating Trust Oversight Committee shall use reasonable efforts to maintain such composition of the members of the Liquidating Trust Oversight Committee as existed prior to the resignation of such member. The Liquidating Trustee shall have the authority to seek an order from the Bankruptcy Court removing or replacing members of the Liquidating Trust Oversight Committee for cause. Any successor appointed pursuant to this section shall become fully vested with all of the rights, powers, duties and obligations of his or her predecessor. For the avoidance of doubt, no member of the Liquidating Trust Oversight Committee shall be compensated for serving as a member of the Liquidating Trust Oversight Committee, *provided, however*, that such members may be reimbursed from the Liquidation Trust for reasonable out of pocket expenses (excluding professional fees and related costs, if any).

Pursuant to the Liquidating Trust Agreement, the Liquidating Trustee will need the consent of the Liquidating Trust Oversight Committee before pursuing any potential Avoidance Actions under section 547 of the Bankruptcy Code.

G. Liability of Liquidating Trustee, Liquidating Trust Oversight Committee; Indemnification

Neither the Liquidating Trustee, the Liquidating Trust Oversight Committee, their respective members, designees or professionals, or any duly designated agent or representative of the Liquidating Trustee or the Liquidating Trust Oversight Committee, nor their respective

employees, shall be liable for the act or omission of any other member, designee, agent, or representative of such Liquidating Trustee or Liquidating Trust Oversight Committee, nor shall such Liquidating Trustee, or any member of the Liquidating Trust Oversight Committee, be liable for any act or omission taken or omitted to be taken in its capacity as Liquidating Trustee, or as a member of the Liquidating Trust Oversight Committee, respectively, other than for specific acts or omissions resulting from such Liquidating Trustee's or such member's willful misconduct, gross negligence, or fraud. The Liquidating Trustee shall be entitled to enjoy all of the rights, powers, immunities and privileges applicable to a chapter 7 trustee and the Liquidating Trust Oversight Committee shall be entitled to enjoy all of the rights, powers, immunities and privileges of an official committee of unsecured creditors. The Liquidating Trustee, or the Liquidating Trust Oversight Committee, may, in connection with the performance of its functions, and in its sole and absolute discretion, consult with its attorneys, accountants, financial advisors and agents, 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, regardless of whether such advice or opinions are provided in writing. Notwithstanding such authority, neither the Liquidating Trustee nor the Liquidating Trust Oversight Committee shall be under any obligation to consult with its attorneys, accountants, financial advisors or agents, and their determination not to do so shall not result in the imposition of liability on the Liquidating Trustee or Liquidating Trust Oversight Committee or their respective members and/or designees, unless such determination is based on willful misconduct, gross negligence, or fraud. The Liquidating Trust shall indemnify and hold harmless the Liquidating Trustee, the Liquidating Trust Oversight Committee and their members, 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 reasonable attorneys' fees, disbursements, and related expenses) which such parties may incur or to which such parties may become subject in connection with any action, suit, proceeding or investigation brought by or threatened against such parties arising out of or due to their acts or omissions, or consequences of such acts or omissions, with respect to the implementation or administration of the Liquidating Trust or this Plan or the discharge of their duties under the Liquidating Trust Agreement; *provided, however*, that no such indemnification will be made to such persons for actions or omissions as a result of willful misconduct, gross negligence, or fraud. Persons dealing with the Liquidating Trustee shall look only to the Liquidating Trust Assets to satisfy any liability incurred by the Liquidating Trustee or the Liquidating Trust Oversight Committee to such person in carrying out the terms of the Liquidating Trust Agreement, and neither the Liquidating Trustee nor the Liquidating Trust Oversight Committee shall have any personal obligation to satisfy any such liability.

H. Disputed Claims Reserve

The Liquidating Trustee shall maintain a Disputed Claims Reserve pending allowance or disallowance of Disputed Claims, and withhold such Cash from Distributions to Holders of Allowed General Unsecured Claims, Guaranteed Claims, and Coldwater/Aspenwood Claims. Upon the Final Distribution Date, the Liquidating Trustee shall distribute any Cash remaining in any Disputed Claims Reserve to Holders of Allowed Claims in accordance with the respective priorities set forth in this Plan.

I. Abandonment, Disposal and/or Destruction of Records

The Liquidating Trustee shall be authorized pursuant to section 554 of the Bankruptcy Code, in its sole discretion, without any further notice to any party or action, order or approval of the Bankruptcy Court, to abandon, dispose of, or destroy in any commercially reasonable manner all originals and/or copies of any documents, books and records, including any electronic records, of the Debtors that are transferred to the Liquidating Trust and which the Liquidating Trustee reasonably concludes are burdensome or of inconsequential value and benefit to the Liquidating Trust.

J. Termination of the Liquidating Trust

The Liquidating Trust will terminate on the earlier of: (1) final liquidation, administration and distribution of the Liquidating Trust Assets in accordance with the terms of the Liquidating Trust Agreement and this Plan, and its full performance of all other duties and functions as set forth in the Liquidating Trust Agreement or this Plan; and (2) the fifth anniversary of the Effective Date. Notwithstanding the foregoing, multiple fixed term extensions of the Liquidating Trust can be obtained so long as Bankruptcy Court approval is obtained within six months before the expiration of the term of the Liquidating Trust and each extended term. The aggregate of all such extensions shall not exceed three years, unless the Liquidating Trustee receives a favorable ruling from the IRS that any further extension would not adversely affect the status of the Liquidating Trust as a liquidating trust within the meaning of section 301.7701-4(d) of the Treasury Regulations for federal income tax purposes. After (1) the Final Distributions pursuant to this Plan, (2) the filing by or on behalf of the Liquidating Trust of a certification of dissolution with the Bankruptcy Court and (3) any other action deemed appropriate by the Liquidating Trustee, the Liquidating Trust shall be deemed dissolved for all purposes without the necessity for any other or further actions.

K. Full and Final Satisfaction Against Liquidating Trust

On and after the Effective Date, the Liquidating Trust shall have no liability on account of any Claims or Interests except as set forth in this Plan and in the Liquidating Trust Agreement. All payments and all Distributions made by the Liquidating Trustee under this Plan shall be in full and final satisfaction, settlement, and release of and in exchange for all Claims or Interests against the Debtors.

L. Funding of this Plan

This Plan shall be funded with Cash on the Effective Date (prior to giving effect to the Liquidating Trust) and the Liquidating Trust Assets.

M. Modified Substantive Consolidation

This Plan shall serve as a motion by the Debtors seeking entry of an order substantively consolidating each of the Estates of the Debtors into a single consolidated Estate solely for the purposes of voting and Distributions under this Plan, subject to the incremental increase in the Allowed amount of each Class 4 Guaranteed Claim and Class 5 Coldwater/Aspenwood Claim as provided for by Articles III.C.4. and III.C.5. of this Plan. On and after the Effective Date, solely

for the purpose of Distributions under this Plan, (1) all assets and liabilities of the substantively consolidated Debtors will be deemed to be merged, (2) the obligations of each Debtor will be deemed to be the obligation of the substantively consolidated Debtors, (3) any Claims filed or to be filed in connection with any such obligations will be deemed Claims against the substantively consolidated Debtors, (4) each Claim filed in the Chapter 11 Case of any Debtor will be deemed filed against the Debtors in the consolidated Chapter 11 Cases in accordance with the substantive consolidation of the assets and liabilities of the Debtors, (5) all transfers, disbursements and distributions made under this Plan will be deemed to be made by the substantively consolidated Debtors and (6) except to the limited extent provided in Article III.C.4. hereof with respect to Distributions on account of Allowed Guaranteed Claims, all guarantees by a Debtor of the obligations of any other Debtor and any joint or several liability of any of the Debtors shall be deemed eliminated so that any Claim against any Debtor and any guarantee thereof executed by any other Debtor and any joint or several liability of any of the Debtors shall be deemed to be one obligation of the substantively consolidated Debtors. Holders of Allowed Claims in each Class shall be entitled to their share of assets available for distribution to such Class without regard to which Debtor was originally liable for such Claim.

The modified substantive consolidation effected pursuant to this section shall not (other than for purposes related to funding Distributions under the Plan) result in the merger or otherwise affect the separate legal existence of each Debtor, and shall not affect (1) defenses to any Claims and/or Causes of Action or requirements for any third party to establish mutuality in order to assert a right to setoff under section 553 of the Bankruptcy Code, (2) distributions out of any insurance policies or proceeds of such policies, (3) executory contracts or unexpired leases that were entered into during the Chapter 11 Cases or that have been or will be assumed or rejected or (4) the Liquidating Trust's ability to subordinate or otherwise challenge Claims on an entity by entity basis.

N. Coldwater Creek Name

From and after the Effective Date, the name of each Debtor shall be changed as set forth below without any further action of the Debtors or the Liquidating Trustee.

Existing Name	Post-Effective Date Name
Coldwater Creek Inc.	CWC Liquidation Inc.
Coldwater Creek U.S. Inc.	CWC U.S. Liquidation Inc.
CWC Rewards Inc.	CWC Rewards Liquidation Inc.
Coldwater Creek Merchandising & Logistics Inc.	CWC M&L Liquidation Inc.
Aspenwood Advertising Inc.	CWC Advertising Liquidation Inc.
Coldwater Creek The Spa Inc.	CWC Spa Liquidation Inc.

Existing Name	Post-Effective Date Name
Coldwater Creek Sourcing Inc.	CWC Sourcing Liquidation Inc.
CWC Sourcing LLC	CWC Sourcing Liquidation LLC

O. Direction to Parties

From and after the Effective Date, the Liquidating Trustee may apply to the Bankruptcy Court for an order directing any necessary party to execute or deliver or to join in the execution or delivery of any instrument required to effect a transfer of property contemplated by or necessary to effectuate this Plan, and to perform any other act, including the satisfaction of any Lien, that is necessary for the consummation of this Plan, pursuant to section 1142(b) of the Bankruptcy Code.

P. Winding Up Affairs

Following the Effective Date, the Debtors shall not engage in any business activities or take any actions, except those necessary to consummate this Plan and wind up the affairs of the Debtors, in each case as directed by and through the Liquidating Trustee.

Q. Title to Accounts

Title to all of the Debtors' bank, brokerage and other accounts shall vest in the Liquidating Trust, effective as of the Effective Date, without any further order of the Bankruptcy Court or further action on the part of any Person or Entity. On and after the Effective Date, all such accounts shall be deemed to be accounts in the name of the Liquidating Trust without any further action by any Person or Entity or any further order of the Bankruptcy Court.

R. Cancellation of Equity Interests

On the Effective Date, all Interests in the Debtors, and all agreements and other documents evidencing or creating rights of any Person or Entity against any of the Debtors related to or based upon any Interests, including any options or warrants to purchase Interests and any agreements or instruments obligating the Debtors to issue, transfer, redeem, make payment on or sell any Interests, shall be deemed cancelled and null and void without any further action or filing by the Debtors, the Liquidating Trustee or any other Person or Entity.

S. Effectuating Documents; Further Transactions

On and after the Effective Date, the Liquidating Trustee is authorized to and may issue, execute, deliver, file or record such contracts, instruments, releases and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement and further evidence the terms and conditions of this Plan without the need for any approvals, authorization or consents except those expressly required pursuant to this Plan.

T. Exemption from Certain Taxes and Fees

Pursuant to section 1146(a) of the Bankruptcy Code, any transfers of property pursuant hereto shall not be subject to any stamp tax, recording tax, personal property tax, real estate transfer tax, sales tax, use tax, privilege tax, or other similar tax or governmental assessment in the United States, and the Confirmation Order shall direct and be deemed to direct the appropriate federal, state or local governmental officials or agents to forgo the collection of any such tax or governmental assessment and to accept for filing and recordation instruments or other documents pursuant to such transfers of property without the payment of any such tax or governmental assessment. Such exemption specifically applies, without limitation, to (1) the creation of any mortgage, deed of trust, lien or other security interest; (2) the assuming or assuming and assigning of any contract, lease or sublease; (3) any transaction authorized by this Plan; (4) any sale of a Liquidating Trust Asset by the Liquidating Trust in furtherance of the Plan, including but not limited to any sale of personal or real property and (4) the making or delivery of any deed or other instrument of transfer under, in furtherance of or in connection with this Plan, including: (a) any merger agreements; (b) agreements of consolidation, restructuring, disposition, liquidation or dissolution; (c) deeds; (d) bills of sale; or (e) assignments executed in connection with any transaction occurring under this Plan.

ARTICLE V.

TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

A. Assumption and Rejection of Executory Contracts and Unexpired Leases

On the Effective Date, except as otherwise provided herein, or in any contract, instrument, release, indenture or other agreement or document entered into in connection with this Plan, Executory Contracts and Unexpired Leases shall be deemed rejected as of the Effective Date, unless such Executory Contract or Unexpired Lease: (1) was assumed, assumed and assigned or rejected previously by the Debtors; (2) previously expired or terminated pursuant to its own terms; (3) is the subject of a motion to assume or assume and assign Filed on or before the Confirmation Date; or (4) is identified as an Executory Contract or Unexpired Lease on the Assumed Executory Contracts and Unexpired Lease List.

Entry of the Confirmation Order shall constitute a Bankruptcy Court order approving the assumptions or rejections of such Executory Contracts or Unexpired Leases as set forth in this Plan and the Assumed Executory Contract and Unexpired Leases List, pursuant to sections 365(a) and 1123 of the Bankruptcy Code. Unless otherwise indicated herein, assumptions or rejections of Executory Contracts and Unexpired Leases pursuant to this Plan are effective as of the Effective Date. Each Executory Contract or Unexpired Lease assumed pursuant to this Plan or by Bankruptcy Court order but not assigned to a third party before the Effective Date shall re-vest in and be fully enforceable by the Liquidating Trustee in accordance with its terms, except as such terms may have been modified by the provisions of this Plan or any order of the Bankruptcy Court authorizing and providing for its assumption pursuant to section 365 of the Bankruptcy Code. Any motions to assume or assume and assign Executory Contracts or Unexpired Leases pending on the Effective Date shall be subject to approval by the Bankruptcy Court on or after the Effective Date by a Final Order.

B. Claims Based on Rejection of Executory Contracts or Unexpired Leases

Proofs of Claim with respect to Claims arising from the rejection of Executory Contracts or Unexpired Leases, if any, must be filed with the Bankruptcy Court within 30 days after the effective date of such rejection. Any Claims arising from the rejection of an Executory Contract or Unexpired Lease not Filed within such time will be automatically disallowed, forever barred from assertion and shall not be enforceable against the property to be distributed under this Plan without the need for any objection by the Liquidating Trustee or further notice to, or action, order or approval of the Bankruptcy Court. Claims arising from the rejection of the Debtors' Executory Contracts or Unexpired Leases shall be classified as General Unsecured Claims, Guaranteed Claims, or Coldwater/Aspenwood Claims, as applicable, and shall be treated in accordance with Article III of this Plan, as applicable.

Rejection Claims for which a Proof of Claim is not timely Filed will be forever barred from assertion against the Debtors, the Estates and the Debtors' property or the Liquidating Trustee unless otherwise ordered by the Bankruptcy Court or as otherwise provided herein.

C. Cure of Defaults for Executory Contracts and Unexpired Leases Assumed or Assumed and Assigned

Any monetary defaults under each Executory Contract and Unexpired Lease as reflected on the Assumed Executory Contracts and Unexpired Lease List, if any, shall be satisfied, pursuant to section 365(b)(1) of the Bankruptcy Code, by payment of the default amount in Cash on the Effective Date, subject to the limitations described below, or on such other terms as the parties to such Executory Contracts or Unexpired Leases may otherwise agree. In the event of a dispute regarding (1) the amount of any payments to cure such a default, (2) the ability of the Liquidating Trustee or any assignee to provide "adequate assurance of future performance" (within the meaning of section 365 of the Bankruptcy Code) under the Executory Contract or Unexpired Lease to be assumed or assumed and assigned or (3) any other matter pertaining to assumption, the cure payments required by section 365(b)(1) of the Bankruptcy Code shall be made following the entry of a Final Order or orders resolving the dispute and approving the assumption. At least ten days before the Confirmation Hearing, the Debtors shall distribute, or cause to be distributed, Cure Notices of proposed assumption and proposed amounts of Cure Claims to the applicable third parties. Any objection by a counterparty to an Executory Contract or Unexpired Lease to a proposed assumption or related cure amount must be Filed, served and actually received by the Debtors before the date of the Confirmation Hearing. Any counterparty to an Executory Contract or Unexpired Lease that fails to object timely to the proposed assumption or cure amount will be deemed to have assented to such assumption or cure amount; *provided, however*, the Debtors, with the consent of the Committee, shall have the right to alter, amend, modify or supplement the Assumed Executory Contracts and Unexpired Lease List, as identified in the Plan Supplement, through and including the Effective Date. To the extent that the Debtors, with the consent of the Committee, alter, amend, modify or supplement the Assumed Executory Contracts and Unexpired Lease List included in the Plan Supplement, the Debtors will provide notice to each counterparty to an affected Executory Contract or Unexpired Lease as soon as practicable but no later than five days after such decision.

Assumption of any Executory Contract or Unexpired Lease pursuant to this Plan or otherwise shall result in the full release and satisfaction of any Claims or defaults, whether monetary or nonmonetary, including defaults of provisions restricting the change in control or ownership interest composition or other bankruptcy-related defaults, arising under any assumed or assumed and assigned Executory Contract or Unexpired Lease at any time before the date the Debtors or the Debtors' agent, assume or assume and assign such Executory Contract or Unexpired Lease. Any Proofs of Claim Filed with respect to an Executory Contract or Unexpired Lease that has been assumed or assumed and assigned pursuant to this Plan or an order of the Bankruptcy Court shall be deemed disallowed and expunged, without further notice to or action, order or approval of the Bankruptcy Court.

D. Modifications, Amendments, Supplements, Restatements or Other Agreements

Unless otherwise provided in this Plan, each Executory Contract or Unexpired Lease that is assumed or assumed and assigned shall include all modifications, amendments, supplements, restatements or other agreements that in any manner affect such Executory Contract or Unexpired Lease, and Executory Contracts and Unexpired Leases related thereto, if any, including easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal and any other interests, unless any of the foregoing agreements has been previously rejected or repudiated or is rejected or repudiated under this Plan.

Modifications, amendments, supplements and restatements to prepetition Executory Contracts and Unexpired Leases that have been executed by the Debtors during the Chapter 11 Cases shall not be deemed to alter the prepetition nature of the Executory Contract or Unexpired Lease, or the validity, priority or amount of any Claims that may arise in connection therewith.

E. Reservation of Rights

Neither the exclusion nor inclusion of any Executory Contract or Unexpired Lease on the Assumed Executory Contracts and Unexpired Lease List, nor anything contained in this Plan, shall constitute an admission by the Debtors that any such contract or lease is in fact an Executory Contract or Unexpired Lease or that the Debtors have any liability thereunder. If there is a dispute regarding whether a contract or lease is or was executory or unexpired at the time of assumption or rejection, the Debtors or the Liquidating Trustee, as applicable, with the consent of the Committee or Liquidating Trust Oversight Committee, as applicable, shall have 28 days following entry of a Final Order resolving such dispute to alter their treatment of such contract or lease.

ARTICLE VI. PROVISIONS GOVERNING DISTRIBUTIONS

A. Timing and Calculation of Amounts to Be Distributed

Unless otherwise provided in this Plan, on each Distribution Date, each Holder of an Allowed Claim shall receive such distributions that this Plan provides for Allowed Claims in each applicable Class in accordance with Article III hereof. In the event that 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. If and to the extent that there are Disputed Claims, distributions on account of any such Disputed Claims shall be made pursuant to the provisions set forth in Article VII of this Plan. Except as otherwise provided in this Plan, Holders of Claims shall not be entitled to interest, dividends or accruals on the distributions provided for in this Plan, regardless of whether such distributions are delivered on or at any time after the Effective Date. The Liquidating Trustee shall have no obligation to recognize any transfer of Claims or Interests occurring on or after the Confirmation Date.

B. Disbursing Agent

Cash Distributions under this Plan shall be made (1) by the Debtors on the Effective Date solely with respect to Administrative Claims, Priority Tax Claims, Priority Non-Tax Claims and Other Secured Claims that are Allowed as of the Effective Date, and (2) by the Disbursing Agent on the First Distribution Date, Subsequent Distribution Dates, and the Final Distribution Date, as applicable, with respect to all other Distributions. The Disbursing Agent shall not be required to give any bond or surety or other security for the performance of its duties. As soon as reasonably practicable after the Effective Date, the Debtors shall provide the Liquidating Trustee with an accounting of all Distributions made by the Debtors on the Effective Date.

C. Rights and Powers of Disbursing Agent

1. Powers of the Disbursing Agent

The Disbursing Agent shall be empowered to: (a) effect all actions and execute all agreements, instruments and other documents necessary to perform its duties under this Plan; (b) make all distributions contemplated hereby; and (c) exercise such other powers as may be vested in the Disbursing Agent by order of the Bankruptcy Court, pursuant to this Plan, or as deemed by the Disbursing Agent to be necessary and proper to implement the provisions hereof.

2. Expenses Incurred on or After the Effective Date

Except as otherwise ordered by the Bankruptcy Court, the amount of any reasonable fees and out-of-pocket expenses incurred by the Disbursing Agent on or after the Effective Date (including taxes) and any reasonable compensation to the Disbursing Agent for services rendered shall be paid in Cash by the Liquidating Trustee from the Liquidating Trust Assets pursuant to the terms of the Liquidating Trust Agreement.

D. Delivery of Distributions and Undeliverable or Unclaimed Distributions

1. Delivery of Distributions

Except as otherwise provided in this Plan, distributions to Holders of Allowed Claims shall be made to holders of record as of the Distribution Record Date by the Disbursing Agent, as appropriate: (i) to the signatory set forth on any of the Proofs of Claim Filed by such Holder or other representative identified therein; (ii) at the addresses set forth in any written notice of address change delivered to the Debtors or the Notice, Claims and Balloting Agent prior to the Effective Date, or the Liquidating Trustee after the Effective Date, with respect to any Proof of

Claim; (iii) at the addresses reflected in the Schedules if no Proof of Claim has been Filed and the Debtors or the Notice, Claims and Balloting Agent prior to the Effective Date, or the Liquidating Trustee after the Effective Date, have not received a written notice of a change of address; or (iv) to the attention of any counsel that has appeared in the Chapter 11 Cases on the Holder's behalf. Subject to this Article VI, distributions under this Plan on account of Allowed Claims shall not be subject to levy, garnishment, attachment or like legal process, so that each Holder of an Allowed Claim shall have and receive the benefit of the distributions in the manner set forth in this Plan. The Disbursing Agent shall not incur any liability whatsoever on account of any distributions under this Plan except for gross negligence or willful misconduct.

2. Fractional Dollars; De Minimis Distributions

Notwithstanding any other provision of this Plan to the contrary, (a) the Disbursing Agent shall not be required to make Distributions or payments of fractions of dollars, and whenever any Distribution of a fraction of a dollar under the Plan would otherwise be required, the actual Distribution made may reflect a rounding of such fraction to the nearest whole dollar (up or down), with half dollars being rounded down and (b) the Disbursing Agent shall have no duty to make a Distribution on account of any Allowed Claim on a Distribution Date (i) if the aggregate amount of all Distributions authorized to be made on such date is less than \$50,000.00, in which case such Distributions shall be deferred to the next Distribution Date, (ii) if the amount to be distributed to that Holder on the particular Distribution Date is less than \$100.00, unless such Distribution constitutes the final Distribution to such Holder, or (iii) the amount of the final Distribution to such Holder is less than \$25.00, in which case such Distribution shall revert to the Liquidating Trust to be donated to a charitable institution to be chosen by the Liquidating Trustee. After final Distributions have been made in accordance with the terms of this Plan and the Liquidating Trust Agreement, if the amount of remaining cash is less than \$50,000.00, the Liquidating Trustee, after consultation with the Liquidating Trust Oversight Committee, may donate such amount to a charitable institution to be chosen by the Liquidating Trustee.

3. Undeliverable Distributions and Unclaimed Property

In the event that any Distribution to any Holder is returned as undeliverable, no distribution to such Holder shall be made unless and until the Disbursing Agent has been provided written notice of or has determined the then-current address of such Holder, at which time such Distribution shall be made to such Holder without interest; *provided, however*, that upon the expiration of 120 days after a Distribution is returned as undeliverable, such Distribution shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code and shall revert to the Liquidating Trust automatically and without need for a further order by the Bankruptcy Court (notwithstanding any applicable federal, provincial or state escheat, abandoned or unclaimed property laws to the contrary).

E. *Compliance with Tax Requirements*

In connection with this Plan, to the extent applicable, the Debtors or the Liquidating Trustee, as applicable, shall comply with all tax withholding and reporting requirements imposed on them by any Governmental Unit, and all distributions pursuant to this Plan shall be subject to such withholding and reporting requirements. Notwithstanding any provision in this Plan to the

contrary, the Disbursing Agent shall be authorized to take all actions necessary or appropriate to comply with such withholding and reporting requirements, including liquidating a portion of the distribution to be made under this Plan to generate sufficient funds to pay applicable withholding taxes, withholding distributions pending receipt of information necessary to facilitate such distributions or establishing any other mechanisms the Disbursing Agent believes are reasonable and appropriate. The Liquidating Trustee reserves the right to allocate all distributions made under this Plan in compliance with applicable wage garnishments, alimony, child support and other spousal awards, liens and encumbrances.

The Liquidating Trustee shall be authorized to require each Holder of a Claim to provide it with an executed Form W-9, Form W-8, or similar tax form as a condition precedent to being sent a Distribution. The Liquidating Trustee shall provide advance written notice of any such requirement to each Holder of a Claim affected thereby. The notice shall provide each Holder of a Claim with a minimum of 90 days after the date of mailing of such notice to provide an executed Form W-9, Form W-8 or similar tax form to the Liquidating Trustee and shall expressly state that a failure to provide such form within the stated period shall result in a forfeiture of the right to receive any Distribution under the Plan, that any such Distribution shall revert to the Liquidating Trust for distribution on account of other Allowed Claims and that the Claim of the Holder originally entitled to such Distribution shall be waived, discharged and forever barred without further order of the Bankruptcy Court. If a Holder of an Allowed Claim does not provide the Liquidating Trustee with an executed Form W-9, Form W-8 or similar tax form within the time period specified in such notice, or such later time period agreed to by the Liquidating Trustee in writing in its discretion, such Holder shall be deemed to have forfeited the right to receive any Distribution under the Plan, any such Distribution shall revert to the Liquidating Trust for distribution on account of other Allowed Claims and the Claim of the Holder originally entitled to such Distribution shall be waived, discharged and forever barred without further order of the Bankruptcy Court.

F. Allocations

Distributions in respect of Allowed Claims shall be allocated first to the principal amount of such Claims (as determined for federal income tax purposes) and then, to the extent the consideration exceeds the principal amount of the Claims, to any portion of such Claims for accrued but unpaid interest.

G. Setoffs and Recoupment

The Debtors or Liquidating Trustee may, but shall not be required to, setoff against or recoup from any Claim (for purposes of determining the Allowed amount of such Claim on which a distribution shall be made), any claims of any nature whatsoever that the Debtors or the Liquidating Trust may have against the Holder of such Claim, but neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by the Debtors or the Liquidating Trust of any such Claim the Debtors or the Liquidating Trust may have against the Holder of such Claim.

H. Claims Paid or Payable by Third Parties

1. Claims Paid by Third Parties

The Liquidating Trustee shall be authorized to reduce in full, or in part, as applicable, a Claim, and such Claim shall be disallowed without a Claim objection having to be Filed and without any further notice to or action, order or approval of the Bankruptcy Court, to the extent that the Holder of such Claim receives payment on account of such Claim from a party that is not a Debtor or the Liquidating Trustee.

2. Claims Payable by Third Parties

No distributions under this Plan shall be made on account of an Allowed Claim that is payable pursuant to one of the Debtors' insurance policies until the Holder of such Allowed Claim has exhausted all remedies with respect to such insurance policy. To the extent that one or more of the Debtors' insurers agrees to satisfy in full or in part a Claim (if and to the extent adjudicated by a court of competent jurisdiction), then immediately upon such insurers' agreement, the applicable portion of such Claim may be expunged without a Claims objection having to be Filed and without any further notice to or action, order or approval of the Bankruptcy Court.

3. Applicability of Insurance Policies

Except as otherwise provided in this Plan, distributions to Holders of Allowed Claims shall be in accordance with the provisions of any applicable insurance policy. Nothing contained in this Plan shall constitute or be deemed a waiver of any Cause of Action that the Debtors or any Entity may hold against any other Entity, including insurers under any policies of insurance, nor shall anything contained herein constitute or be deemed a waiver by such insurers of any defenses, including coverage defenses, held by such insurers.

**ARTICLE VII.
PROCEDURES FOR RESOLVING CONTINGENT,
UNLIQUIDATED AND DISPUTED CLAIMS**

A. Allowance of Claims

After the Effective Date, the Liquidating Trustee shall have and retain any and all rights and defenses that the Debtors had with respect to any Claim or Interest immediately before the Effective Date.

B. Claims Administration Responsibilities

Except as otherwise specifically provided in this Plan, after the Effective Date, the Liquidating Trustee shall have the authority: (1) in consultation with the Liquidating Trust Oversight Committee, to File, withdraw or litigate to judgment objections to Claims or Interests; (2) to settle or compromise any Disputed Claim (other than a Fee Claim) without any further notice to or action, order or approval by the Bankruptcy Court, subject to the consent of the Liquidating Trust Oversight Committee in the event such settlement or compromise would result

in an Allowed Claim in excess of \$200,000.00; and (3) to administer and adjust the Claims Register to reflect any such settlements or compromises without any further notice to or action, order or approval by the Bankruptcy Court.

C. Estimation of Claims

Before or after the Effective Date, subject to the consent of the Committee or Liquidating Trust Oversight Committee, as applicable, the Debtors or Liquidating Trustee, as applicable, may (but are not required to) at any time request that the Bankruptcy Court estimate any Disputed Claim that is contingent or unliquidated pursuant to section 502(c) of the Bankruptcy Code for any reason, regardless of whether any party previously has objected to such Claim or Interest or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court shall retain jurisdiction to estimate any such Claim or Interest, including during the litigation of any objection to any Claim or Interest or during the appeal relating to such objection. Notwithstanding any provision otherwise in this Plan, a Claim that has been expunged from the Claims Register, but that either is subject to appeal or has not been the subject of a Final Order, shall be deemed to be estimated at zero dollars, unless otherwise ordered by the Bankruptcy Court. In the event that the Bankruptcy Court estimates any contingent or unliquidated Claim or Interest, that estimated amount shall constitute a maximum limitation on such Claim or Interest for all purposes under this Plan (including for purposes of distributions), and the Liquidating Trustee may elect to pursue any supplemental proceedings to object to any ultimate distribution on such Claim or Interest.

D. Reserve for Disputed Administrative Claims

On and after the Effective Date, the Liquidating Trustee shall hold in the Disputed Claims Reserve, Cash in an aggregate amount sufficient to pay to each Holder of a Disputed Administrative, Priority Tax, Priority Non-Tax and Other Secured Claim, the amount of Cash that such Holder would have been entitled to receive under this Plan if such Claim had been an Allowed Claim on the Effective Date in an amount determined by the Liquidating Trustee in its reasonable discretion, with the consent of the Liquidating Trust Oversight Committee. For the avoidance of doubt, the amount reserved by the Liquidating Trustee pursuant to this Article VII.D shall not be deemed an admission as to the allowability or amount of any Claim in whole or in part.

E. Fee Claim Reserve

On and after the Effective Date, the Liquidating Trustee shall set aside and withhold from Distribution, Cash in an aggregate amount sufficient to pay all Fee Claims not paid as of the Effective Date, in an amount determined by the Liquidating Trustee in its reasonable discretion. For the avoidance of doubt, the amount reserved by the Liquidating Trustee pursuant to this Article VII.E shall not be deemed an admission as to the allowability or amount of any Claim in whole or in part.

F. Adjustment to Claims Without Objection

Any Claim or Interest that has been paid or satisfied, or any Claim or Interest that has been amended or superseded, cancelled or otherwise expunged (including pursuant to this Plan),

may be adjusted or expunged (including on the Claims Register, to the extent applicable) by the Liquidating Trustee without a Claims objection having to be Filed and without any further notice to or action, order or approval of the Bankruptcy Court.

G. Time to File Objections to Claims

Any objections to Claims shall be Filed on or before the Claims Objection Deadline. Multiple extensions of the Claims Objection Deadline may be requested by the Liquidating Trustee upon Motion filed with the Bankruptcy Court.

H. Disallowance of Claims

Except as otherwise provided herein, any Claims held by Entities against which a Debtor or the Liquidating Trustee has Filed a complaint seeking to recover property under section 542, 543, 550 or 553 of the Bankruptcy Code or to avoid a transfer under section 522(f), 522(h), 544, 545, 547, 548, 549 or 724(a) of the Bankruptcy Code, shall be deemed a Disputed Claim pursuant to section 502(d) of the Bankruptcy Code, and Holders of such Claims may not receive any distributions on account of such Claims until such time as such Causes of Action against that Entity have been settled or a Bankruptcy Court order with respect thereto has been entered and all sums due, if any, to the Debtors or the Liquidating Trust by that Entity have been turned over or paid to the Liquidating Trustee.

EXCEPT AS PROVIDED HEREIN OR OTHERWISE AGREED, ANY AND ALL PROOFS OF CLAIM FILED AFTER THE CLAIMS BAR DATE SHALL BE DEEMED DISALLOWED AND EXPUNGED AS OF THE EFFECTIVE DATE WITHOUT ANY FURTHER NOTICE TO OR ACTION, ORDER OR APPROVAL OF THE BANKRUPTCY COURT, AND HOLDERS OF SUCH CLAIMS MAY NOT RECEIVE ANY DISTRIBUTIONS ON ACCOUNT OF SUCH CLAIMS, UNLESS ON OR BEFORE THE CONFIRMATION DATE SUCH LATE CLAIM HAS BEEN DEEMED TIMELY FILED BY A FINAL ORDER.

I. Amendments to Claims

On or after the Effective Date, except as otherwise provided herein or in a prior order of the Bankruptcy Court, a Claim may not be Filed or amended without the prior authorization of the Bankruptcy Court or the Liquidating Trustee. Absent such authorization, any new or amended Claim Filed shall be deemed disallowed in full and expunged without any further action.

J. No Distributions Pending Allowance

If an objection to a Claim or portion thereof is Filed as set forth in Article VII.B, no payment or distribution provided under this Plan shall be made on account of such Claim or portion thereof unless and until such Disputed Claim becomes an Allowed Claim.

K. Distributions After Allowance

To the extent that a Disputed Claim ultimately becomes an Allowed Claim, distributions (if any) shall be made to the Holder of such Allowed Claim in accordance with the provisions of this Plan. As soon as practicable after the date that the order or judgment of the Bankruptcy Court allowing any Disputed Claim becomes a Final Order, the Disbursing Agent shall provide to the Holder of such Claim the distribution (if any) to which such Holder is then entitled under this Plan as of the Effective Date, without any interest to be paid on account of such Claim unless required under applicable bankruptcy law.

**ARTICLE VIII.
SETTLEMENT, RELEASE, INJUNCTION AND RELATED PROVISIONS**

A. Compromise and Settlement of Claims, Interests and Controversies

Pursuant to sections 363 and 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the distributions and other benefits provided pursuant to this Plan, the provisions of this Plan shall constitute a good faith compromise of all Claims, Interests and controversies relating to the contractual, legal and subordination rights that a Holder of a Claim may have with respect to any Allowed Claim or Interest or any distribution to be made on account of such Allowed Claim or Interest. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the compromise or settlement of all such Claims, Interests and controversies, as well as a finding by the Bankruptcy Court that such compromise or settlement is in the best interests of the Debtors, their Estates and Holders, and is fair, equitable and reasonable.

B. Release of Liens

Except as otherwise provided in this Plan or in any contract, instrument, release or other agreement or document created pursuant to this Plan, on the Effective Date and concurrently with the applicable distributions made pursuant to this Plan and, in the Case of a Secured Claim, satisfaction in full of the portion of the Secured Claim that is Allowed as of the Effective Date, all mortgages, deeds of trust, Liens, pledges or other security interests against any property of the Estates shall be fully released as to the collateral, and all of the right, title and interest of any Holder of such mortgages, deeds of trust, Liens, pledges or other security interests shall revert to the Debtors, and their successors and assigns.

C. Releases by the Debtors

ON THE EFFECTIVE DATE OF THIS PLAN AND TO THE FULLEST EXTENT AUTHORIZED BY APPLICABLE LAW, THE RELEASED PARTIES WILL BE EXPRESSLY, UNCONDITIONALLY, GENERALLY AND INDIVIDUALLY AND COLLECTIVELY RELEASED, ACQUITTED AND DISCHARGED BY THE DEBTORS AND THEIR ESTATES FROM ANY AND ALL ACTIONS, CLAIMS, OBLIGATIONS, RIGHTS, SUITS, DAMAGES, CAUSES OF ACTION, REMEDIES AND LIABILITIES WHATSOEVER, INCLUDING ANY DERIVATIVE CLAIMS ASSERTED ON BEHALF OF THE DEBTORS, WHETHER KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, MATURED OR UNMATURED, EXISTING OR HEREINAFTER ARISING, IN LAW,

EQUITY, CONTRACT, TORT OR OTHERWISE, BY STATUTE OR OTHERWISE, THAT THE DEBTORS, THE LIQUIDATING TRUSTEE, THE DEBTORS' ESTATES OR THEIR AFFILIATES (WHETHER INDIVIDUALLY OR COLLECTIVELY) OR ON BEHALF OF THE HOLDER OF ANY CLAIM OR INTEREST OR OTHER ENTITY, EVER HAD, NOW HAS OR HEREAFTER CAN, SHALL OR MAY HAVE, BASED ON OR RELATING TO, OR IN ANY MANNER ARISING FROM, IN WHOLE OR IN PART, THE DEBTORS, THE DEBTORS' LIQUIDATION, THE CHAPTER 11 CASES, THE PURCHASE, SALE OR RESCISSION OF THE PURCHASE OR SALE OF ANY SECURITY OF THE DEBTORS, THE SUBJECT MATTER OF, OR THE TRANSACTIONS OR EVENTS GIVING RISE TO, ANY CLAIM OR INTEREST THAT IS TREATED IN THIS PLAN, THE BUSINESS OR CONTRACTUAL ARRANGEMENTS BETWEEN THE DEBTORS AND ANY RELEASED PARTY, THE RESTRUCTURING OF CLAIMS AND INTERESTS BEFORE OR DURING THE CHAPTER 11 CASES, THE NEGOTIATION, FORMULATION OR PREPARATION OF THIS PLAN, THE PLAN SUPPLEMENT, THE DISCLOSURE STATEMENT OR RELATED AGREEMENTS, INSTRUMENTS OR OTHER DOCUMENTS OR ANY OTHER ACT OR OMISSION, TRANSACTION, AGREEMENT, EVENT OR OTHER OCCURRENCE RELATING TO THE DEBTORS TAKING PLACE ON OR BEFORE THE CONFIRMATION DATE OF THIS PLAN, EXCEPT FOR ANY CLAIMS AND CAUSES OF ACTION FOR ACTUAL FRAUD, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

D. Releases by Holders

ON THE EFFECTIVE DATE OF THIS PLAN AND TO THE FULLEST EXTENT AUTHORIZED BY APPLICABLE LAW, EACH HOLDER OF A CLAIM IN CLASSES 1 AND 2 AND EACH HOLDER OF CLAIMS IN CLASSES 3, 4 AND 5 THAT DOES NOT OPT OUT OF THE RELEASES PROVIDED FOR IN THIS ARTICLE VIII.D SHALL BE DEEMED TO HAVE EXPRESSLY, UNCONDITIONALLY, GENERALLY AND INDIVIDUALLY AND COLLECTIVELY, RELEASED AND ACQUITTED THE RELEASED PARTIES (INCLUDING THE RELEASED PARTIES PREDECESSORS, SUCCESSORS AND ASSIGNS, SUBSIDIARIES, AFFILIATES, MANAGED ACCOUNTS OR FUNDS, CURRENT AND FORMER OFFICERS, DIRECTORS, PRINCIPALS, SHAREHOLDERS, DIRECT AND INDIRECT EQUITY HOLDERS, MEMBERS, PARTNERS (GENERAL AND LIMITED), EMPLOYEES, AGENTS, ADVISORY BOARD MEMBERS, FINANCIAL ADVISORS, ATTORNEYS, ACCOUNTS, INVESTMENT BANKERS, CONSULTANTS, REPRESENTATIVES, MANAGEMENT COMPANIES, FUND ADVISORS AND OTHER PROFESSIONALS) AND THE RELEASED PARTIES FROM ANY AND ALL ACTIONS, CLAIMS, INTERESTS, OBLIGATIONS, RIGHTS, SUITS, DAMAGES, CAUSES OF ACTION, REMEDIES AND LIABILITIES WHATSOEVER, INCLUDING ANY DERIVATIVE CLAIMS ASSERTED ON BEHALF OF THE DEBTORS, WHETHER KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, MATURED OR UNMATURED, EXISTING OR HEREAFTER ARISING, IN LAW, EQUITY, CONTRACT, TORT OR OTHERWISE, THAT SUCH HOLDER (WHETHER INDIVIDUALLY OR COLLECTIVELY) EVER HAD, NOW HAS OR HEREAFTER CAN, SHALL OR MAY HAVE, BASED ON OR RELATING TO, OR IN ANY MANNER ARISING FROM, IN WHOLE OR IN PART, THE DEBTORS, THE DEBTORS' LIQUIDATION, THE CHAPTER 11 CASES, THE PURCHASE, SALE OR RESCISSION OF THE PURCHASE OR SALE OF ANY SECURITY OF THE DEBTORS, THE SUBJECT MATTER OF, OR THE

TRANSACTIONS OR EVENTS GIVING RISE TO, ANY CLAIM OR INTEREST THAT IS TREATED IN THIS PLAN, THE BUSINESS OR CONTRACTUAL ARRANGEMENTS BETWEEN THE DEBTORS AND ANY RELEASED PARTY, THE RESTRUCTURING OF CLAIMS AND INTERESTS BEFORE OR DURING THE CHAPTER 11 CASES, INCLUDING THE NEGOTIATION, FORMULATION OR PREPARATION OF THE PLAN SUPPORT AGREEMENT, THIS PLAN, THE DISCLOSURE STATEMENT, OR RELATED AGREEMENTS, INSTRUMENTS OR OTHER DOCUMENTS OR ANY OTHER ACT OR OMISSION, TRANSACTION, AGREEMENT, EVENT OR OTHER OCCURRENCE RELATING TO THE DEBTORS TAKING PLACE ON OR BEFORE THE CONFIRMATION DATE OF THIS PLAN, EXCEPT FOR (I) ANY CLAIMS AND CAUSES OF ACTION FOR ACTUAL FRAUD, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT AND (II) THE RIGHT TO RECEIVE DISTRIBUTIONS FROM THE DEBTORS AND THE LIQUIDATING TRUST ON ACCOUNT OF AN ALLOWED CLAIM AGAINST A DEBTOR PURSUANT TO THIS PLAN.

E. Liabilities to, and Rights of, Governmental Units

Nothing in this Plan or Confirmation Order shall discharge, release, or preclude: (1) any liability to a Governmental Unit that is not a Claim; (2) any Claim of a Governmental Unit arising on or after the Confirmation Date; (3) any liability to a Governmental Unit on the part of any Person or Entity other than the Debtors or Liquidating Trustee; (4) any valid right of setoff or recoupment by a Governmental Unit; or (5) any criminal liability. Nothing in this Plan or Confirmation Order shall enjoin or otherwise bar any Governmental Unit from asserting or enforcing, outside the Bankruptcy Court, any liability described in the preceding sentence. The discharge and injunction provisions contained in this Plan and Confirmation Order are not intended and shall not be construed to bar any Governmental Unit from, after the Confirmation Date, pursuing any police or regulatory action.

F. Exculpation

EXCEPT AS OTHERWISE SPECIFICALLY PROVIDED IN THIS PLAN OR PLAN SUPPLEMENT, NO EXCULPATED PARTY SHALL HAVE OR INCUR, AND EACH EXCULPATED PARTY IS HEREBY RELEASED AND EXCULPATED FROM ANY EXCULPATED CLAIM OR LIABILITY FOR ANY EXCULPATED CLAIM, EXCEPT FOR GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. THE DEBTORS AND THE COMMITTEE (AND THEIR RESPECTIVE AFFILIATES, AGENTS, DIRECTORS, OFFICERS, EMPLOYEES, ADVISORS AND ATTORNEYS) HAVE PARTICIPATED IN COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE BANKRUPTCY CODE WITH REGARD TO THE SOLICITATION AND DISTRIBUTIONS PURSUANT TO THIS PLAN AND, THEREFORE, ARE NOT, AND ON ACCOUNT OF SUCH DISTRIBUTIONS SHALL NOT BE, LIABLE AT ANY TIME FOR THE VIOLATION OF ANY APPLICABLE LAW, RULE OR REGULATION GOVERNING THE SOLICITATION OF ACCEPTANCES OR REJECTIONS OF THIS PLAN OR SUCH DISTRIBUTIONS MADE PURSUANT TO THIS PLAN.

G. Injunction

FROM AND AFTER THE EFFECTIVE DATE, ALL ENTITIES ARE PERMANENTLY ENJOINED FROM COMMENCING OR CONTINUING IN ANY MANNER, ANY CAUSE OF ACTION RELEASED OR TO BE RELEASED PURSUANT TO THIS PLAN OR THE CONFIRMATION ORDER.

FROM AND AFTER THE EFFECTIVE DATE, TO THE EXTENT OF THE RELEASES AND EXCULPATION GRANTED IN ARTICLE VIII, THE DEBTORS AND HOLDERS OF CLAIMS OR INTERESTS SHALL BE PERMANENTLY ENJOINED FROM COMMENCING OR CONTINUING IN ANY MANNER AGAINST THE RELEASED PARTIES AND THE EXCULPATED PARTIES AND THEIR ASSETS AND PROPERTIES, AS THE CASE MAY BE, ANY SUIT, ACTION OR OTHER PROCEEDING, ON ACCOUNT OF OR RESPECTING ANY CLAIM, DEMAND, LIABILITY, OBLIGATION, DEBT, RIGHT, CAUSE OF ACTION, INTEREST OR REMEDY RELEASED OR TO BE RELEASED PURSUANT TO ARTICLE VIII.

EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS PLAN, THE PLAN SUPPLEMENT OR RELATED DOCUMENTS, OR IN OBLIGATIONS ISSUED PURSUANT TO THIS PLAN, ALL ENTITIES WHO HAVE HELD, HOLD OR MAY HOLD CLAIMS OR INTERESTS THAT HAVE BEEN RELEASED OR DISCHARGED PURSUANT TO ARTICLE VIII.C OR ARTICLE VIII.D, OR ARE SUBJECT TO EXCULPATION PURSUANT TO ARTICLE VIII.F ARE PERMANENTLY ENJOINED, FROM AND AFTER THE EFFECTIVE DATE, FROM TAKING ANY OF THE FOLLOWING ACTIONS: (1) COMMENCING OR CONTINUING IN ANY MANNER ANY ACTION OR OTHER PROCEEDING OF ANY KIND ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH CLAIMS OR INTERESTS; (2) ENFORCING, ATTACHING, COLLECTING OR RECOVERING BY ANY MANNER OR MEANS ANY JUDGMENT, AWARD, DECREE OR ORDER AGAINST SUCH ENTITIES ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH CLAIMS OR INTERESTS; (3) CREATING, PERFECTING OR ENFORCING ANY ENCUMBRANCE OF ANY KIND AGAINST SUCH ENTITIES OR THE PROPERTY OR ESTATE OF SUCH ENTITIES ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH CLAIMS OR INTERESTS; AND (4) COMMENCING OR CONTINUING IN ANY MANNER ANY ACTION OR OTHER PROCEEDING OF ANY KIND ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH CLAIMS OR INTERESTS RELEASED OR SETTLED PURSUANT TO THIS PLAN.

THE RIGHTS AFFORDED IN THIS PLAN AND THE TREATMENT OF ALL CLAIMS AND INTERESTS HEREIN SHALL BE IN EXCHANGE FOR AND IN COMPLETE SATISFACTION OF CLAIMS AND INTERESTS OF ANY NATURE WHATSOEVER, INCLUDING ANY INTEREST ACCRUED ON CLAIMS FROM AND AFTER THE PETITION DATE, AGAINST THE DEBTORS OR ANY OF THEIR ASSETS, PROPERTY OR ESTATES. ON THE EFFECTIVE DATE, ALL SUCH CLAIMS AGAINST THE DEBTORS SHALL BE FULLY RELEASED AND THE INTERESTS SHALL BE CANCELLED.

EXCEPT AS OTHERWISE EXPRESSLY PROVIDED FOR HEREIN OR IN OBLIGATIONS ISSUED PURSUANT HERETO FROM AND AFTER THE EFFECTIVE DATE, ALL CLAIMS SHALL BE FULLY RELEASED, AND THE INTERESTS SHALL BE CANCELLED, AND THE DEBTORS' LIABILITY WITH RESPECT THERETO SHALL BE EXTINGUISHED COMPLETELY, INCLUDING ANY LIABILITY OF THE KIND SPECIFIED UNDER SECTION 502(G) OF THE BANKRUPTCY CODE.

ALL ENTITIES SHALL BE PRECLUDED FROM ASSERTING AGAINST THE DEBTORS, THE ESTATES, THE LIQUIDATING TRUSTEE, EACH OF THEIR RESPECTIVE SUCCESSORS AND ASSIGNS AND EACH OF THEIR ASSETS AND PROPERTIES, ANY OTHER CLAIMS OR INTERESTS BASED UPON ANY DOCUMENTS, INSTRUMENTS OR ANY ACT OR OMISSION, TRANSACTION OR OTHER ACTIVITY OF ANY KIND OR NATURE THAT OCCURRED BEFORE THE EFFECTIVE DATE.

H. No Discharge

Notwithstanding any other provision of this Plan, pursuant to section 1141(d)(3) of the Bankruptcy Code, the Debtors shall not receive a discharge.

I. Reservation of Causes of Action/Reservation of Rights

Except with respect to the exculpation in Article VIII.F of this Plan and the releases in Article VIII.B of this Plan, nothing contained in this Plan shall be deemed to be a waiver or the relinquishment of any Causes of Action that the Debtors or the Liquidating Trust, as applicable, may have or may choose to assert against any Person.

In accordance with section 1123(b) of the Bankruptcy Code, and except where such Causes of Action have been expressly released in this Plan or the Global Settlement Agreement, the Liquidating Trustee shall retain and may enforce all rights to commence and pursue, as appropriate, any and all Causes of Action, whether arising before or after the Petition Date, including any actions specifically enumerated in any supplemental documents, and the Liquidating Trustee's rights to commence, prosecute, or settle such Causes of Action shall be preserved notwithstanding the occurrence of the Effective Date. The Liquidating Trustee may pursue such Causes of Action, as appropriate, in accordance with the best interests of the Liquidating Trust Beneficiaries. No Entity may rely on the absence of a specific reference in the Plan or the Disclosure Statement to any Cause of Action against them as any indication that the Debtors or the Liquidating Trustee, as applicable, will not pursue any and all available Causes of Action against them. Except with respect to Causes of Action as to which the Debtors have released any Entity on or prior to the Effective Date in accordance with a Final Order of the Bankruptcy Court, the Debtors or the Liquidating Trustee, as applicable, expressly reserve all rights to prosecute any and all Causes of Action against any Entity. Unless any Causes of Action against an Entity is expressly waived, relinquished, exculpated, released, compromised, or settled in the Plan, Global Settlement Agreement or a Bankruptcy Court order, the Liquidating Trustee expressly reserves all Causes of Action, for later adjudication, and, therefore, no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppels (judicial, equitable or otherwise), or laches, shall apply to such Causes of Action upon, after, or as a consequence of the Confirmation or Consummation of this Plan.

Without limiting the foregoing, and except where such Causes of Action have been expressly released in this Plan or the Global Settlement Agreement, the Liquidating Trustee may pursue (1) all Avoidance Actions including, without limitation, claims for the recovery of preferential transfers pursuant to sections 547 and 550 of the Bankruptcy Code, (2) actions to collect accounts receivable and any other amounts due to the Debtors' Estates, (3) tax refunds or other claims held by the Debtors' Estates, and (4) potential recoveries in connection with the Payment Card Interchange Fee and Merchant Discount Antitrust Litigation, Case Number 05-MD-1720 (JG) (JO), pending in the United States District Court for the Eastern District of New York, in each case whether or not such payment, transfer, action or claim is specified in the Debtors' Schedules.

J. Term of Injunctions or Stays

Unless otherwise provided in this Plan or in the Confirmation Order, all injunctions or stays in effect in the Chapter 11 Cases pursuant to sections 105 or 362 of the Bankruptcy Code or any order of the Bankruptcy Court, and extant on the Confirmation Date (excluding any injunctions or stays contained in this Plan or the Confirmation Order), shall remain in full force and effect until the Effective Date. All injunctions or stays contained in this Plan or the Confirmation Order shall remain in full force and effect in accordance with their terms.

**ARTICLE IX.
CONDITIONS PRECEDENT TO CONFIRMATION
AND CONSUMMATION OF THIS PLAN**

A. Conditions Precedent to Confirmation

It shall be a condition to Confirmation that all provisions, terms and conditions hereof are approved in the Confirmation Order.

B. Conditions Precedent to the Effective Date

It shall be a condition to the Effective Date of this Plan that the following conditions shall have been satisfied or waived pursuant to the provisions of Article IX.C hereof:

1. The Confirmation Order (a) shall have been duly entered and be a Final Order and (b) shall be in form and substance otherwise reasonably acceptable to the Committee.
2. Any amendments, modifications or supplements to this Plan (including the Plan Supplement), if any, shall be acceptable to the Committee.
3. All actions, documents, certificates and agreements necessary to implement this Plan shall have been effected or executed and delivered to the required parties and, to the extent required, Filed with the applicable Governmental Units in accordance with applicable laws.
4. The Confirmation Order shall, among other things, provide that all transfers of property by the Debtors (a) to the Liquidating Trust (i) are or shall be legal, valid, and effective transfers of property, (ii) vest or shall vest the Liquidating Trust with good title to such property free and clear of all liens, charges, claims, encumbrances or interests, except as expressly

provided in the Plan or Confirmation Order, (iii) do not and shall not constitute voidable transfers under the Bankruptcy Code or under applicable non-bankruptcy law, (iv) shall be exempt from any transfer, sales, stamp or other similar tax (which exemption shall also apply to the transfers by the Liquidating Trust) and (v) do not and shall not subject the Liquidating Trustee or Holders of Claims to any liability by reason of such transfer under the Bankruptcy Code or under applicable non-bankruptcy law, including, without limitation, any laws affecting successor or transferee liability and (b) to Holders of Claims under the Plan are for good consideration and value.

5. All actions and transfers and all agreements, instruments, or other documents necessary to implement the terms and provisions of this Plan, including all transfers to the Liquidating Trust, shall have been effected or executed and delivered, as applicable, in form and substance satisfactory to the Debtors and the Committee.

6. The Liquidating Trustee shall have been appointed and the Liquidating Trust Agreement shall have been executed.

7. The Debtors shall have completed all going out of business sales at the Debtors' business locations pursuant to the Store Closing Approval Order.

C. Waiver of Conditions

The conditions to Confirmation and to Consummation set forth in this Article IX may be waived by the Debtors, with the consent of the Committee, without notice, leave or order of the Bankruptcy Court or any formal action other than proceeding to confirm or consummate this Plan; *provided, however*, that the condition that the Debtors shall have completed all going out of business sales at the Debtors' business locations pursuant to the Store Closing Approval Order cannot be waived without the consent of the GOB Agent.

D. Effect of Failure of Conditions

If the Consummation of this Plan does not occur, this Plan shall be null and void in all respects and nothing contained in this Plan or the Disclosure Statement shall: (1) constitute a waiver or release of any Claims by the Debtors, any Holders or any other Entity; (2) prejudice in any manner the rights of the Debtors, any Holders or any other Entity; or (3) constitute an admission, acknowledgment, offer or undertaking by the Debtors, any Holders or any other Entity in any respect.

ARTICLE X.

MODIFICATION, REVOCATION OR WITHDRAWAL OF THIS PLAN

A. Modification and Amendments

Except as otherwise specifically provided in this Plan, the Debtors, with the consent of the Committee, reserve the right to modify this Plan, whether such modification is material or immaterial, and seek Confirmation consistent with the Bankruptcy Code. Subject to certain restrictions and requirements set forth in section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019 (as well as those restrictions on modifications set forth in this Plan), the

Debtors, with the consent of the Committee, expressly reserve their respective rights to revoke or withdraw, to alter, amend or modify this Plan with respect to any Debtor, one or more times, after Confirmation, and, to the extent necessary, may initiate proceedings in the Bankruptcy Court to so alter, amend or modify this Plan, or remedy any defect or omission or reconcile any inconsistencies in this Plan, the Disclosure Statement or the Confirmation Order, in such matters as may be necessary to carry out the purposes and intent of this Plan.

B. Effect of Confirmation on Modifications

Entry of the Confirmation Order shall mean that all modifications or amendments to this Plan since the solicitation thereof are approved pursuant to section 1127(a) of the Bankruptcy Code and do not require additional disclosure or re-solicitation under Bankruptcy Rule 3019.

C. Revocation or Withdrawal of Plan

The Debtors, with the consent of the Committee, reserve the right to revoke or withdraw this Plan before the Confirmation Date and to file subsequent plans. If the Debtors, with the consent of the Committee, revoke or withdraw this Plan, or if Confirmation or Consummation does not occur, then, subject to the terms of the Global Settlement Agreement: (1) this Plan shall be null and void in all respects; (2) any settlement or compromise embodied in this Plan (including the fixing or limiting to an amount certain of the Claims or Interests or Class of Claims or Interests), assumption or rejection of Executory Contracts or Unexpired Leases effected by this Plan, and any document or agreement executed pursuant to this Plan, shall be deemed null and void; and (3) nothing contained in this Plan shall: (a) constitute a waiver or release of any Claims or Interests; (b) prejudice in any manner the rights of such Debtor, any Holder or any other Entity; or (c) constitute an admission, acknowledgement, offer or undertaking of any sort by such Debtor, any holder or any other Entity.

ARTICLE XI. RETENTION OF JURISDICTION

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, on and after the Effective Date, the Bankruptcy Court shall retain exclusive jurisdiction over all matters arising out of, or related to, the Chapter 11 Cases and this Plan pursuant to sections 105(a) and 1142 of the Bankruptcy Code, including jurisdiction to:

1. allow, disallow, determine, liquidate, classify, estimate or establish the priority, Secured or unsecured status, or amount of any Claim or Interest, including the resolution of any request for payment of any Administrative Claim and the resolution of any and all objections to the Secured or unsecured status, priority, amount or allowance of Claims or Interests;
2. decide and resolve all matters related to the granting and denying, in whole or in part, any applications for allowance of compensation or reimbursement of expenses to Professionals (including Fee Claims) authorized pursuant to the Bankruptcy Code or this Plan;
3. resolve any matters related to: (a) the assumption, assumption and assignment or rejection of any Executory Contract or Unexpired Lease to which a Debtor is party or with respect to which a Debtor may be liable and to hear, determine and, if necessary, liquidate, any

Claims arising therefrom, including Cure Claims pursuant to section 365 of the Bankruptcy Code; (b) any potential contractual obligation under any Executory Contract or Unexpired Lease that is assumed or assumed and assigned; (c) the Liquidating Trustee amending, modifying or supplementing, after the Effective Date, pursuant to Article V, the Executory Contracts and Unexpired Leases to be assumed, assumed and assigned or rejected or otherwise; and (d) any dispute regarding whether a contract or lease is or was executory, expired or terminated;

4. ensure that distributions to Holders of Allowed Claims are accomplished pursuant to the provisions of this Plan;

5. adjudicate, decide or resolve any motions, adversary proceedings, contested or litigated matters and any other matters, and grant or deny any applications involving a Debtor that may be pending on the Effective Date;

6. adjudicate, decide or resolve any and all matters related to section 1141 of the Bankruptcy Code;

7. enter and implement such orders as may be necessary or appropriate to execute, implement or consummate the provisions of this Plan and all contracts, instruments, releases, indentures and other agreements or documents created in connection with this Plan, the Plan Supplement or the Disclosure Statement;

8. enter and enforce any order for the sale of property pursuant to sections 363, 1123 or 1146(a) of the Bankruptcy Code;

9. Adjudicate, decide, or resolve any and all matters related to Causes of Action, whether commenced before or after the Confirmation Date;

10. resolve any cases, controversies, suits, disputes or Causes of Action that may arise in connection with Consummation, including interpretation or enforcement of this Plan or any Entity's obligations incurred in connection with this Plan;

11. issue injunctions, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any Entity with Consummation or enforcement of this Plan;

12. resolve any cases, controversies, suits, disputes or Causes of Action with respect to the releases, injunctions and other provisions contained in Article VIII, and enter such orders as may be necessary or appropriate to implement such releases, injunctions and other provisions;

13. resolve any cases, controversies, suits, disputes or Causes of Action with respect to the repayment or return of distributions and the recovery of additional amounts owed by the Holder of a Claim for amounts not timely repaid pursuant to Article VI.H.1;

14. enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked or vacated;

15. determine any other matters that may arise in connection with or relate to this Plan, the Disclosure Statement or the Confirmation Order;
16. enter an order or final decree concluding or closing any of the Chapter 11 Cases;
17. adjudicate any and all disputes arising from or relating to distributions under this Plan;
18. consider any modifications of this Plan, to cure any defect or omission or to reconcile any inconsistency in any Bankruptcy Court order, including the Confirmation Order;
19. determine requests for the payment of Claims entitled to priority pursuant to section 507 of the Bankruptcy Code;
20. hear and determine 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;
21. hear and determine matters concerning state, local and federal taxes in accordance with sections 346, 505 and 1146 of the Bankruptcy Code;
22. hear and determine all disputes involving the existence, nature, scope or enforcement of any exculpations, discharges, injunctions and releases granted in connection with and under this Plan, including under Article VIII;
23. enforce all orders previously entered by the Bankruptcy Court; and
24. hear any other matter not inconsistent with the Bankruptcy Code.

ARTICLE XII. MISCELLANEOUS PROVISIONS

A. Immediate Binding Effect

Subject to Article IX.B and notwithstanding Bankruptcy Rules 3020(e), 6004(h) or 7062 or otherwise, upon the occurrence of the Effective Date, the terms of this Plan and the Plan Supplement shall be immediately effective and enforceable and deemed binding upon the Debtors, the Liquidating Trustee and any and all Holders of Claims or Interests (irrespective of whether their Claims or Interests are deemed to have accepted this Plan), all Entities that are parties to or are subject to the settlements, compromises, releases, discharges and injunctions described in this Plan, each Entity acquiring property under this Plan and any and all non-Debtor parties to Executory Contracts and Unexpired Leases with the Debtors.

B. Additional Documents

On or before the Effective Date, the Debtors may File with the Bankruptcy Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of this Plan, which agreements and other documents shall be

in form and substance acceptable to the Committee. The Debtors or Liquidating Trustee, as applicable, and all Holders receiving distributions pursuant to this Plan and all other parties in interest may, from time to time, prepare, execute and deliver any agreements or documents and take any other actions as may be necessary or advisable to effectuate the provisions and intent of this Plan.

C. Dissolution of Statutory Committee

On the Effective Date, the Committee shall be dissolved and members thereof shall be released and discharged from all rights and duties from or related to the Chapter 11 Cases.

D. Reservation of Rights

Except as expressly set forth in this Plan, this Plan shall have no force or effect unless the Bankruptcy Court enters the Confirmation Order, and the Confirmation Order shall have no force or effect if the Effective Date does not occur. None of the Filing of this Plan, any statement or provision contained in this Plan or the taking of any action by any Debtor with respect to this Plan, the Disclosure Statement or the Plan Supplement shall be or shall be deemed to be an admission or waiver of any rights of any Debtor with respect to the Holders before the Effective Date.

E. Successors and Assigns

The rights, benefits and obligations of any Entity named or referred to in this Plan shall be binding on, and shall inure to the benefit of any heir, executor, administrator, successor or assign, Affiliate, officer, director, agent, representative, attorney, beneficiaries or guardian, if any, of each Entity.

F. Notices

To be effective, all notices, requests and demands to or upon the Debtors or the Liquidating Trustee shall be in writing. Unless otherwise expressly provided herein, any such notice, request or demand shall be deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile or e-mail transmission, when received and confirmed, addressed to the following:

If to the Debtors:

Shearman & Sterling LLP
599 Lexington Avenue
New York, New York 10022
Attention: Douglas P. Bartner and Jill Frizzley
Facsimile: (646) 848-4000
E-mail addresses: dbartner@shearman.com,
jfrizzley@shearman.com

- and -

Young Conaway Stargatt & Taylor, LLP

Rodney Square
1000 North King Street
Wilmington, Delaware 19801
Attention: Pauline K. Morgan
Facsimile: (302) 571-1253
E-mail address: pmorgan@ycst.com

If to the Liquidating Trustee:

As set forth in the Plan Supplement

After the Effective Date, the Liquidating Trustee may notify Entities entitled to receive documents pursuant to Bankruptcy Rule 2002 as of the Effective Date, that in order to continue to receive such documents, such Entities must File and serve on the Liquidating Trustee and its counsel a renewed request to receive documents pursuant to Bankruptcy Rule 2002. After the Effective Date, the Liquidating Trustee is authorized to limit the list of Entities receiving documents pursuant to Bankruptcy Rule 2002 to those Entities who have Filed such renewed requests.

G. Entire Agreement

Except as otherwise indicated, this Plan and the Plan Supplement supersede all previous and contemporaneous negotiations, promises, covenants, agreements, understandings and representations on such subjects, all of which have become merged and integrated into this Plan; *provided, however*, that nothing in this Plan shall supersede the Agency Agreement or the Global Settlement Agreement.

H. Exhibits

All exhibits and documents included in the Plan Supplement are incorporated into and are a part of this Plan as if set forth in full in this Plan. After the exhibits and documents are Filed, copies of such exhibits and documents shall be available upon written request to the Debtors' counsel at the address above or by downloading such exhibits and documents from the website of the Debtors' notice, claims and balloting agent at <http://cases.primeclerk.com/coldwater> or the Bankruptcy Court's website at www.deb.uscourts.gov. To the extent any exhibit or document is inconsistent with the terms of this Plan, unless otherwise ordered by the Bankruptcy Court, the non-exhibit or non-document portion of this Plan shall control.

I. Severability of Plan Provisions

If, before Confirmation, any term or provision of this Plan is held by the Bankruptcy Court to be invalid, void or unenforceable, the Bankruptcy Court shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of this Plan will remain in full force and effect and will in no way be affected,

impaired or invalidated by such holding, alteration or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of this Plan, as it may have been altered or interpreted in accordance with the foregoing, is: (1) valid and enforceable pursuant to its terms; (2) integral to this Plan and may not be deleted or modified without the Debtors' and the Committee's consent; and (3) non-severable and mutually dependent.

J. Votes Solicited in Good Faith

Upon entry of the Confirmation Order, the Debtors will be deemed to have solicited votes on this Plan in good faith and in compliance with the Bankruptcy Code and pursuant to section 1125(e) of the Bankruptcy Code.

K. Conflicts

Except as set forth in this Plan, to the extent that any provision of the Disclosure Statement, the Plan Supplement or any other order (other than the Confirmation Order) referenced in this Plan (or any exhibits, schedules, appendices, supplements or amendments to any of the foregoing), conflict with or are in any way inconsistent with any provision of this Plan, this Plan shall govern and control. To the extent there are any inconsistencies between this Plan and the Confirmation Order, the Confirmation Order shall govern and control.

[Remainder of page intentionally left blank.]

Dated: August 8, 2014
New York, New York

COLDWATER CREEK INC., on behalf of itself and
each of the other Debtors

By: /s/ James A. Bell
Name: James A. Bell
Title: President and Interim CEO

COUNSEL:

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*Co-Counsel to the Debtors and Debtors in
Possession*

Exhibit 2

Modified Plan Redline

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

-----X
:
:
In re: :
:
COLDWATER CREEK INC., *et al.*,¹ : Chapter 11
:
Debtors. : Case No. 14-10867 (BLS)
:
: (Jointly Administered)
:
-----X

**MODIFIED THIRD AMENDED JOINT PLAN OF LIQUIDATION OF COLDWATER
CREEK INC. AND ITS DEBTOR AFFILIATES PURSUANT
TO CHAPTER 11 OF THE BANKRUPTCY CODE**

Pauline K. Morgan (No. 3650)
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Co-Counsel to the Debtors

Dated: ~~August 8~~, September 15, 2014

¹ The Debtors in these proceedings (including the last four digits of their respective taxpayer identification numbers) are: Coldwater Creek Inc. (9266), Coldwater Creek U.S. Inc. (8831), Aspenwood Advertising, Inc. (7427), Coldwater Creek The Spa Inc. (7592), CWC Rewards Inc. (5382), Coldwater Creek Merchandising & Logistics Inc. (3904) and Coldwater Creek Sourcing Inc. (8530). Debtor CWC Sourcing LLC has the following Idaho organizational identification number: W38677. The Debtors' corporate headquarters is located at One Coldwater Creek Drive, Sandpoint, Idaho 83864.

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INTRODUCTION

Coldwater Creek Inc. and its debtor affiliates, as debtors and debtors in possession, propose this joint plan of liquidation² pursuant to chapter 11 of the Bankruptcy Code. This Plan constitutes a single chapter 11 plan for all of the Debtors and the classifications and treatment of Claims and Interests herein apply to all of the Debtors. Pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, this Plan incorporates a proposed compromise and settlement of potential litigation regarding certain issues, including, without limitation, the substantive consolidation of the Debtors' estates for the purposes set forth herein and the resolution of outstanding Claims against, and Interests in, the Debtors. The classifications of Claims and Interests set forth in Article III hereof shall be deemed to apply to all Debtors, unless otherwise specified.

This Plan provides for the liquidation and conversion of all of the Debtors' remaining assets to Cash and the Distribution of the net proceeds realized therefrom to creditors holding Allowed Claims in accordance with the relative priorities established in the Bankruptcy Code. This Plan contemplates the formation of a Liquidating Trust and the appointment of a Liquidating Trustee to, among other things, resolve Disputed Claims, implement the terms of this Plan and make Distributions in accordance with this Plan.

Holders of Claims and Interests should refer to the Disclosure Statement for a discussion of the Debtors' history, businesses, assets, results of operations and historical financial information, as well as a summary and description of this Plan.

ARTICLE I. DEFINED TERMS, RULES OF INTERPRETATION, COMPUTATION OF TIME AND GOVERNING LAW

A. Defined Terms

As used in this Plan, capitalized terms have the meanings ascribed to them below.

1. **"ABL Agent"** means Wells Fargo Bank, National Association, in its respective capacities as administrative agent and collateral agent under the ABL Credit Agreement.
2. **"ABL Claim"** means the Secured Claim derived from, based upon, relating to or arising from the ABL Credit Agreement.
3. **"ABL Credit Agreement"** means that certain Amended and Restated Senior Secured Credit Agreement dated as of May 16, 2011, as amended by that certain First Amendment to Amended and Restated Credit Agreement dated as of July 9, 2012 by and among Coldwater Creek U.S. Inc., as lead borrower, the other borrowers thereto, the guarantors party thereto, the lenders party thereto and the ABL Agent.
4. **"ABL Lender"** means Wells Fargo Bank, National Association, in its capacity as lender under the ABL Credit Agreement.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in Article I.A.

5. ***“Administrative Claim”*** means any Claim for costs and expenses of administration pursuant to sections 503(b), 507(a)(2), 507(b) or 1114(e)(2) of the Bankruptcy Code, including: (a) the actual and necessary costs and expenses incurred after the Petition Date and through the Effective Date of preserving the Estates and operating the businesses of the Debtors; (b) all fees and charges assessed against the Estates pursuant to section 1930 of chapter 123 of the Judicial Code; (c) all Fee Claims; (d) all requests for compensation or expense reimbursement for making a substantial contribution in the Chapter 11 Cases pursuant to sections 503(b)(3), (4) and (5) of the Bankruptcy Code; and (e) all Section 503(b)(9) Claims.

6. ***“Administrative Claims Bar Date”*** means the date by which all requests for payment of Administrative Claims (excluding Fee Claims and Section 503(b)(9) Claims) must be Filed and served on the Liquidating Trustee pursuant to the procedures specified in the Confirmation Order and the notice of entry of the Confirmation Order, which date shall be 30 days after the Effective Date.

7. ***“Affiliate”*** has the meaning set forth in section 101(2) of the Bankruptcy Code.

8. ***“Agency Agreement”*** means that certain Amended and Restated Agency Agreement between the Debtors and the GOB Agent dated as of May 2, 2014 and entered into in accordance with the Store Closing Approval Order.

9. ***“Allowed”*** means with respect to any Claim, except as otherwise provided herein: (a) a Claim that is scheduled by the Debtors as neither disputed, contingent nor unliquidated and for which no Proof of Claim, objection or request for estimation has been timely Filed on or before any applicable objection deadline (including the Claims Objection Deadline), if any, set by the Bankruptcy Court or the expiration of such other applicable period fixed by the Bankruptcy Court; (b) a Claim that is not a Disputed Claim on or before the Claims Objection Deadline (as the same may be extended from time to time) or has been allowed by a Final Order; (c) a Claim that has been estimated by the Bankruptcy Court for purposes of allowance in accordance with section 502(c) of the Bankruptcy Code; (d) a Claim that is allowed (i) pursuant to the terms of this Plan, (ii) in any stipulation that is approved by the Bankruptcy Court or (iii) pursuant to any contract, instrument, indenture or other agreement entered into or assumed in connection herewith; (e) a Claim that is allowed by the Liquidating Trustee in its reasonable discretion consistent with its authority set forth in this Plan; or (f) any Claim that is compromised, settled or otherwise resolved pursuant to the authority granted to the Debtors or the Liquidating Trustee, as the case may be, or pursuant to a Final Order of the Bankruptcy Court; *provided, however*, that Claims allowed solely for the purpose of voting to accept or reject this Plan pursuant to an order of the Bankruptcy Court shall not be considered “Allowed Claims” hereunder. Except for any Claim that is expressly Allowed herein, any Claim that has been or is hereafter listed in the Schedules as contingent, unliquidated or disputed and for which no Proof of Claim has been Filed is not considered Allowed and shall be deemed disallowed upon the later of entry of the Confirmation Order or the applicable Claims Bar Date.

10. ***“Aspenwood”*** means Aspenwood Advertising, Inc., a Debtor.

11. ***“Assumed Executory Contract and Unexpired Lease List”*** means the list (as may be amended), if any, as determined by the Debtors or the Debtors’ agent, with the consent of the

Committee, of Executory Contracts and Unexpired Leases (including any amendments or modifications thereto) that will be assumed or assumed and assigned pursuant to the provisions of Article V and which shall be included in the Plan Supplement.

12. “**Avoidance Actions**” means any and all Causes of Action to avoid a transfer of property or an obligation incurred by the Debtor pursuant to any applicable section of the Bankruptcy Code, including sections 544, 545, 547, 548, 549, 550, 551, 553(b), and 724(a) of the Bankruptcy Code or under similar or related state or federal statutes and common law, including fraudulent transfer or conveyance laws.

13. “**Bankruptcy Code**” means chapter 11 of title 11 of the United States Code.

14. “**Bankruptcy Court**” means the United States Bankruptcy Court for the District of Delaware having jurisdiction over the Chapter 11 Cases or any other court having jurisdiction over the Chapter 11 Cases, including, to the extent of the withdrawal of the reference under 28 U.S.C. § 157, the United States District Court for the District of Delaware.

15. “**Bankruptcy Rules**” means the Federal Rules of Bankruptcy Procedure promulgated under section 2075 of the Judicial Code and the general, local and chambers rules of the Bankruptcy Court.

16. “**Bar Date Order**” means the *Order (I) Establishing Bar Dates for Filing Proofs of Prepetition Claims, Including Section 503(b)(9) Claims, and (II) Approving the Form and Manner of the Notice Thereof* [Docket No. 349].

17. “**Business Day**” means any day, other than a Saturday, Sunday or “legal holiday” (as defined in Bankruptcy Rule 9006(a)(6)).

18. “**Cash**” means the legal tender of the United States of America.

19. “**Causes of Action**” means any action, claim, cause of action, controversy, demand, right, Lien, indemnity, guaranty, suit, obligation, liability, damage, judgment, account, defense, offset, power, privilege, license and franchise of any kind or character whatsoever, known, unknown, contingent or non-contingent, matured or unmatured, suspected or unsuspected, liquidated or unliquidated, disputed or undisputed, secured or unsecured, assertable directly or derivatively, whether arising before, on or after the Petition Date, in contract or in tort, in law or in equity, or pursuant to any other theory of law. Causes of Action also include: (a) any right of setoff, counterclaim or recoupment and any claim for breaches of duties imposed by law or in equity; (b) the right to object to Claims or Interests; (c) any claim pursuant to sections 362 of the Bankruptcy Code; (d) Avoidance Actions; (e) any claim or defense including fraud, mistake, duress and usury and any other defenses set forth in section 558 of the Bankruptcy Code; and (f) any state law fraudulent transfer claim.

20. “**Chapter 11 Cases**” means (a) when used with reference to a particular Debtor, the case pending for that Debtor under chapter 11 of the Bankruptcy Code and (b) when used with reference to all Debtors, the procedurally consolidated chapter 11 cases pending for the Debtors in the Bankruptcy Court under Case number 14-10867 (BLS).

21. “**Claim**” means any claim, as such term is defined in section 101(5) of the Bankruptcy Code, against a Debtor.

22. “**Claims Bar Date**” means the dates established by the Bankruptcy Court by which Proofs of Claim must be Filed as set forth in the Bar Date Order.

23. “**Claims Objection Deadline**” means 180 days after the Effective Date, or (b) such later deadline for objecting to Claims as may be fixed by an order of the Bankruptcy Court upon motion Filed by the Liquidating Trustee.

24. “**Claims Register**” means the official register of Claims maintained by the Notice, Claims and Balloting Agent.

25. “**Class**” means a class of Claims or Interests as set forth in Article III hereof pursuant to section 1122(a) of the Bankruptcy Code.

26. “**Coldwater**” means Coldwater Creek Inc., a Debtor.

27. “**Coldwater/Aspenwood Claim**” means an Unsecured Claim against Coldwater or Aspenwood that is not a Guaranteed Claim.

28. “**Committee**” means the statutory committee of unsecured creditors appointed by the U.S. Trustee on April 23, 2014 in the Chapter 11 Cases pursuant to section 1102 of the Bankruptcy Code, as may be reconstituted from time to time.

29. “**Confirmation**” means the entry of the Confirmation Order on the docket of the Chapter 11 Cases, subject to all conditions specified in Article IX.A having been satisfied or waived pursuant to Article IX.C.

30. “**Confirmation Date**” means the date upon which the Bankruptcy Court enters the Confirmation Order on the docket of the Chapter 11 Cases, within the meaning of Bankruptcy Rules 5003 and 9021.

31. “**Confirmation Hearing**” means the confirmation hearing held by the Bankruptcy Court pursuant to section 1129 of the Bankruptcy Code, as such hearing may be continued from time to time.

32. “**Confirmation Order**” means the order of the Bankruptcy Court confirming this Plan pursuant to section 1129 of the Bankruptcy Code.

33. “**Consummation**” means the occurrence of the Effective Date.

34. “**Cure Claim**” means a Claim, if any, based upon a Debtor’s default under an Executory Contract or Unexpired Lease at the time such contract or lease is assumed or assumed and assigned by the Debtor, or the Debtors’ agent, pursuant to section 365 of the Bankruptcy Code.

35. “**Cure Notice**” means a notice, if any, of a proposed amount to be paid on account of a Cure Claim in connection with an Executory Contract or Unexpired Lease to be assumed or assumed and assigned by the Debtors, or the Debtors’ agent, under this Plan pursuant to section 365 of the Bankruptcy Code.

36. “**Debtor**” means one or more of the Debtors, as debtors and debtors in possession, each in its respective individual capacity as a debtor and debtor in possession in the Chapter 11 Cases.

37. “**Debtors**” means, collectively: (a) Coldwater; (b) U.S. Inc.; (c) The Spa; (d) M&L; (e) Aspenwood; (f) Rewards; (g) Sourcing; and (h) Sourcing LLC.

38. “**DIP Agent**” means Wells Fargo Bank, National Association, in its respective capacities as administrative agent and collateral agent under the DIP Facility Credit Agreement, together with its respective successors and assigns in such capacities.

39. “**DIP Facility**” means that senior secured superpriority debtor-in-possession credit facility, comprised of a revolving credit facility in an aggregate amount that, when aggregated with the revolving exposure outstanding under the ABL Credit Agreement, shall not exceed \$75,000,000.

40. “**DIP Facility Claim**” means any Claim derived from, based upon, relating to or arising from the DIP Facility Credit Agreement.

41. “**DIP Facility Credit Agreement**” means the agreement governing the DIP Facility, dated as of April 10, 2014 among the Debtors, the DIP Agent and the DIP Lender (as amended, restated, supplemented or otherwise modified from time to time), as well as any other documents entered into in connection therewith.

42. “**DIP Facility Lenders**” means the banks, financial institutions and other lenders party to the DIP Facility Credit Agreement from time to time.

43. “**DIP Order**” means the *Final Order (I) Authorizing Postpetition Financing, (II) Granting Liens and Proving Super Priority Administrative Expense Priority, (III) Authorizing Use of Cash Collateral, (IV) Granting Adequate Protection to Prepetition Secured Lenders, (V) Modifying the Automatic Stay and (VI) Scheduling a Final Hearing* [Docket No. 573], authorizing, *inter alia*, the Debtors to enter into the DIP Facility Credit Agreement and incur postpetition obligations thereunder.

44. “**Disbursing Agent**” means (1) the Liquidating Trustee or the Entity or Entities selected by the Liquidating Trustee, with the consent of the Liquidating Trust Oversight Committee, to make or facilitate Distributions contemplated under this Plan, and (2) the Debtors solely with respect to Distributions that are required to be made on the Effective Date to Holders of Administrative Claims, Priority Tax Claims, Priority Non-Tax Claims and Other Secured Claims that are Allowed as of the Effective Date.

45. “**Disclosure Statement**” means the *Third Amended Disclosure Statement for the Third Amended Joint Plan of Liquidation of Coldwater Creek Inc. and its Debtor Affiliates*

Pursuant to Chapter 11 of the Bankruptcy Code, dated August 8, 2014 as amended, supplemented or modified from time to time, including all exhibits and schedules thereto and references therein that relate to this Plan, and that is prepared and distributed in accordance with the Bankruptcy Code, the Bankruptcy Rules and any other applicable law.

46. **"Disputed"** means, with respect to any Claim or Interest, any Claim or Interest that is (a) disputed under this Plan or subject to a timely objection and/or request for estimation in accordance with section 502(c) of the Bankruptcy Code and Bankruptcy Rule 3018, which objection and/or request for estimation has not been withdrawn or determined by a Final Order, (b) improperly asserted, by the untimely or otherwise improper filing of a Proof of Claim as required by order of the Bankruptcy Court or (c) that is ~~disallowed~~ the subject of a Filed objection or adversary proceeding seeking to disallow such Claim pursuant to section 502(d) of the Bankruptcy Code. A Claim or Administrative Claim that is Disputed as to its amount shall not be Allowed in any amount for purposes of distribution until it is no longer a Disputed Claim.

47. **"Disputed Claims Reserve"** means a reserve, which may be held in a segregated account, for the payment of Disputed Claims that become Allowed Claims after the Effective Date, which reserve shall be held in trust and maintained by the Liquidating Trustee for the benefit of the Holders of Disputed Claims.

48. **"Distribution"** means any distribution provided for in this Plan to Holders of Allowed Claims in full or partial satisfaction of such Allowed Claims.

49. **"Distribution Dates"** means, collectively, the First Distribution Date, any Subsequent Distribution Date and the Final Distribution Date.

50. **"Distribution Record Date"** means the date that is the Confirmation Date.

51. **"Effective Date"** means the date selected by the Debtors, with the consent of the Committee, that is a Business Day after the Confirmation Date on which (a) the conditions to the occurrence of the Effective Date have been met or waived pursuant to Article IX.B and Article IX.C and (b) no stay of the Confirmation Order is in effect.

52. **"Entity"** means an entity as such term is defined in section 101(15) of the Bankruptcy Code.

53. **"Estate"** means, as to each Debtor, the estate created for the Debtor in its Chapter 11 Case pursuant to section 541 of the Bankruptcy Code.

54. **"Exculpated Claim"** means any Claim related to any act or omission derived from, based upon, related to or arising from ~~the Debtors' in or out of court restructuring efforts,~~ the Chapter 11 Cases, the liquidation of assets, formulation, preparation, dissemination, negotiation, filing, confirmation, approval, implementation or administration of the Plan Support Agreement, the Global Settlement Agreement, the Disclosure Statement, this Plan (including any term sheets related thereto), the property to be distributed under this Plan or any contract, instrument, release or other agreement or document created or entered into in connection with the Plan Support Agreement, Disclosure Statement, this Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation and Consummation and the administration and implementation of this

Plan, or the distribution of property under this Plan or any other related agreement. For the avoidance of doubt, the term "Exculpated Claim" does not include any Avoidance Actions or other Causes of Action against any Entity that is not a Released Party.

55. **"Exculpated Party"** means each of: (a) the Debtors; (b) the Committee; and (c) ~~with respect to the Debtors and the Committee, their predecessors, successors and assigns, subsidiaries, affiliates, beneficial owners, managed accounts or funds, Debtors' current and former officers, directors, principals, shareholders, direct and indirect equity holders, members, partners (general and limited), employees, agents, advisory board members, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, management companies, fund advisors and other Professionals and directors;~~ (c) the Committee; (d) each member of the Committee in its capacity as such; and (e) Professionals retained by the Debtors and the Committee.

56. **"Executory Contract"** means a contract to which one or more of the Debtors is a party and that is subject to assumption or rejection under section 365 of the Bankruptcy Code.

57. **"Federal Judgment Rate"** means the federal judgment rate in effect as of the Petition Date.

58. **"Fee Claim"** means an Administrative Claim under sections 328, 330, 331, 503 or 1103 of the Bankruptcy Code for compensation of a Professional or other Person, for services rendered in the Chapter 11 Cases on or prior to the Effective Date (including the reasonable expenses of the members of the Committee incurred in the discharge of their duties as such, but specifically excluding the fees and expenses incurred by the professionals and advisors to the DIP Agent, the ABL Agent, the Term Loan Agent and the Term Loan Lenders, which fees and expenses incurred on or prior to the Effective Date shall be paid pursuant to the terms of the DIP Order as modified by the Global Settlement Agreement).

59. **"Fee Claims Reserve"** means a reserve, which may be held in a segregated account, for the payment of Fee Claims that become Allowed Claims after the Effective Date, which reserve shall be held in trust and maintained by the Liquidating Trustee for the benefit of the Holders of Fee Claims.

60. **"File"** or **"Filed"** means file or filed with the Bankruptcy Court or its authorized designee in the Chapter 11 Cases.

61. **"Final Distribution Date"** means the date when, (a) in the reasonable judgment of the Liquidating Trustee, with the consent of the Liquidating Trust Oversight Committee, substantially all of the assets of the Liquidating Trust have been liquidated and there are no substantial potential sources of additional Cash for Distribution, (b) there remain no Disputed Claims and (c) the Liquidating Trustee distributes all remaining Cash held by the Liquidating Trust to the Holders of Liquidating Trust Interests in accordance with this Plan and the Liquidating Trust Agreement.

62. **"Final Order"** means, as applicable, an order or judgment of the Bankruptcy Court or other court of competent jurisdiction with respect to the relevant subject matter, which has not been reversed, stayed, modified or amended, and as to which the time to appeal or seek

certiorari has expired and no appeal or petition for certiorari has been timely taken, or as to which any appeal that has been taken or any petition for certiorari that has been or may be filed has been resolved by the highest court to which the order or judgment could be appealed or from which certiorari could be sought or the new trial, reargument or rehearing shall have been denied, resulted in no modification of such order or has otherwise been dismissed with prejudice.

63. ***"First Distribution Date"*** means, the Effective Date or the date occurring as soon as practicable after the Effective Date on which the initial Distributions are made to Holders of Allowed Claims entitled to receive distributions from the Liquidating Trust in accordance with Article III of this Plan.

64. ***"General Unsecured Claim"*** means an Unsecured Claim, including any claim arising from the rejection of an Unexpired Lease or Executory Contract, but excluding any Coldwater/Aspenwood Claim, Guaranteed Claim, or Intercompany Claim.

65. ***"Global Settlement Agreement"*** means that certain Global Settlement Agreement dated July 10, 2014 approved by the Bankruptcy Court pursuant to the Order, Pursuant to section 105(a) of the Bankruptcy Code and Bankruptcy Rule 9019, Approving Global Settlement Agreement [Docket No. 734].

66. ***"GOB Agent"*** means the joint venture of Hilco Merchant Resources, LLC and Gordon Brothers Retail Partners, LLC.

67. ***"Guaranteed Claim"*** means an Unsecured Claim against any Debtor that is (a) guaranteed by another Debtor pursuant to a valid written guarantee executed by such Debtor and (b) evidenced by timely Filed Proofs of Claim against (i) the Debtor that is the primary obligor and (ii) the Debtor that is the guarantor; excluding, for the avoidance of doubt, any ABL Claim, DIP Facility Claim or Term Loan Claim.

68. ***"Holder"*** means any Entity holding, or deemed to be holding under applicable law the beneficial or economic interest or rights in, a Claim or Interest.

69. ***"Impaired"*** means, with respect to a Class of Claims or Interests, a Class of Claims or Interests that is impaired within the meaning of section 1124 of the Bankruptcy Code.

70. ***"Intercompany Claim"*** means any Claim held by a Debtor or non-debtor Affiliate against another Debtor.

71. ***"Intercompany Interest"*** means an Interest in a Debtor held by another Debtor or non-debtor Affiliate.

72. ***"Interests"*** means any equity security in a Debtor as defined in section 101(16) of the Bankruptcy Code, including all issued, unissued, authorized or outstanding shares of capital stock of the Debtors together with any warrants, options or other rights to purchase or acquire such equity securities at any time and all rights arising with respect thereto.

73. ***"Interim Compensation Order"*** means the *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Retained Professionals* [Docket No. 449].

74. ***"Judicial Code"*** means title 28 of the United States Code, 28 U.S.C. §§ 1–4001.

75. ***"Lien"*** means a lien as defined in section 101(37) of the Bankruptcy Code.

76. ***"Liquidating Trust"*** means the liquidating trust established by this Plan and described in Article IV of this Plan and the Liquidating Trust Agreement.

77. ***"Liquidating Trust Agreement"*** means the agreement establishing and delineating the terms and conditions of the Liquidating Trust filed as part of the Plan Supplement.

78. ***"Liquidating Trust Assets"*** means all property and assets of the Debtors remaining after payment of Administrative Claims, Priority Tax Claims, Priority Non-Tax Claims and Other Secured Claims that are Allowed as of the Effective Date, including without limitation, all Cash and Cash equivalents, all Claims and Causes of Action (including any Avoidance Actions) not otherwise released pursuant to this Plan, the Debtors' books and records, and other remaining assets of the Debtors, which shall vest in the Liquidating Trust on the Effective Date.

79. ***"Liquidating Trust Interests"*** means the uncertificated beneficial interests in the Liquidating Trust representing the right of each Holder of an Allowed General Unsecured Claim, Allowed Guaranteed Claim, or Allowed Coldwater/Aspenwood Claim, to receive Cash distributions from the Liquidating Trust in accordance with the terms of this Plan.

80. ***"Liquidating Trust Beneficiaries"*** means the Holders of Allowed General Unsecured Claims, Allowed Guaranteed Claims and Allowed Coldwater/Aspenwood Claims under this Plan, whether or not such Claims are Allowed as of the Effective Date.

81. ***"Liquidating Trust Oversight Committee"*** means the committee appointed pursuant to Article IV of this Plan to oversee the activities of the Liquidating Trust and the Liquidating Trustee.

82. ***"Liquidating Trustee"*** means the Person appointed to act as trustee of the Liquidating Trust in accordance with the terms of this Plan, the Confirmation Order, and the Liquidating Trust Agreement, or any successor appointed in accordance with the terms of this Plan and the Liquidating Trust Agreement.

83. ***"M&L"*** means Coldwater Creek Merchandising & Logistics Inc., a Debtor.

84. ***"Notice, Claims and Balloting Agent"*** means Prime Clerk LLC.

85. ***"Ordinary Course Professional Order"*** means the *Order Authorizing the Employment and Compensation of Certain Professionals in the Ordinary Course of Business* [Docket No. 329].

86. **"Other Secured Claim"** means any Secured Claim that is not a DIP Facility Claim, an ABL Claim or a Term Loan Claim.

87. **"Person"** means a person as such term as defined in section 101(41) of the Bankruptcy Code.

88. **"Petition Date"** means April 11, 2014, the date on which each of the Debtors commenced the Chapter 11 Cases.

89. **"Plan"** means this Modified Third Amended Joint Plan of Liquidation of Coldwater Creek Inc. and its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code, dated August 8, 2014 including the Plan Supplement (as modified, amended or supplemented from time to time), which is incorporated herein by reference.

90. **"Plan Supplement"** means the compilation of documents and forms of documents, schedules and exhibits to this Plan (including, without limitation, the Liquidating Trust Agreement and any other documents governing the Liquidating Trust) to be Filed, with the consent of the Committee, no later than seven days before the Voting Deadline, on notice to parties in interest, and additional documents, if any, Filed before the Effective Date as supplements or amendments to the Plan Supplement. The Debtors, with the consent of the Committee, shall have the right to amend the documents contained in, and exhibits to, the Plan Supplement through the Effective Date; *provided*, that any amendments to the Plan Supplement may be made only in accordance with section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019.

91. **"Plan Support Agreement"** means the agreement, effective as of April 11, 2014 by and among the Debtors, the Term Loan Lenders and the ABL Agent, pursuant to which such parties agreed (subject to certain conditions specified therein) to support this Plan.

92. **"Priority Non-Tax Claims"** means any Claim, other than an Administrative Claim or a Priority Tax Claim, entitled to priority in right of payment under section 507(a) of the Bankruptcy Code.

93. **"Priority Tax Claim"** means any Claim of the kind specified in section 507(a)(8) of the Bankruptcy Code.

94. **"Professional"** means an Entity: (a) employed pursuant to a Bankruptcy Court order in accordance with sections 327, 363 or 1103 of the Bankruptcy Code and to be compensated for services rendered before or on the Confirmation Date, pursuant to sections 327, 328, 329, 330, 331 and 363 of the Bankruptcy Code; or (b) awarded compensation and reimbursement by the Bankruptcy Court pursuant to section 503(b)(4) of the Bankruptcy Code.

95. **"Proof of Claim"** means a written proof of Claim Filed against any of the Debtors in the Chapter 11 Cases.

96. **"Pro Rata"** means the proportion that (a) an Allowed Claim in a particular Class bears to the aggregate amount of all Allowed Claims in that Class or (b) Allowed Claims in a particular Class bear to the aggregate amount of Allowed Claims in a particular Class and other

Classes entitled to share in the same recovery as such Allowed Claim under this Plan, *provided*, that, with respect to Holders of Class 4 Guaranteed Claims and Class 5 Coldwater/Aspenwood Claims, Pro Rata shall take into account the incremental increase in the Allowed amount of each such Claim solely for purposes of Distributions provided for by Articles III.C.4. and III.C.5. of this Plan.

97. ***"Rejection Claim"*** means a Claim arising from the rejection of an Executory Contract or Unexpired Lease pursuant to section 365 of the Bankruptcy Code.

98. ***"Rejection Procedures Order"*** means the *Order Establishing Procedures for the Rejection of Executory Contracts and Unexpired Leases of Nonresidential Real Property* [Docket No. 348].

99. ***"Released Party"*** means each of: (a) the Debtors; (b) the ABL Lender; (c) the ABL Agent; (d) the Term Loan Lenders; (e) the Term Loan Agent; (f) the DIP Facility Lenders; (g) the DIP Agent; (h) Holders of Series A Preferred Stock and/or any shares of common stock into which any such shares of Series A Preferred Stock have been converted; (i) CC Holdings Agency Corporation, CC Holdings of Delaware, LLC - Series A, and CC Holdings of Delaware, LLC - Series B, each in all respective capacities; and (j) with respect to the entities in clauses (a) through (i), such entity's predecessors, successors and assigns, subsidiaries, affiliates, beneficial owners, managed accounts or funds, current and former officers, directors, principals, shareholders, direct and indirect equity holders, members, partners (general and limited), employees, agents, advisory board members, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, management companies, fund advisors and other Professionals.

100. ***"Rewards"*** means CWC Rewards, Inc., a Debtor.

101. ***"Schedules"*** means, collectively, the schedules of assets and liabilities, schedules of Executory Contracts and Unexpired Leases and statements of financial affairs Filed by the Debtors [Docket Nos. 356, 357, 358, 359, 360, 361, 362 and 363] pursuant to section 521 of the Bankruptcy Code, as such schedules may be amended, modified or supplemented from time to time.

102. ***"Section 503(b)(9) Claim"*** means an Administrative Claim arising under section 503(b)(9) of the Bankruptcy Code.

103. ***"Secured"*** means when referring to a Claim: (a) secured by a Lien on property in which the Estate has an interest, which Lien is valid, perfected and enforceable pursuant to applicable law or by reason of a Bankruptcy Court order, or that is subject to setoff pursuant to section 553 of the Bankruptcy Code, to the extent of the value of the creditor's interest in the Estate's interest in such property or to the extent of the amount subject to setoff, as applicable, as determined pursuant to section 506(a) of the Bankruptcy Code; or (b) Allowed as such pursuant to this Plan.

104. ***"Securities Act"*** means the Securities Act of 1933, 15 U.S.C. §§ 77a-77aa, as amended, together with the rules and regulations promulgated thereunder.

105. "**Securities Exchange Act**" means the Securities Exchange Act of 1934, 15 U.S.C. §§ 78a-78nn, as amended.

106. "**Security**" means a security as defined in section 2(a)(1) of the Securities Act.

107. "**Series A Preferred Stock**" means any Convertible Series A Preferred Stock of Coldwater issued pursuant to that certain Certificate of Designation of Preferences of Convertible Series A Preferred Stock, that certain Stock Purchase and Investor Rights Agreement, dated as of July 9, 2012 and that certain Registration Rights Agreement, dated as of July 9, 2012.

108. "**Sourcing**" means Coldwater Creek Sourcing Inc., a Debtor.

109. "**Sourcing LLC**" means Coldwater Creek Sourcing LLC, a Debtor.

110. "**Store Closing Approval Order**" means the *Order (I) Authorizing Entry into Agency Agreement, (II) Authorizing Sale of Assets and Store Closing Sales and (III) Granting Related Relief* [Docket No. 355].

111. "**Subsequent Distribution Date**" means any date, as determined by the Liquidating Trustee, with the consent of the Liquidating Trust Oversight Committee, which is after the First Distribution Date and prior to the Final Distribution Date, on which the Liquidating Trustee commences a Distribution to Holders of Allowed Claims entitled to receive distributions from the Liquidating Trust in accordance with Article III of this Plan.

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

113. "**Term Loan Agent**" means CC Holdings Agency Corporation, in its capacities as administrative agent and collateral agent under the Term Loan Credit Agreement.

114. "**Term Loan Claims**" means the Secured Claims of the Term Loan Lenders.

115. "**Term Loan Credit Agreement**" means that certain Term Loan Agreement dated as of July 9, 2012 by and among Coldwater Creek U.S. Inc., as lead borrower, the other borrowers thereto, the guarantors party thereto, the Term Loan Lenders and the Term Loan Agent.

116. "**Term Loan Lenders**" means, collectively, CC Holdings of Delaware, LLC - Series A and CC Holdings of Delaware, LLC - Series B, in their capacity as lenders under the Term Loan Credit Agreement.

117. "**The Spa**" means Coldwater Creek The Spa Inc., a Debtor.

118. “*Unexpired Lease*” means a lease to which one or more of the Debtors is a party that is subject to assumption or rejection under section 365 of the Bankruptcy Code.

119. “*Unimpaired*” means, with respect to a Class of Claims or Interests, a Class of Claims or Interests that is not impaired within the meaning of section 1124 of the Bankruptcy Code.

120. “*Unsecured Claim*” means any Claim that is neither Secured nor entitled to priority under the Bankruptcy Code or an order of the Bankruptcy Court.

121. “*U.S. Inc.*” means Coldwater Creek U.S. Inc., a Debtor.

122. “*U.S. Trustee*” means the Office of the United States Trustee for the District of Delaware.

123. “*Voting Deadline*” means 4:00 p.m. (prevailing Eastern Time) on September 10, 2014.

B. Rules of Interpretation

1. General Rules of Interpretation

For purposes of this Plan: (a) in the appropriate context, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, feminine and the neuter gender; (b) any reference herein to a contract, lease, instrument, release, indenture or other agreement or document being in a particular form or on particular terms and conditions means that the referenced document shall be substantially in that form or substantially on those terms and conditions; (c) any reference herein to an existing document, schedule or exhibit, whether or not Filed, having been Filed or to be Filed shall mean that document, schedule or exhibit, as it may thereafter be amended, modified or supplemented; (d) any reference to an Entity as a holder of a Claim or Interest includes that Entity’s successors and assigns; (e) unless otherwise specified, all references herein to “Articles” are references to Articles hereof or hereto; (f) unless otherwise specified, all references herein to exhibits are references to exhibits in the Plan Supplement; (g) unless otherwise specified, the words “herein,” “hereof” and “hereto” refer to this Plan in its entirety rather than to a particular portion of this Plan; (h) subject to the provisions of any contract, certificate of incorporation, bylaw, instrument, release or other agreement or document entered into in connection with this Plan, the rights and obligations arising pursuant to this Plan shall be governed by, and construed and enforced in accordance with the applicable federal law, including the Bankruptcy Code and the Bankruptcy Rules; (i) captions and headings to Articles are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of this Plan; (j) unless otherwise specified herein, the rules of construction set forth in section 102 of the Bankruptcy Code shall apply; (k) all references to docket numbers of documents Filed in the Chapter 11 Cases are references to the docket numbers under the Bankruptcy Court’s CM/ECF system; (l) all references to statutes, regulations, orders, rules of courts and the like shall mean as amended from time to time, and as applicable to the Chapter 11 Cases, unless otherwise stated; and (m) any immaterial effectuating provisions may

be interpreted by the Liquidating Trustee in such a manner that is consistent with the overall purpose and intent of this Plan all without further Bankruptcy Court order.

2. Defined Terms Referring to Specific Debtors

Defined terms preceded by the name of a Debtor shall refer only to the defined term as applicable to that Debtor.

C. *Computation of Time*

Unless otherwise specifically stated herein, the provisions of Bankruptcy Rule 9006(a) shall apply in computing any period of time prescribed or allowed herein.

D. *Governing Law*

Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) or unless otherwise specifically stated, the laws of the State of New York, without giving effect to the principles of conflict of laws, shall govern the rights, obligations, construction and implementation of this Plan, any agreements, documents, instruments or contracts executed or entered into in connection with this Plan (except as otherwise set forth in those agreements, in which case the governing law of such agreement shall control); *provided, however*, that corporate governance matters relating to the Debtors or the Liquidating Trustee, as applicable, not incorporated in New York shall be governed by the laws of the state or province of incorporation of the applicable Debtor or the Liquidating Trustee, as applicable.

E. *Reference to Monetary Figures*

All references in this Plan to monetary figures shall refer to currency of the United States of America, unless otherwise expressly provided.

ARTICLE II.

ADMINISTRATIVE CLAIMS, DIP FACILITY, ABL CLAIMS AND PRIORITY TAX CLAIMS

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims, Term Loan Claims, DIP Facility Claims, ABL Claims and Priority Tax Claims have not been classified and, thus, are excluded from the Classes of Claims and Interests set forth in Article III.

A. *Administrative Claims*

1. Administrative Claims

Except with respect to Administrative Claims that are Fee Claims and except to the extent that a Holder of an Allowed Administrative Claim and the Debtors agree to less favorable treatment with respect to such Holder, each Holder of an Allowed Administrative Claim shall be paid in full in Cash on or as soon as reasonably practicable after the Effective Date. All U.S. Trustee fees due and owing under 28 U.S.C. 1930(a)(6) shall continue to accrue until the Chapter

11 Cases are closed, dismissed or converted. Notwithstanding the foregoing, no request for payment of an Administrative Claim need be Filed with respect to an Administrative Claim previously Allowed by Final Order.

2. Professional Compensation

(a) *Fee Claims*

Professionals asserting a Fee Claim for services rendered on or before the Effective Date must File and serve on the Debtors and such other Entities who are designated by the Bankruptcy Rules, the Confirmation Order, the Interim Compensation Order or any other applicable order of the Bankruptcy Court, an application for final allowance of such Fee Claim no later than 40 days after the Effective Date; *provided, however*, that any Professional who may receive compensation or reimbursement of expenses pursuant to the Ordinary Course Professional Order may continue to receive such compensation or reimbursement of expenses for services rendered before the Effective Date, without further Bankruptcy Court order, pursuant to the Ordinary Course Professional Order. Objections to any Fee Claim must be Filed and served on the Liquidating Trustee and the requesting party no later than 60 days after the Effective Date. For the avoidance of doubt, the fees and expenses incurred by the professionals and advisors to the DIP Agent, the ABL Agent, the Term Loan Agent, and the Term Loan Lenders shall be paid pursuant to the terms of the DIP Order as modified by the Global Settlement Agreement, and such parties shall not be required to file an application for allowance of such fees and expenses.

(b) *Post-Effective Date Fees and Expenses*

Except as otherwise specifically provided in this Plan, from and after the Effective Date, any requirement that Professionals comply with sections 327 through 331 and 1103 of the Bankruptcy Code in seeking retention or compensation for services rendered after such date shall terminate, and, subject to the terms of the Liquidating Trust Agreement, the Liquidating Trustee may employ and pay any Professional for services rendered or expenses incurred after the Effective Date in the ordinary course of business without any further notice to any party or action, order or approval of the Bankruptcy Court.

3. Administrative Claims Bar Date

Except as otherwise provided in this Article II.A, requests for payment of Administrative Claims must be Filed on or before the Administrative Claims Bar Date. Holders of Administrative Claims that are required to, but do not, File and serve a request for payment of such Administrative Claims by such date shall be forever barred, estopped and enjoined from asserting such Administrative Claims against the Debtors' property to be distributed under this Plan, the Liquidating Trust Assets or the Liquidating Trust. Objections to such requests, if any, must be Filed and served on the Liquidating Trustee and the requesting party no later than 60 days after the Effective Date, unless such objection deadline is extended by order of the Bankruptcy Court. Nothing in this Plan shall extend or be deemed to extend the deadline of June 13, 2014 previously fixed by the Bar Date Order for filing Section 503(b)(9) Claims.

B. Term Loan Claims

Pursuant to the Global Settlement Agreement, the Term Loan Claims were Allowed in the amount of \$90,739,670.15 and paid in full in Cash on July 23, 2014. Holders of Term Loan Claims shall not receive any further Distribution under this Plan, other than for reasonable expenses and Professional fees to the extent set forth in the DIP Order as modified by the Global Settlement Agreement.

C. DIP Facility and ABL Claims

The DIP Facility Claims and ABL Claims were previously paid in Cash in full and satisfied. Holders of DIP Facility Claims and ABL Claims shall not receive any Distributions under this Plan.

D. Priority Tax Claims

Except to the extent that a Holder of an Allowed Priority Tax Claim agrees to a less favorable treatment, in settlement and satisfaction of each Allowed Priority Tax Claim, each Holder of an Allowed Priority Tax Claim due and payable on or before the Effective Date shall receive, on or as soon as reasonably practicable after the Effective Date, at the option of the Debtors, with the consent of the Committee, one of the following treatments: (1) Cash in an amount equal to the amount of such Allowed Priority Tax Claim, plus interest at the rate determined under applicable nonbankruptcy law and to the extent provided for by section 511 of the Bankruptcy Code or (2) such other treatment as may be agreed upon by such Holder and the Debtors, with the consent of the Committee, or otherwise determined upon an order of the Bankruptcy Court.

E. Statutory Fees

On the Effective Date, the Debtors shall pay, in full in Cash, any fees due and owing to the U.S. Trustee at the time of Confirmation. On and after the Effective Date, the Liquidating Trustee shall pay the applicable U.S. Trustee fees with respect to each Debtor that accrue after the Confirmation Date until the earlier of entry of (1) a final decree closing such Debtor's Chapter 11 Case or (2) conversion or dismissal of such Debtor's Chapter 11 Case.

ARTICLE III.**CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS****A. Classification of Claims and Interests**

Pursuant to section 1122 of the Bankruptcy Code, set forth below is a designation of Classes of Claims and Interests. All Claims and Interests, except for Administrative Claims, DIP Facility Claims, ABL Claims and Priority Tax Claims, are classified in the Classes set forth in this Article III. A Claim or Interest is classified in a particular Class only to the extent that the Claim or Interest qualifies within the description of that Class and is classified in other Classes to the extent that any portion of the Claim or Interest qualifies within the description of such other Classes. A Claim also is classified in a particular Class for the purpose of receiving Distributions

pursuant to this Plan only to the extent that such Claim is an Allowed Claim in that Class and has not been paid, released or otherwise satisfied before the Effective Date.

B. Claims Against and Interests in the Debtors

1. Class 1 – Priority Non-Tax Claims
2. Class 2 – Other Secured Claims
3. Class 3 – General Unsecured Claims
4. Class 4 – Guaranteed Claims
5. Class 5 – Coldwater/Aspenwood Claims
6. Class 6 – Intercompany Claims
7. Class 7 – Intercompany Interests
8. Class 8 – Interests in Coldwater

C. Treatment of Claims and Interests in the Debtors

1. Class 1 – Priority Non-Tax Claims

(a) *Classification:* Class 1 consists of Priority Non-Tax Claims.

(b) *Treatment:* Except to the extent that a Holder of an Allowed Priority Non-Tax Claim agrees to a less favorable treatment, in exchange for settlement and satisfaction of each Allowed Priority Non-Tax Claim, each Holder of such Allowed Priority Non-Tax Claim shall be paid in full in Cash on or as soon as practicable after the Effective Date. Allowed Priority Non-Tax Claims shall be paid as soon as reasonably practicable after the reconciliation of all Disputed Priority Non-Tax Claims.

(c) *Voting:* Class 1 is Unimpaired and each Holder of a Class 1 Priority Non-Tax Claim is conclusively presumed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, Holders of Class 1 Priority Non-Tax Claims are not entitled to vote to accept or reject this Plan.

2. Class 2 – Other Secured Claims

(a) *Classification:* Class 2 consists of Other Secured Claims.

(b) *Treatment:* Except to the extent that a Holder of an Allowed Other Secured Claim agrees to a less favorable treatment, in exchange for settlement and satisfaction of each Allowed Other Secured Claim, each Holder of such Allowed Other Secured Claim shall receive one of the

following treatments, as determined by the Debtors, with the consent of the Committee: (i) payment in full in Cash on or as soon as practicable after the Effective Date, including the payment of any interest required to be paid under section 506(b) of the Bankruptcy Code; (ii) delivery of the collateral securing any such Allowed Other Secured Claim; or (iii) other treatment such that the Allowed Other Secured Claim shall be rendered Unimpaired.

(e) ~~Voting~~

(c) Voting: Class 2 is Unimpaired and each Holder of a Class 2 Other Secured Claim is conclusively presumed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, Holders of Class 2 Other Secured Claims are not entitled to vote to accept or reject this Plan.

3. Class 3 – General Unsecured Claims

(a) ~~Classification~~

(a) Classification: Class 3 consists of General Unsecured Claims.

(b) Treatment: Except to the extent that a Holder of an Allowed General Unsecured Claim agrees to a less favorable treatment, in exchange for settlement and satisfaction of each Allowed General Unsecured Claim, each Holder of an Allowed General Unsecured Claim shall receive its Pro Rata share (not to exceed the amount of such Allowed General Unsecured Claim) of the Liquidating Trust Interests issued on account of Liquidating Trust Assets on the Effective Date, representing the right of each Holder of an Allowed General Unsecured Claim to receive Cash Distributions from the Liquidating Trust.

(c) Voting: Class 3 is Impaired. Therefore, Holders of Class 3 General Unsecured Claims are entitled to vote to accept or reject this Plan.

4. Class 4 – Guaranteed Claims

(a) ~~Classification~~

(a) Classification: Class 4 consists of Guaranteed Claims.

(b) Treatment: Except to the extent that a Holder of an Allowed Guaranteed Claim agrees to a less favorable treatment, in exchange for settlement and satisfaction of each Allowed Guaranteed Claim, each Holder of an Allowed Guaranteed Claim shall receive its Pro Rata share (not to exceed the amount of such Allowed Guaranteed Claim) of the Liquidating Trust Interests issued on account of Liquidating Trust Assets on the Effective Date, representing the right of each Holder of an Allowed Guaranteed

Claim to receive Cash Distributions from the Liquidating Trust; *provided*, that, solely for purposes of Distributions under this Plan, each Allowed Guaranteed Claim shall be deemed to be increased by 65% of the Allowed amount of such Guaranteed Claim.

- (c) *Voting*: Class 4 is Impaired. Therefore, Holders of Class 4 Guaranteed Claims are entitled to vote to accept or reject this Plan.

5. Class 5 – Coldwater/Aspenwood Claims

- (a) *Classification*

- (a) *Classification*: Class 5 consists of Coldwater/Aspenwood Claims.

- (b) *Treatment*: Except to the extent that a Holder of an Allowed Coldwater/Aspenwood Claim agrees to a less favorable treatment, in exchange for settlement and satisfaction of each Allowed Coldwater/Aspenwood Claim, each Holder of an Allowed Coldwater/Aspenwood Claim shall receive its Pro Rata share (not to exceed the amount of such Allowed Coldwater/Aspenwood Claim) of the Liquidating Trust Interests issued on account of Liquidating Trust Assets on the Effective Date, representing the right of each Holder of an Allowed Coldwater/Aspenwood Claim to receive Cash Distributions from the Liquidating Trust; *provided*, that, solely for purposes of Distributions under this Plan, each Allowed Coldwater/Aspenwood Claim shall be deemed to be increased by 20% of the Allowed amount of such Coldwater/Aspenwood Claim.

- (c) *Voting*: Class 5 is Impaired. Therefore, Holders of Class 5 Coldwater/Aspenwood Claims are entitled to vote to accept or reject this Plan.

6. Class 6 – Intercompany Claims

- (a) *Classification*

- (a) *Classification*: Class 6 consists of Intercompany Claims.

- (b) *Treatment*: Holders of Intercompany Claims shall not receive any distribution on account of such Intercompany Claims. On the Effective Date, all Intercompany Claims shall be cancelled.

- (c) *Voting*: Holders of Intercompany Claims, as proponents of this Plan, are deemed to accept this Plan and are not entitled to vote to accept or reject this Plan.

7. Class 7 – Intercompany Interests

(a) ~~Classification~~

(a) Classification: Class 7 consists of Intercompany Interests.

(b) Treatment: Holders of Intercompany Interests shall not receive any distribution on account of such Intercompany Interests. On the Effective Date, Intercompany Interests shall be cancelled.

(c) Voting: Holders of Intercompany Interests, as proponents of this Plan, are deemed to accept this Plan and are not entitled to vote to accept or reject this Plan.

8. Class 8 – Interests in Coldwater

(a) ~~Classification~~

(a) Classification: Class 8 consists of Interests in Coldwater.

(b) Treatment: Holders of Interests in Coldwater shall not receive any distribution on account of such Interests. On the Effective Date, Intercompany Interests shall be cancelled.

(c) Voting: Class 8 is Impaired and each Holder of Class 8 Interests in Coldwater is conclusively presumed to have rejected this Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, Holders of Class 8 Interests in Coldwater are not entitled to vote to accept or reject this Plan

D. Special Provision Governing Claims that are Not Impaired

Except as otherwise provided in this Plan, nothing under this Plan shall affect the Debtors' rights in respect of any Claims that are not Impaired, including all rights in respect of legal and equitable defenses to or setoffs or recoupments against any such Claims that are not Impaired.

E. Acceptance or Rejection of this Plan

1. Voting Class

Class 3, Class 4 and Class 5 are Impaired and are entitled to vote to accept or reject this Plan.

2. Presumed Acceptance of this Plan

Class 1 and Class 2 are Unimpaired and the Holders of Claims in such Classes are deemed to have accepted this Plan and are not entitled to vote to accept or reject this Plan. In addition, Holders of Intercompany Claims in Class 6 and Intercompany Interests in Class 7, as proponents of this Plan, are deemed to accept this Plan.

3. Presumed Rejection of Plan

Class 8 is Impaired and Holders of Interests in Coldwater shall receive no distribution under this Plan. The Holders of Interests in Coldwater are deemed to have rejected this Plan and are not entitled to vote to accept or reject this Plan.

F. *Confirmation Pursuant to Sections 1129(a)(10) and 1129(b) of the Bankruptcy Code*

Section 1129(a)(10) of the Bankruptcy Code shall be satisfied for purposes of Confirmation by acceptance of this Plan by Class 3, Class 4 or Class 5. The Debtors shall seek Confirmation pursuant to section 1129(b) of the Bankruptcy Code with respect to any rejecting Class of Claims or Interests.

G. *Subordinated Claims*

Except as expressly provided herein, the allowance, classification and treatment of all Allowed Claims and Interests and the respective distributions and treatments under this Plan take into account and conform to the relative priority and rights of the Claims and Interests in each Class in connection with any contractual, legal and equitable subordination rights relating thereto, whether arising under general principles of equitable subordination, section 510(b) of the Bankruptcy Code or otherwise.

**ARTICLE IV.
MEANS FOR IMPLEMENTATION OF THIS PLAN**

A. *Implementation of this Plan*

This Plan shall be implemented by, through and at the direction of the Liquidating Trustee in a manner consistent with the terms and conditions set forth herein and in the Liquidating Trust Agreement.

B. *Establishment of Liquidating Trust*

Any and all of the Debtors' assets shall remain assets of the Debtors' estates pursuant to section 1123(b)(3)(B) of the Bankruptcy Code and on the Effective Date, only after payment in full of Administrative Claims, Priority Tax Claims, Priority Non-Tax Claims and Other Secured Claims that are Allowed as of the Effective Date, shall be transferred to and vest in the Liquidating Trust. On the Effective Date, the Liquidating Trust shall be established pursuant to the Liquidating Trust Agreement for the purpose of, among other things, (1) investigating and, if appropriate, pursuing Causes of Action not otherwise released under this Plan, (2) administering and pursuing the Liquidating Trust Assets, (3) resolving all Disputed Claims and (4) making Distributions from the Liquidating Trust as provided for in this Plan and the Liquidating Trust Agreement. The Liquidating Trust shall be entitled to enforce all defenses and counterclaims to all Claims asserted against the Debtors and their Estates, including setoff, recoupment and any rights under section 502(d) of the Bankruptcy Code.

Upon execution of the Liquidating Trust Agreement, the Liquidating Trustee shall be authorized to take all steps necessary to complete the formation of the Liquidating Trust;

provided, that, prior to the Effective Date, the Debtors, the Committee or the Liquidating Trustee, as applicable, may act as organizers of the Liquidating Trust and take such steps in furtherance thereof as may be necessary, useful or appropriate under applicable law to ensure that the Liquidating Trust shall be formed and in existence as of the Effective Date.

Other than as set forth in this Plan, no Person other than the Liquidating Trustee may pursue Liquidating Trust Assets on or after the Effective Date. The Liquidating Trustee shall be deemed hereby substituted as plaintiff, defendant, or in any other capacity for the Debtors in (1) all pending matters including but not limited to motions, contested matters and adversary proceedings in the Bankruptcy Court, and (2) any Causes of Action not otherwise released pursuant to this Plan pending before the Bankruptcy Court or any other court that relates to a Liquidating Trust Asset without the need for filing any motion for such relief. On the Effective Date, the Debtors and the Liquidating Trustee shall execute the Liquidating Trust Agreement and shall have established the Liquidating Trust pursuant to this Plan. In the event of any conflict between the terms of Article IV of this Plan and the terms of the Liquidating Trust Agreement, the terms of the Liquidating Trust Agreement shall control.

C. Treatment of Liquidating Trust for Federal Income Tax Purposes; No Successor-in-Interest

The Liquidating Trust shall be established for the primary purpose of liquidating and distributing the assets transferred to it, in accordance with Treas. Reg. § 301.7701-4(d), with no objective to continue or engage in the conduct of a trade or business, except to the extent reasonably necessary to, and consistent with, the liquidating purpose of the Liquidating Trust. Accordingly, the Liquidating Trustee shall, in an expeditious but orderly manner, liquidate and convert to Cash the Liquidating Trust Assets, make timely distributions to the Liquidating Trust Beneficiaries and not unduly prolong its duration. The Liquidating Trust shall not be deemed a successor-in-interest of the Debtors for any purpose other than as specifically set forth in this Plan or in the Liquidating Trust Agreement. The record holders of beneficial interests shall be recorded and set forth in a register maintained by the Liquidating Trustee expressly for such purpose.

The Liquidating Trust is intended to qualify as a "grantor trust" for federal income tax purposes with the Liquidating Trust Beneficiaries treated as grantors and owners of the Liquidating Trust. For all federal income tax purposes, all parties (including the Debtors, the Liquidating Trustee, and the Liquidating Trust Beneficiaries) shall treat the transfer of the Liquidating Trust Assets by the Debtors to the Liquidating Trust, as set forth in the Liquidating Trust Agreement, as a transfer of such assets by the Debtors to the Holders of Allowed Claims entitled to distributions from the Liquidating Trust Assets, followed by a transfer by such Holders to the Liquidating Trust. Thus, the Liquidating Trust Beneficiaries shall be treated as the grantors and owners of a grantor trust for federal income tax purposes.

As soon as practicable after the Effective Date, the Liquidating Trustee shall make a good faith determination of the fair market value of the Debtors' assets as of the Effective Date, *provided, however*, that the Liquidating Trustee shall not be required to hire an expert to make such a valuation. This valuation shall be used consistently by all parties (including the Debtors, the Liquidating Trustee, and the Liquidating Trust Beneficiaries) for all federal income tax

purposes. The Bankruptcy Court shall resolve any dispute regarding the valuation of the Liquidating Trust Assets.

The right and power of the Liquidating Trustee to invest the Liquidating 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 section 301.7701-4(d) of the Treasury Regulations, is permitted to hold, pursuant to the Treasury Regulations, or any modification in the IRS guidelines, whether set forth in IRS rulings or other IRS pronouncements, and to the investment guidelines of section 345 of the Bankruptcy Code. The Liquidating Trustee may expend the Cash of the Liquidating Trust (1) as reasonably necessary to meet contingent liabilities and to maintain the value of the respective assets of the Liquidating Trust during liquidation, (2) to pay the respective reasonable administrative expenses (including, but not limited to, any taxes imposed on the Liquidating Trust) and (3) to satisfy other respective liabilities incurred by the Liquidating Trust in accordance with this Plan and the Liquidating Trust Agreement (including, without limitation, the payment of any taxes).

D. Liquidating Trust Interests

On the Effective Date, each Holder of an Allowed General Unsecured Claim, Guaranteed Claim, or Coldwater/Aspenwood Claim shall, by operation of this Plan, receive its Pro Rata Share of the Liquidating Trust Interests. Liquidating Trust Interests shall be reserved for Holders of Disputed General Unsecured Claims, Guaranteed Claims, or Coldwater/Aspenwood Claims and issued by the Liquidating Trust to, and held by the Liquidating Trustee in, the Disputed Claims Reserve pending allowance or disallowance of such Claims. No other entity shall have any interest, legal, beneficial, or otherwise, in the Liquidating Trust.

E. The Liquidating Trustee

The Liquidating Trustee will be selected by the Committee and identified in the Plan Supplement. The appointment of the Liquidating Trustee shall be approved in the Confirmation Order, and the Liquidating Trustee's duties shall commence as of the Effective Date. The Liquidating Trustee shall administer this Plan and the Liquidating Trust and shall serve as a representative of the Debtors' estates under section 1123(b) of the Bankruptcy Code.

In accordance with the Liquidating Trust Agreement, the Liquidating Trustee shall serve in such capacity through the earlier of (1) the date that the Liquidating Trust is dissolved and (2) the date such Liquidating Trustee resigns, is terminated, or is otherwise unable to serve; *provided, however*, that, in the event that the Liquidating Trustee resigns, is terminated, or is otherwise unable to serve, the Liquidating Trust Oversight Committee shall appoint a successor to serve as the Liquidating Trustee in accordance with the Liquidating Trust Agreement. To the extent that the Liquidating Trust Oversight Committee does not appoint a successor within the time periods specified in the Liquidating Trust Agreement, then the Bankruptcy Court, upon the motion of any party-in-interest, including counsel to the Liquidating Trust, shall approve a successor to serve as the Liquidating Trustee. Any such successor Liquidating Trustee shall serve in such capacity until the Liquidating Trust is dissolved.

1. Insurance; Bond

The Liquidating Trustee shall obtain insurance coverage with respect to the liabilities and obligations of the Liquidating Trustee and the Liquidating Trust Oversight Committee under the Liquidating Trust Agreement (in the form of an errors and omissions policy or otherwise) unless both the Liquidating Trustee and Liquidating Trust Oversight Committee unanimously agree that such insurance shall not be required. The Liquidating Trustee shall serve with a bond, the terms of which shall be agreed to by the Liquidating Trust Oversight Committee, and the cost and expense of which shall be paid by the Liquidating Trust.

2. Fiduciary Duties of the Liquidating Trustee

Pursuant to this Plan and the Liquidating Trust Agreement, the Liquidating Trustee shall act in a fiduciary capacity on behalf of the interests of all Holders of Claims that will receive Distributions pursuant to the terms of this Plan.

3. Compensation

The Liquidating Trustee shall be compensated on reasonable terms determined by the Committee and as set forth in the Plan Supplement.

4. Retention of Liquidating Trustee Professionals and Compensation Procedure

On and after the Effective Date, subject to the terms of the Liquidating Trust Agreement, the Liquidating Trustee may engage such professionals and experts as may be deemed necessary and appropriate by the Liquidating Trustee to assist the Liquidating Trustee in carrying out the provisions of this Plan and the Liquidating Trust Agreement, including, but not limited to, Professionals retained prior to the Effective Date by either the Debtors or the Committee. Subject to the terms of the Liquidating Trust Agreement, for services performed from and after the Effective Date, Professionals retained by the Liquidating Trustee shall receive compensation and reimbursement of expenses in a manner to be determined by the Liquidating Trustee in consultation with the Liquidating Trust Oversight Committee.

5. Duties and Powers

The duties and powers of the Liquidating Trustee shall include, but not be limited to, the following:

- (a) to exercise all power and authority that may be necessary to implement this Plan and enforce all provisions hereof, commence and prosecute all proceedings that may be commenced and take all actions that may be taken by any officer, director or shareholder of the Debtors with like effect as if authorized, exercised and taken by unanimous action of such officers, directors and shareholders, including consummating this Plan;

- (b) to maintain all bank accounts, make Distributions and take other actions consistent with this Plan, including the maintenance of appropriate reserves (including the Disputed Claims Reserve), in the name of the Liquidating Trust;
- (c) to maintain the books and records of the Liquidating Trust, including any books and records of the Debtors transferred to the Liquidating Trust;
- (d) to take all steps reasonably necessary and practicable to terminate the corporate existence of the Debtors, including the filing of any motions or other pleadings in the Bankruptcy Court, if necessary;
- (e) to incur and pay reasonable and necessary expenses in connection with the implementation and consummation of this Plan;
- (f) to make decisions without court approval, regarding the retention or engagement of professionals or other Persons, and to pay, without court approval, all reasonable fees and expenses of the Liquidating Trust accruing from and after the Effective Date;
- (g) to collect and liquidate all assets of the Debtors transferred to the Liquidating Trust and to administer the wind down of the Debtors' affairs;
- (h) to prepare and file Tax returns and related forms and filings on behalf of the Debtors, to protest or appeal any Tax assessment, and to apply for or otherwise pursue any Claim for any Tax refund, rebate or reduction;
- (i) to prosecute and/or settle Causes of Action not otherwise released pursuant to this Plan, on behalf of and in the name of the Debtors;
- (j) to seek a determination of Tax liability under section 505 of the Bankruptcy Code or otherwise and to pay, or cause to be paid, from the assets of the Debtors transferred to the Liquidating Trust, any Taxes incurred by the Liquidating Trustee and/or the Debtors before or after the Effective Date;
- (k) to collect, or cause to be collected, any accounts receivable or other claims of the Debtors not otherwise disposed of pursuant to this Plan;
- (l) to invest, or cause to be invested, Cash as deemed appropriate by the Liquidating Trustee;
- (m) to enter, or cause to be entered, into any agreement or execute any document required by or consistent with this Plan and perform all of the Debtors' obligations under this Plan;
- (n) to abandon, or cause to be abandoned, in any commercially reasonable manner any assets of the Debtors that the Liquidating Trustee reasonably

concludes are burdensome or of inconsequential value and benefit to the Liquidating Trust without any need for Bankruptcy Court approval;

- (o) to prepare and file post-Effective Date operating reports;
- (p) to file, prosecute and/or settle objections to Proofs of Claim filed in the Chapter 11 Cases;
- (q) to take all other actions not inconsistent with the provisions of this Plan which the Liquidating Trustee deems reasonably necessary or desirable in connection with the administration and consummation of this Plan; and
- (r) to exercise such other powers as may be vested in the Liquidating Trustee by order of the Bankruptcy Court.

On and after the Effective Date, the Liquidating Trustee may exercise any of the foregoing powers without any further order of the Bankruptcy Court provided the Liquidating Trustee acts in conformity with this Plan, the Liquidating Trust Agreement (which includes, among other things, limitations on the Liquidating Trustee's discretion to take certain action without approval of the Liquidating Trust Oversight Committee) and any applicable orders of the Bankruptcy Court.

On the Effective Date, the Debtors shall transfer to the Liquidating Trustee the Debtors' evidentiary privileges, including the attorney/client privilege, solely as they relate to Causes of Action not otherwise released pursuant to this Plan. This Plan shall be considered a motion pursuant to sections 105, 363 and 365 of the Bankruptcy Code for such relief. Upon such transfer, the Debtors and the Estates shall have no other further rights or obligations with respect thereto. Privileged communications may be shared among the Liquidating Trustee and the Liquidating Trust Oversight Committee without compromising the privileged nature of such communications, in accordance with the "joint interest" doctrine.

F. The Liquidating Trust Oversight Committee

The Committee shall choose a minimum of three individuals to serve as members of the Liquidating Trust Oversight Committee, which shall have the responsibility to review and advise the Liquidating Trustee with respect to the liquidation and distribution of the Liquidating Trust Assets in accordance with the Liquidating Trust Agreement and this Plan. The Debtors or the Committee shall file a notice identifying the members of the Liquidating Trust Oversight Committee in the Plan Supplement. Vacancies on the Liquidating Trust Oversight Committee shall be filled by a Person designated by the remaining member or members of the Liquidating Trust Oversight Committee from among the Holders of General Unsecured Claims, Guaranteed Claims and Coldwater/Aspenwood Claims, and the Liquidating Trust Oversight Committee shall use reasonable efforts to maintain such composition of the members of the Liquidating Trust Oversight Committee as existed prior to the resignation of such member. The Liquidating Trustee shall have the authority to seek an order from the Bankruptcy Court removing or replacing members of the Liquidating Trust Oversight Committee for cause. Any successor appointed pursuant to this section shall become fully vested with all of the rights, powers, duties

and obligations of his or her predecessor. For the avoidance of doubt, no member of the Liquidating Trust Oversight Committee shall be compensated for serving as a member of the Liquidating Trust Oversight Committee, *provided, however*, that such members may be reimbursed from the Liquidation Trust for reasonable out of pocket expenses (excluding professional fees and related costs, if any).

Pursuant to the Liquidating Trust Agreement, the Liquidating Trustee will need the consent of ~~a majority of the members of the Liquidating Trustee~~ the Liquidating Trust Oversight Committee, ~~or approval of the Bankruptcy Court~~, before pursuing any potential Avoidance Actions under section 547 of the Bankruptcy Code.

G. Liability of Liquidating Trustee, Liquidating Trust Oversight Committee; Indemnification

Neither the Liquidating Trustee, the Liquidating Trust Oversight Committee, their respective members, designees or professionals, or any duly designated agent or representative of the Liquidating Trustee or the Liquidating Trust Oversight Committee, nor their respective employees, shall be liable for the act or omission of any other member, designee, agent, or representative of such Liquidating Trustee or Liquidating Trust Oversight Committee, nor shall such Liquidating Trustee, or any member of the Liquidating Trust Oversight Committee, be liable for any act or omission taken or omitted to be taken in its capacity as Liquidating Trustee, or as a member of the Liquidating Trust Oversight Committee, respectively, other than for specific acts or omissions resulting from such Liquidating Trustee's or such member's willful misconduct, gross negligence, or fraud. The Liquidating Trustee shall be entitled to enjoy all of the rights, powers, immunities and privileges applicable to a chapter 7 trustee and the Liquidating Trust Oversight Committee shall be entitled to enjoy all of the rights, powers, immunities and privileges of an official committee of unsecured creditors. The Liquidating Trustee, or the Liquidating Trust Oversight Committee, may, in connection with the performance of its functions, and in its sole and absolute discretion, consult with its attorneys, accountants, financial advisors and agents, 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, regardless of whether such advice or opinions are provided in writing. Notwithstanding such authority, neither the Liquidating Trustee nor the Liquidating Trust Oversight Committee shall be under any obligation to consult with its attorneys, accountants, financial advisors or agents, and their determination not to do so shall not result in the imposition of liability on the Liquidating Trustee or Liquidating Trust Oversight Committee or their respective members and/or designees, unless such determination is based on willful misconduct, gross negligence, or fraud. The Liquidating Trust shall indemnify and hold harmless the Liquidating Trustee, the Liquidating Trust Oversight Committee and their members, 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 reasonable attorneys' fees, disbursements, and related expenses) which such parties may incur or to which such parties may become subject in connection with any action, suit, proceeding or investigation brought by or threatened against such parties arising out of or due to their acts or omissions, or consequences of such acts or omissions, with respect to the implementation or administration of the Liquidating Trust or this Plan or the discharge of their duties under the Liquidating Trust Agreement; *provided, however*, that no such indemnification will be made to such persons for actions or omissions as a result of willful misconduct, gross negligence, or fraud. Persons dealing with the

Liquidating Trustee shall look only to the Liquidating Trust Assets to satisfy any liability incurred by the Liquidating Trustee or the Liquidating Trust Oversight Committee to such person in carrying out the terms of the Liquidating Trust Agreement, and neither the Liquidating Trustee nor the Liquidating Trust Oversight Committee shall have any personal obligation to satisfy any such liability.

H. Disputed Claims Reserve

~~Subject to the consent of the Committee or Liquidating Trust Oversight Committee, as applicable, the~~ The Liquidating Trustee shall maintain a Disputed Claims Reserve pending allowance or disallowance of Disputed Claims, and withhold such Cash from Distributions to Holders of Allowed General Unsecured Claims, Guaranteed Claims, and Coldwater/Aspenwood Claims. Upon the Final Distribution Date, the Liquidating Trustee shall distribute any Cash remaining in any Disputed Claims Reserve to Holders of Allowed Claims in accordance with the respective priorities set forth in this Plan.

I. Abandonment, Disposal and/or Destruction of Records

The Liquidating Trustee shall be authorized pursuant to section 554 of the Bankruptcy Code, in its sole discretion, without any further notice to any party or action, order or approval of the Bankruptcy Court, to abandon, dispose of, or destroy in any commercially reasonable manner all originals and/or copies of any documents, books and records, including any electronic records, of the Debtors that are transferred to the Liquidating Trust and which the Liquidating Trustee reasonably concludes are burdensome or of inconsequential value and benefit to the Liquidating Trust.

J. Termination of the Liquidating Trust

The Liquidating Trust will terminate on the earlier of: (1) final liquidation, administration and distribution of the Liquidating Trust Assets in accordance with the terms of the Liquidating Trust Agreement and this Plan, and its full performance of all other duties and functions as set forth in the Liquidating Trust Agreement or this Plan; and (2) the fifth anniversary of the Effective Date. Notwithstanding the foregoing, multiple fixed term extensions of the Liquidating Trust can be obtained so long as Bankruptcy Court approval is obtained within six months before the expiration of the term of the Liquidating Trust and each extended term. The aggregate of all such extensions shall not exceed three years, unless the Liquidating Trustee receives a favorable ruling from the IRS that any further extension would not adversely affect the status of the Liquidating Trust as a liquidating trust within the meaning of section 301.7701-4(d) of the Treasury Regulations for federal income tax purposes. After (1) the Final Distributions pursuant to this Plan, (2) the filing by or on behalf of the Liquidating Trust of a certification of dissolution with the Bankruptcy Court and (3) any other action deemed appropriate by the Liquidating Trustee, the Liquidating Trust shall be deemed dissolved for all purposes without the necessity for any other or further actions.

K. Full and Final Satisfaction Against Liquidating Trust

On and after the Effective Date, the Liquidating Trust shall have no liability on account of any Claims or Interests except as set forth in this Plan and in the Liquidating Trust Agreement.

All payments and all Distributions made by the Liquidating Trustee under this Plan shall be in full and final satisfaction, settlement, and release of and in exchange for all Claims or Interests against the Debtors.

L. Funding of this Plan

This Plan shall be funded with Cash on the Effective Date (prior to giving effect to the Liquidating Trust) and the Liquidating Trust Assets.

M. Modified Substantive Consolidation

This Plan shall serve as a motion by the Debtors seeking entry of an order substantively consolidating each of the Estates of the Debtors into a single consolidated Estate solely for the purposes of voting and Distributions under this Plan, subject to the incremental increase in the Allowed amount of each Class 4 Guaranteed Claim and Class 5 Coldwater/Aspenwood Claim as provided for by Articles III.C.4. and III.C.5. of this Plan. On and after the Effective Date, solely for the purpose of Distributions under this Plan, (1) all assets and liabilities of the substantively consolidated Debtors will be deemed to be merged, (2) the obligations of each Debtor will be deemed to be the obligation of the substantively consolidated Debtors, (3) any Claims filed or to be filed in connection with any such obligations will be deemed Claims against the substantively consolidated Debtors, (4) each Claim filed in the Chapter 11 Case of any Debtor will be deemed filed against the Debtors in the consolidated Chapter 11 Cases in accordance with the substantive consolidation of the assets and liabilities of the Debtors, (5) all transfers, disbursements and distributions made under this Plan will be deemed to be made by the substantively consolidated Debtors and (6) except to the limited extent provided in Article III.C.4. hereof with respect to Distributions on account of Allowed Guaranteed Claims, all guarantees by a Debtor of the obligations of any other Debtor and any joint or several liability of any of the Debtors shall be deemed eliminated so that any Claim against any Debtor and any guarantee thereof executed by any other Debtor and any joint or several liability of any of the Debtors shall be deemed to be one obligation of the substantively consolidated Debtors. Holders of Allowed Claims in each Class shall be entitled to their share of assets available for distribution to such Class without regard to which Debtor was originally liable for such Claim.

The modified substantive consolidation effected pursuant to this section shall not (other than for purposes related to funding Distributions under the Plan) result in the merger or otherwise affect the separate legal existence of each Debtor, and shall not affect (1) defenses to any Claims and/or Causes of Action or requirements for any third party to establish mutuality in order to assert a right to setoff under section 553 of the Bankruptcy Code, (2) distributions out of any insurance policies or proceeds of such policies, (3) executory contracts or unexpired leases that were entered into during the Chapter 11 Cases or that have been or will be assumed or rejected or (4) the Liquidating Trust's ability to subordinate or otherwise challenge Claims on an entity by entity basis.

N. Coldwater Creek Name

From and after the Effective Date, the name of each Debtor shall be changed as set forth below without any further action of the Debtors or the Liquidating Trustee.

Existing Name	Post-Effective Date Name
Coldwater Creek Inc.	CWC Liquidation Inc.
Coldwater Creek U.S. Inc.	CWC U.S. Liquidation Inc.
CWC Rewards Inc.	CWC Rewards Liquidation Inc.
Coldwater Creek Merchandising & Logistics Inc.	CWC M&L Liquidation Inc.
Aspenwood Advertising Inc.	CWC Advertising Liquidation Inc.
Coldwater Creek The Spa Inc.	CWC Spa Liquidation Inc.
Coldwater Creek Sourcing Inc.	CWC Sourcing Liquidation Inc.
CWC Sourcing LLC	CWC Sourcing Liquidation LLC

O. Direction to Parties

From and after the Effective Date, the Liquidating Trustee may apply to the Bankruptcy Court for an order directing any necessary party to execute or deliver or to join in the execution or delivery of any instrument required to effect a transfer of property contemplated by or necessary to effectuate this Plan, and to perform any other act, including the satisfaction of any Lien, that is necessary for the consummation of this Plan, pursuant to section 1142(b) of the Bankruptcy Code.

P. Winding Up Affairs

Following the Effective Date, the Debtors shall not engage in any business activities or take any actions, except those necessary to consummate this Plan and wind up the affairs of the Debtors, in each case as directed by and through the Liquidating Trustee.

Q. Title to Accounts

Title to all of the Debtors' bank, brokerage and other accounts shall vest in the Liquidating Trust, effective as of the Effective Date, without any further order of the Bankruptcy Court or further action on the part of any Person or Entity. On and after the Effective Date, all such accounts shall be deemed to be accounts in the name of the Liquidating Trust without any further action by any Person or Entity or any further order of the Bankruptcy Court.

R. Cancellation of Equity Interests

On the Effective Date, all Interests in the Debtors, and all agreements and other documents evidencing or creating rights of any Person or Entity against any of the Debtors related to or based upon any Interests, including any options or warrants to purchase Interests and any agreements or instruments obligating the Debtors to issue, transfer, redeem, make payment on or sell any Interests, shall be deemed cancelled and null and void without any further action or filing by the Debtors, the Liquidating Trustee or any other Person or Entity.

S. Effectuating Documents; Further Transactions

On and after the Effective Date, the Liquidating Trustee is authorized to and may issue, execute, deliver, file or record such contracts, instruments, releases and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement and further evidence the terms and conditions of this Plan without the need for any approvals, authorization or consents except those expressly required pursuant to this Plan.

T. Exemption from Certain Taxes and Fees

Pursuant to section 1146(a) of the Bankruptcy Code, any transfers of property pursuant hereto shall not be subject to any stamp tax, recording tax, personal property tax, real estate transfer tax, sales tax, use tax, privilege tax, or other similar tax or governmental assessment in the United States, and the Confirmation Order shall direct and be deemed to direct the appropriate federal, state or local governmental officials or agents to forgo the collection of any such tax or governmental assessment and to accept for filing and recordation instruments or other documents pursuant to such transfers of property without the payment of any such tax or governmental assessment. Such exemption specifically applies, without limitation, to (1) the creation of any mortgage, deed of trust, lien or other security interest; (2) the ~~making or assignment~~ assuming or assuming and assigning of any contract, lease or sublease; (3) any ~~restructuring transaction authorized by this Plan; or~~ (4) any sale of a Liquidating Trust Asset by the Liquidating Trust in furtherance of the Plan, including but not limited to any sale of personal or real property and (4) the making or delivery of any deed or other instrument of transfer under, in furtherance of or in connection with this Plan, including: (a) any merger agreements; (b) agreements of consolidation, restructuring, disposition, liquidation or dissolution; (c) deeds; (d) bills of sale; or (e) assignments executed in connection with any transaction occurring under this Plan.

ARTICLE V.**TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES***A. Assumption and Rejection of Executory Contracts and Unexpired Leases*

On the Effective Date, except as otherwise provided herein, or in any contract, instrument, release, indenture or other agreement or document entered into in connection with this Plan, Executory Contracts and Unexpired Leases shall be deemed rejected as of the Effective Date, unless such Executory Contract or Unexpired Lease: (1) was assumed, assumed and assigned or rejected previously by the Debtors; (2) previously expired or terminated pursuant to

its own terms; (3) is the subject of a motion to assume or assume and assign Filed on or before the Confirmation Date; or (4) is identified as an Executory Contract or Unexpired Lease on the Assumed Executory Contracts and Unexpired Lease List.

Entry of the Confirmation Order shall constitute a Bankruptcy Court order approving the assumptions or rejections of such Executory Contracts or Unexpired Leases as set forth in this Plan and the Assumed Executory Contract and Unexpired Leases List, pursuant to sections 365(a) and 1123 of the Bankruptcy Code. Unless otherwise indicated herein, assumptions or rejections of Executory Contracts and Unexpired Leases pursuant to this Plan are effective as of the Effective Date. Each Executory Contract or Unexpired Lease assumed pursuant to this Plan or by Bankruptcy Court order but not assigned to a third party before the Effective Date shall re-vest in and be fully enforceable by the Liquidating Trustee in accordance with its terms, except as such terms may have been modified by the provisions of this Plan or any order of the Bankruptcy Court authorizing and providing for its assumption pursuant to section 365 of the Bankruptcy Code. Any motions to assume or assume and assign Executory Contracts or Unexpired Leases pending on the Effective Date shall be subject to approval by the Bankruptcy Court on or after the Effective Date by a Final Order.

B. Claims Based on Rejection of Executory Contracts or Unexpired Leases

Proofs of Claim with respect to Claims arising from the rejection of Executory Contracts or Unexpired Leases, if any, must be filed with the Bankruptcy Court within 30 days after the effective date of such rejection. Any Claims arising from the rejection of an Executory Contract or Unexpired Lease not Filed within such time will be automatically disallowed, forever barred from assertion and shall not be enforceable against the property to be distributed under this Plan without the need for any objection by the Liquidating Trustee or further notice to, or action, order or approval of the Bankruptcy Court. Claims arising from the rejection of the Debtors' Executory Contracts or Unexpired Leases shall be classified as General Unsecured Claims, Guaranteed Claims, or Coldwater/Aspenwood Claims, as applicable, and shall be treated in accordance with Article III of this Plan, as applicable.

Rejection Claims for which a Proof of Claim is not timely Filed will be forever barred from assertion against the Debtors, the Estates and the Debtors' property or the Liquidating Trustee unless otherwise ordered by the Bankruptcy Court or as otherwise provided herein.

C. Cure of Defaults for Executory Contracts and Unexpired Leases Assumed or Assumed and Assigned

Any monetary defaults under each Executory Contract and Unexpired Lease as reflected on the Assumed Executory Contracts and Unexpired Lease List, if any, shall be satisfied, pursuant to section 365(b)(1) of the Bankruptcy Code, by payment of the default amount in Cash on the Effective Date, subject to the limitations described below, or on such other terms as the parties to such Executory Contracts or Unexpired Leases may otherwise agree. In the event of a dispute regarding (1) the amount of any payments to cure such a default, (2) the ability of the Liquidating Trustee or any assignee to provide "adequate assurance of future performance" (within the meaning of section 365 of the Bankruptcy Code) under the Executory Contract or

Unexpired Lease to be assumed or assumed and assigned or (3) any other matter pertaining to assumption, the cure payments required by section 365(b)(1) of the Bankruptcy Code shall be made following the entry of a Final Order or orders resolving the dispute and approving the assumption. At least ten days before the Confirmation Hearing, the Debtors shall distribute, or cause to be distributed, Cure Notices of proposed assumption and proposed amounts of Cure Claims to the applicable third parties. Any objection by a counterparty to an Executory Contract or Unexpired Lease to a proposed assumption or related cure amount must be Filed, served and actually received by the Debtors before the date of the Confirmation Hearing. Any counterparty to an Executory Contract or Unexpired Lease that fails to object timely to the proposed assumption or cure amount will be deemed to have assented to such assumption or cure amount; *provided, however*, the Debtors, with the consent of the Committee, shall have the right to alter, amend, modify or supplement the Assumed Executory Contracts and Unexpired Lease List, as identified in the Plan Supplement, through and including the Effective Date. To the extent that the Debtors, with the consent of the Committee, alter, amend, modify or supplement the Assumed Executory Contracts and Unexpired Lease List included in the Plan Supplement, the Debtors will provide notice to each counterparty to an affected Executory Contract or Unexpired Lease as soon as practicable but no later than five days after such decision.

Assumption of any Executory Contract or Unexpired Lease pursuant to this Plan or otherwise shall result in the full release and satisfaction of any Claims or defaults, whether monetary or nonmonetary, including defaults of provisions restricting the change in control or ownership interest composition or other bankruptcy-related defaults, arising under any assumed or assumed and assigned Executory Contract or Unexpired Lease at any time before the date the Debtors or the Debtors' agent, assume or assume and assign such Executory Contract or Unexpired Lease. Any Proofs of Claim Filed with respect to an Executory Contract or Unexpired Lease that has been assumed or assumed and assigned pursuant to this Plan or an order of the Bankruptcy Court shall be deemed disallowed and expunged, without further notice to or action, order or approval of the Bankruptcy Court.

D. Modifications, Amendments, Supplements, Restatements or Other Agreements

Unless otherwise provided in this Plan, each Executory Contract or Unexpired Lease that is assumed or assumed and assigned shall include all modifications, amendments, supplements, restatements or other agreements that in any manner affect such Executory Contract or Unexpired Lease, and Executory Contracts and Unexpired Leases related thereto, if any, including easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal and any other interests, unless any of the foregoing agreements has been previously rejected or repudiated or is rejected or repudiated under this Plan.

Modifications, amendments, supplements and restatements to prepetition Executory Contracts and Unexpired Leases that have been executed by the Debtors during the Chapter 11 Cases shall not be deemed to alter the prepetition nature of the Executory Contract or Unexpired Lease, or the validity, priority or amount of any Claims that may arise in connection therewith.

E. Reservation of Rights

Neither the exclusion nor inclusion of any Executory Contract or Unexpired Lease on the Assumed Executory Contracts and Unexpired Lease List, nor anything contained in this Plan, shall constitute an admission by the Debtors that any such contract or lease is in fact an Executory Contract or Unexpired Lease or that the Debtors have any liability thereunder. If there is a dispute regarding whether a contract or lease is or was executory or unexpired at the time of assumption or rejection, the Debtors or the Liquidating Trustee, as applicable, with the consent of the Committee or Liquidating Trust Oversight Committee, as applicable, shall have 28 days following entry of a Final Order resolving such dispute to alter their treatment of such contract or lease.

ARTICLE VI. PROVISIONS GOVERNING DISTRIBUTIONS

A. Timing and Calculation of Amounts to Be Distributed

Unless otherwise provided in this Plan, on each Distribution Date, each Holder of an Allowed Claim shall receive such distributions that this Plan provides for Allowed Claims in each applicable Class in accordance with Article III hereof. In the event that 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. If and to the extent that there are Disputed Claims, distributions on account of any such Disputed Claims shall be made pursuant to the provisions set forth in Article VII of this Plan. Except as otherwise provided in this Plan, Holders of Claims shall not be entitled to interest, dividends or accruals on the distributions provided for in this Plan, regardless of whether such distributions are delivered on or at any time after the Effective Date. The Liquidating Trustee shall have no obligation to recognize any transfer of Claims or Interests occurring on or after the Confirmation Date.

B. Disbursing Agent

Cash Distributions under this Plan shall be made (1) by the Debtors on the Effective Date solely with respect to Administrative Claims, Priority Tax Claims, Priority Non-Tax Claims and Other Secured Claims that are Allowed as of the Effective Date, and (2) by the Disbursing Agent on the First Distribution Date, Subsequent Distribution Dates, and the Final Distribution Date, as applicable, with respect to all other Distributions. The Disbursing Agent shall not be required to give any bond or surety or other security for the performance of its duties. As soon as reasonably practicable after the Effective Date, the Debtors shall provide the Liquidating Trustee with an accounting of all Distributions made by the Debtors on the Effective Date.

*C. Rights and Powers of Disbursing Agent*1. Powers of the Disbursing Agent

The Disbursing Agent shall be empowered to: (a) effect all actions and execute all agreements, instruments and other documents necessary to perform its duties under this Plan; (b)

make all distributions contemplated hereby; and (c) exercise such other powers as may be vested in the Disbursing Agent by order of the Bankruptcy Court, pursuant to this Plan, or as deemed by the Disbursing Agent to be necessary and proper to implement the provisions hereof.

2. Expenses Incurred on or After the Effective Date

Except as otherwise ordered by the Bankruptcy Court, the amount of any reasonable fees and out-of-pocket expenses incurred by the Disbursing Agent on or after the Effective Date (including taxes) and any reasonable compensation to the Disbursing Agent for services rendered shall be paid in Cash by the Liquidating Trustee from the Liquidating Trust Assets pursuant to the terms of the Liquidating Trust Agreement.

D. *Delivery of Distributions and Undeliverable or Unclaimed Distributions*

1. Delivery of Distributions

Except as otherwise provided in this Plan, distributions to Holders of Allowed Claims shall be made to holders of record as of the Distribution Record Date by the Disbursing Agent, as appropriate: (i) to the signatory set forth on any of the Proofs of Claim Filed by such Holder or other representative identified therein; (ii) at the addresses set forth in any written notice of address change delivered to the Debtors or the Notice, Claims and Balloting Agent prior to the Effective Date, or the Liquidating Trustee after the Effective Date, with respect to any Proof of Claim; (iii) at the addresses reflected in the Schedules if no Proof of Claim has been Filed and the Debtors or the Notice, Claims and Balloting Agent prior to the Effective Date, or the Liquidating Trustee after the Effective Date, have not received a written notice of a change of address; or (iv) to the attention of any counsel that has appeared in the Chapter 11 Cases on the Holder's behalf. Subject to this Article VI, distributions under this Plan on account of Allowed Claims shall not be subject to levy, garnishment, attachment or like legal process, so that each Holder of an Allowed Claim shall have and receive the benefit of the distributions in the manner set forth in this Plan. The Disbursing Agent shall not incur any liability whatsoever on account of any distributions under this Plan except for gross negligence or willful misconduct.

2. Fractional Dollars: De Minimis Distributions

Notwithstanding any other provision of this Plan to the contrary, (a) the Disbursing Agent shall not be required to make Distributions or payments of fractions of dollars, and whenever any Distribution of a fraction of a dollar under the Plan would otherwise be required, the actual Distribution made may reflect a rounding of such fraction to the nearest whole dollar (up or down), with half dollars being rounded down and (b) the Disbursing Agent shall have no duty to make a Distribution on account of any Allowed Claim on a Distribution Date (i) if the aggregate amount of all Distributions authorized to be made on such date is less than \$1,000,000.00-50,000.00, in which case such Distributions shall be deferred to the next Distribution Date, (ii) if the amount to be distributed to that Holder on the particular Distribution Date is less than \$100.00, unless such Distribution constitutes the final Distribution to such Holder, or (iii) the amount of the final Distribution to such Holder is less than \$25.00, in which case such Distribution shall revert to the Liquidating Trust to be donated to a charitable institution to be chosen by the Liquidating Trustee. After final Distributions have been made in

accordance with the terms of this Plan and the Liquidating Trust Agreement, if the amount of remaining cash is less than \$50,000.00, the Liquidating Trustee, after consultation with the Liquidating Trust Oversight Committee, may donate such amount to a charitable institution to be chosen by the Liquidating Trustee.

3. Undeliverable Distributions and Unclaimed Property

In the event that any Distribution to any Holder is returned as undeliverable, no distribution to such Holder shall be made unless and until the Disbursing Agent has been provided written notice of or has determined the then-current address of such Holder, at which time such Distribution shall be made to such Holder without interest; *provided, however*, that upon the expiration of ~~one year~~ 120 days after a Distribution is returned as undeliverable, such Distribution shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code and shall revert to the Liquidating Trust automatically and without need for a further order by the Bankruptcy Court (notwithstanding any applicable federal, provincial or state escheat, abandoned or unclaimed property laws to the contrary).

E. Compliance with Tax Requirements

In connection with this Plan, to the extent applicable, the Debtors or the Liquidating Trustee, as applicable, shall comply with all tax withholding and reporting requirements imposed on them by any Governmental Unit, and all distributions pursuant to this Plan shall be subject to such withholding and reporting requirements. Notwithstanding any provision in this Plan to the contrary, the Disbursing Agent shall be authorized to take all actions necessary or appropriate to comply with such withholding and reporting requirements, including liquidating a portion of the distribution to be made under this Plan to generate sufficient funds to pay applicable withholding taxes, withholding distributions pending receipt of information necessary to facilitate such distributions or establishing any other mechanisms the Disbursing Agent believes are reasonable and appropriate. The Liquidating Trustee reserves the right to allocate all distributions made under this Plan in compliance with applicable wage garnishments, alimony, child support and other spousal awards, liens and encumbrances.

The Liquidating Trustee shall be authorized to require each Holder of a Claim to provide it with an executed Form W-9, Form W-8, or similar tax form as a condition precedent to being sent a Distribution. The Liquidating Trustee shall provide advance written notice of any such requirement to each Holder of a Claim affected thereby. The notice shall provide each Holder of a Claim with a minimum of 90 days after the date of mailing of such notice to provide an executed Form W-9, Form W-8 or similar tax form to the Liquidating Trustee and shall expressly state that a failure to provide such form within the stated period shall result in a forfeiture of the right to receive any Distribution under the Plan, that any such Distribution shall revert to the Liquidating Trust for distribution on account of other Allowed Claims and that the Claim of the Holder originally entitled to such Distribution shall be waived, discharged and forever barred without further order of the Bankruptcy Court. If a Holder of an Allowed Claim does not provide the Liquidating Trustee with an executed Form W-9, Form W-8 or similar tax form within the time period specified in such notice, or such later time period agreed to by the Liquidating Trustee in writing in its discretion, such Holder shall be deemed to have forfeited the right to receive any Distribution under the Plan, any such Distribution shall revert to the Liquidating

Trust for distribution on account of other Allowed Claims and the Claim of the Holder originally entitled to such Distribution shall be waived, discharged and forever barred without further order of the Bankruptcy Court.

F. Allocations

Distributions in respect of Allowed Claims shall be allocated first to the principal amount of such Claims (as determined for federal income tax purposes) and then, to the extent the consideration exceeds the principal amount of the Claims, to any portion of such Claims for accrued but unpaid interest.

G. Setoffs and Recoupment

The Debtors or Liquidating Trustee may, but shall not be required to, setoff against or recoup from any Claim (for purposes of determining the Allowed amount of such Claim on which a distribution shall be made), any claims of any nature whatsoever that the Debtors or the Liquidating Trust may have against the Holder of such Claim, but neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by the Debtors or the Liquidating Trust of any such Claim the Debtors or the Liquidating Trust may have against the Holder of such Claim.

H. Claims Paid or Payable by Third Parties

1. Claims Paid by Third Parties

The Liquidating Trustee shall be authorized to reduce in full, or in part, as applicable, a Claim, and such Claim shall be disallowed without a Claim objection having to be Filed and without any further notice to or action, order or approval of the Bankruptcy Court, to the extent that the Holder of such Claim receives payment on account of such Claim from a party that is not a Debtor or the Liquidating Trustee.

2. Claims Payable by Third Parties

No distributions under this Plan shall be made on account of an Allowed Claim that is payable pursuant to one of the Debtors' insurance policies until the Holder of such Allowed Claim has exhausted all remedies with respect to such insurance policy. To the extent that one or more of the Debtors' insurers agrees to satisfy in full or in part a Claim (if and to the extent adjudicated by a court of competent jurisdiction), then immediately upon such insurers' agreement, the applicable portion of such Claim may be expunged without a Claims objection having to be Filed and without any further notice to or action, order or approval of the Bankruptcy Court.

3. Applicability of Insurance Policies

Except as otherwise provided in this Plan, distributions to Holders of Allowed Claims shall be in accordance with the provisions of any applicable insurance policy. Nothing contained in this Plan shall constitute or be deemed a waiver of any Cause of Action that the Debtors or any Entity may hold against any other Entity, including insurers under any policies of insurance, nor

shall anything contained herein constitute or be deemed a waiver by such insurers of any defenses, including coverage defenses, held by such insurers.

**ARTICLE VII.
PROCEDURES FOR RESOLVING CONTINGENT,
UNLIQUIDATED AND DISPUTED CLAIMS**

A. Allowance of Claims

After the Effective Date, the Liquidating Trustee shall have and retain any and all rights and defenses that the Debtors had with respect to any Claim or Interest immediately before the Effective Date.

B. Claims Administration Responsibilities

Except as otherwise specifically provided in this Plan, after the Effective Date, the Liquidating Trustee shall have the authority: (1) in consultation with the Liquidating Trust Oversight Committee, to File, withdraw or litigate to judgment objections to Claims or Interests; (2) to settle or compromise any Disputed Claim (other than a Fee Claim) without any further notice to or action, order or approval by the Bankruptcy Court, subject to the consent of the Liquidating Trust Oversight Committee in the event such settlement or compromise would result in an Allowed Claim in excess of \$200,000.00; and (3) to administer and adjust the Claims Register to reflect any such settlements or compromises without any further notice to or action, order or approval by the Bankruptcy Court; ~~provided, however, that the Liquidating Trustee may not compromise, without further order of the Bankruptcy Court, any Disputed Claim to the extent that it is a Fee Claim and the U.S. Trustee has objected to such Fee Claim.~~

C. Estimation of Claims

Before or after the Effective Date, subject to the consent of the Committee or Liquidating Trust Oversight Committee, as applicable, the Debtors or Liquidating Trustee, as applicable, may (but are not required to) at any time request that the Bankruptcy Court estimate any Disputed Claim that is contingent or unliquidated pursuant to section 502(c) of the Bankruptcy Code for any reason, regardless of whether any party previously has objected to such Claim or Interest or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court shall retain jurisdiction to estimate any such Claim or Interest, including during the litigation of any objection to any Claim or Interest or during the appeal relating to such objection. Notwithstanding any provision otherwise in this Plan, a Claim that has been expunged from the Claims Register, but that either is subject to appeal or has not been the subject of a Final Order, shall be deemed to be estimated at zero dollars, unless otherwise ordered by the Bankruptcy Court. In the event that the Bankruptcy Court estimates any contingent or unliquidated Claim or Interest, that estimated amount shall constitute a maximum limitation on such Claim or Interest for all purposes under this Plan (including for purposes of distributions), and the Liquidating Trustee may elect to pursue any supplemental proceedings to object to any ultimate distribution on such Claim or Interest.

D. Reserve for Disputed Administrative Claims

On and after the Effective Date, the Liquidating Trustee shall hold in the Disputed Claims Reserve, Cash in an aggregate amount sufficient to pay to each Holder of a Disputed Administrative, Priority Tax, Priority Non-Tax and Other Secured Claim, the amount of Cash that such Holder would have been entitled to receive under this Plan if such Claim had been an Allowed Claim on the Effective Date in an amount determined by the Liquidating Trustee in its reasonable discretion, with the consent of the Liquidating Trust Oversight Committee. For the avoidance of doubt, the amount reserved by the Liquidating Trustee pursuant to this Article VII.D shall not be deemed an admission as to the allowability or amount of any Claim in whole or in part.

E. Fee Claim Reserve

On and after the Effective Date, the Liquidating Trustee shall set aside and withhold from Distribution, Cash in an aggregate amount sufficient to pay all Fee Claims not paid as of the Effective Date, in an amount determined by the Liquidating Trustee in its reasonable discretion. For the avoidance of doubt, the amount reserved by the Liquidating Trustee pursuant to this Article VII.E shall not be deemed an admission as to the allowability or amount of any Claim in whole or in part.

F. Adjustment to Claims Without Objection

Any Claim or Interest that has been paid or satisfied, or any Claim or Interest that has been amended or superseded, cancelled or otherwise expunged (including pursuant to this Plan), may be adjusted or expunged (including on the Claims Register, to the extent applicable) by the Liquidating Trustee without a Claims objection having to be Filed and without any further notice to or action, order or approval of the Bankruptcy Court.

G. Time to File Objections to Claims

Any objections to Claims shall be Filed on or before the Claims Objection Deadline. Multiple extensions of the Claims Objection Deadline may be requested by the Liquidating Trustee upon Motion filed with the Bankruptcy Court.

H. Disallowance of Claims

Except as otherwise provided herein, any Claims held by Entities ~~from which against which a Debtor or the Liquidating Trustee has Filed a complaint seeking to recover property is recoverable under section 542, 543, 550 or 553 of the Bankruptcy Code or that is a transferee or to avoid a transfer avoidable under section 522(f), 522(h), 544, 545, 547, 548, 549 or 724(a) of the Bankruptcy Code, shall be deemed disallowed a Disputed Claim~~ pursuant to section 502(d) of the Bankruptcy Code, and Holders of such Claims may not receive any distributions on account of such Claims until such time as such Causes of Action against that Entity have been settled or a Bankruptcy Court order with respect thereto has been entered and all sums due, if any, to the Debtors ~~or the Liquidating Trust~~ by that Entity have been turned over or paid to the Liquidating Trustee.

EXCEPT AS PROVIDED HEREIN OR OTHERWISE AGREED, ANY AND ALL PROOFS OF CLAIM FILED AFTER THE CLAIMS BAR DATE SHALL BE DEEMED DISALLOWED AND EXPUNGED AS OF THE EFFECTIVE DATE WITHOUT ANY FURTHER NOTICE TO OR ACTION, ORDER OR APPROVAL OF THE BANKRUPTCY COURT, AND HOLDERS OF SUCH CLAIMS MAY NOT RECEIVE ANY DISTRIBUTIONS ON ACCOUNT OF SUCH CLAIMS, UNLESS ON OR BEFORE THE CONFIRMATION DATE SUCH LATE CLAIM HAS BEEN DEEMED TIMELY FILED BY A FINAL ORDER.

I. Amendments to Claims

On or after the Effective Date, except as otherwise provided herein or in a prior order of the Bankruptcy Court, a Claim may not be Filed or amended without the prior authorization of the Bankruptcy Court or the Liquidating Trustee. Absent such authorization, any new or amended Claim Filed shall be deemed disallowed in full and expunged without any further action.

J. No Distributions Pending Allowance

If an objection to a Claim or portion thereof is Filed as set forth in Article VII.B, no payment or distribution provided under this Plan shall be made on account of such Claim or portion thereof unless and until such Disputed Claim becomes an Allowed Claim.

K. Distributions After Allowance

To the extent that a Disputed Claim ultimately becomes an Allowed Claim, distributions (if any) shall be made to the Holder of such Allowed Claim in accordance with the provisions of this Plan. As soon as practicable after the date that the order or judgment of the Bankruptcy Court allowing any Disputed Claim becomes a Final Order, the Disbursing Agent shall provide to the Holder of such Claim the distribution (if any) to which such Holder is then entitled under this Plan as of the Effective Date, without any interest to be paid on account of such Claim unless required under applicable bankruptcy law.

**ARTICLE VIII.
SETTLEMENT, RELEASE, INJUNCTION AND RELATED PROVISIONS**

A. Compromise and Settlement of Claims, Interests and Controversies

Pursuant to sections 363 and 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the distributions and other benefits provided pursuant to this Plan, the provisions of this Plan shall constitute a good faith compromise of all Claims, Interests and controversies relating to the contractual, legal and subordination rights that a Holder of a Claim may have with respect to any Allowed Claim or Interest or any distribution to be made on account of such Allowed Claim or Interest. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the compromise or settlement of all such Claims, Interests and controversies, as well as a finding by the Bankruptcy Court that such compromise or settlement is in the best interests of the Debtors, their Estates and Holders, and is fair, equitable and reasonable.

B. Release of Liens

Except as otherwise provided in this Plan or in any contract, instrument, release or other agreement or document created pursuant to this Plan, on the Effective Date and concurrently with the applicable distributions made pursuant to this Plan and, in the Case of a Secured Claim, satisfaction in full of the portion of the Secured Claim that is Allowed as of the Effective Date, all mortgages, deeds of trust, Liens, pledges or other security interests against any property of the Estates shall be fully released as to the collateral, and all of the right, title and interest of any Holder of such mortgages, deeds of trust, Liens, pledges or other security interests shall revert to the Debtors, and their successors and assigns.

C. Releases by the Debtors

ON THE EFFECTIVE DATE OF THIS PLAN AND TO THE FULLEST EXTENT AUTHORIZED BY APPLICABLE LAW, THE RELEASED PARTIES WILL BE EXPRESSLY, UNCONDITIONALLY, GENERALLY AND INDIVIDUALLY AND COLLECTIVELY RELEASED, ACQUITTED AND DISCHARGED BY THE DEBTORS AND THEIR ESTATES FROM ANY AND ALL ACTIONS, CLAIMS, OBLIGATIONS, RIGHTS, SUITS, DAMAGES, CAUSES OF ACTION, REMEDIES AND LIABILITIES WHATSOEVER, INCLUDING ANY DERIVATIVE CLAIMS ASSERTED ON BEHALF OF THE DEBTORS, WHETHER KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, MATURED OR UNMATURED, EXISTING OR HEREINAFTER ARISING, IN LAW, EQUITY, CONTRACT, TORT OR OTHERWISE, BY STATUTE OR OTHERWISE, THAT THE DEBTORS, THE LIQUIDATING TRUSTEE, THE DEBTORS' ESTATES OR THEIR AFFILIATES (WHETHER INDIVIDUALLY OR COLLECTIVELY) OR ON BEHALF OF THE HOLDER OF ANY CLAIM OR INTEREST OR OTHER ENTITY, EVER HAD, NOW HAS OR HEREFTER CAN, SHALL OR MAY HAVE, BASED ON OR RELATING TO, OR IN ANY MANNER ARISING FROM, IN WHOLE OR IN PART, THE DEBTORS, THE DEBTORS' LIQUIDATION, THE CHAPTER 11 CASES, THE PURCHASE, SALE OR RESCISSION OF THE PURCHASE OR SALE OF ANY SECURITY OF THE DEBTORS, THE SUBJECT MATTER OF, OR THE TRANSACTIONS OR EVENTS GIVING RISE TO, ANY CLAIM OR INTEREST THAT IS TREATED IN THIS PLAN, THE BUSINESS OR CONTRACTUAL ARRANGEMENTS BETWEEN THE DEBTORS AND ANY RELEASED PARTY, THE RESTRUCTURING OF CLAIMS AND INTERESTS BEFORE OR DURING THE CHAPTER 11 CASES, THE NEGOTIATION, FORMULATION OR PREPARATION OF THIS PLAN, THE PLAN SUPPLEMENT, THE DISCLOSURE STATEMENT OR RELATED AGREEMENTS, INSTRUMENTS OR OTHER DOCUMENTS OR ANY OTHER ACT OR OMISSION, TRANSACTION, AGREEMENT, EVENT OR OTHER OCCURRENCE RELATING TO THE DEBTORS TAKING PLACE ON OR BEFORE THE CONFIRMATION DATE OF THIS PLAN, EXCEPT FOR ANY CLAIMS AND CAUSES OF ACTION FOR ACTUAL FRAUD, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

D. Releases by Holders

ON THE EFFECTIVE DATE OF THIS PLAN AND TO THE FULLEST EXTENT AUTHORIZED BY APPLICABLE LAW, EACH HOLDER OF A CLAIM IN CLASSES 1 AND 2 AND EACH HOLDER OF CLAIMS IN CLASSES 3, 4 AND 5 THAT DOES NOT OPT

OUT OF THE RELEASES PROVIDED FOR IN THIS ARTICLE VIII.D SHALL BE DEEMED TO HAVE EXPRESSLY, UNCONDITIONALLY, GENERALLY AND INDIVIDUALLY AND COLLECTIVELY, RELEASED AND ACQUITTED THE RELEASED PARTIES (INCLUDING THE RELEASED PARTIES PREDECESSORS, SUCCESSORS AND ASSIGNS, SUBSIDIARIES, AFFILIATES, MANAGED ACCOUNTS OR FUNDS, CURRENT AND FORMER OFFICERS, DIRECTORS, PRINCIPALS, SHAREHOLDERS, DIRECT AND INDIRECT EQUITY HOLDERS, MEMBERS, PARTNERS (GENERAL AND LIMITED), EMPLOYEES, AGENTS, ADVISORY BOARD MEMBERS, FINANCIAL ADVISORS, ATTORNEYS, ACCOUNTS, INVESTMENT BANKERS, CONSULTANTS, REPRESENTATIVES, MANAGEMENT COMPANIES, FUND ADVISORS AND OTHER PROFESSIONALS) AND THE RELEASED PARTIES FROM ANY AND ALL ACTIONS, CLAIMS, INTERESTS, OBLIGATIONS, RIGHTS, SUITS, DAMAGES, CAUSES OF ACTION, REMEDIES AND LIABILITIES WHATSOEVER, INCLUDING ANY DERIVATIVE CLAIMS ASSERTED ON BEHALF OF THE DEBTORS, WHETHER KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, MATURED OR UNMATURED, EXISTING OR HEREAFTER ARISING, IN LAW, EQUITY, CONTRACT, TORT OR OTHERWISE, THAT SUCH HOLDER (WHETHER INDIVIDUALLY OR COLLECTIVELY) EVER HAD, NOW HAS OR HEREAFTER CAN, SHALL OR MAY HAVE, BASED ON OR RELATING TO, OR IN ANY MANNER ARISING FROM, IN WHOLE OR IN PART, THE DEBTORS, THE DEBTORS' LIQUIDATION, THE CHAPTER 11 CASES, THE PURCHASE, SALE OR RESCISSION OF THE PURCHASE OR SALE OF ANY SECURITY OF THE DEBTORS, THE SUBJECT MATTER OF, OR THE TRANSACTIONS OR EVENTS GIVING RISE TO, ANY CLAIM OR INTEREST THAT IS TREATED IN THIS PLAN, THE BUSINESS OR CONTRACTUAL ARRANGEMENTS BETWEEN THE DEBTORS AND ANY RELEASED PARTY, THE RESTRUCTURING OF CLAIMS AND INTERESTS BEFORE OR DURING THE CHAPTER 11 CASES, INCLUDING THE NEGOTIATION, FORMULATION OR PREPARATION OF THE PLAN SUPPORT AGREEMENT, THIS PLAN, THE DISCLOSURE STATEMENT, OR RELATED AGREEMENTS, INSTRUMENTS OR OTHER DOCUMENTS OR ANY OTHER ACT OR OMISSION, TRANSACTION, AGREEMENT, EVENT OR OTHER OCCURRENCE RELATING TO THE DEBTORS TAKING PLACE ON OR BEFORE THE CONFIRMATION DATE OF THIS PLAN, EXCEPT FOR (I) ANY CLAIMS AND CAUSES OF ACTION FOR ACTUAL FRAUD, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT AND (II) THE RIGHT TO RECEIVE DISTRIBUTIONS FROM THE DEBTORS AND THE LIQUIDATING TRUST ON ACCOUNT OF AN ALLOWED CLAIM AGAINST A DEBTOR PURSUANT TO THIS PLAN.

E. Liabilities to, and Rights of, Governmental Units

Nothing in this Plan or Confirmation Order shall discharge, release, or preclude: (1) any liability to a Governmental Unit that is not a Claim; (2) any Claim of a Governmental Unit arising on or after the Confirmation Date; (3) any liability to a Governmental Unit on the part of any Person or Entity other than the Debtors or Liquidating Trustee; (4) any valid right of setoff or recoupment by a Governmental Unit; or (5) any criminal liability. Nothing in this Plan or Confirmation Order shall enjoin or otherwise bar any Governmental Unit from asserting or enforcing, outside the Bankruptcy Court, any liability described in the preceding sentence. The discharge and injunction provisions contained in this Plan and Confirmation Order are not

intended and shall not be construed to bar any Governmental Unit from, after the Confirmation Date, pursuing any police or regulatory action.

F. Exculpation

EXCEPT AS OTHERWISE SPECIFICALLY PROVIDED IN THIS PLAN OR PLAN SUPPLEMENT, NO EXCULPATED PARTY SHALL HAVE OR INCUR, AND EACH EXCULPATED PARTY IS HEREBY RELEASED AND EXCULPATED FROM ANY EXCULPATED CLAIM OR LIABILITY FOR ANY EXCULPATED CLAIM, EXCEPT FOR GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. THE DEBTORS AND THE COMMITTEE (AND THEIR RESPECTIVE AFFILIATES, AGENTS, DIRECTORS, OFFICERS, EMPLOYEES, ADVISORS AND ATTORNEYS) HAVE PARTICIPATED IN COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE BANKRUPTCY CODE WITH REGARD TO THE SOLICITATION AND DISTRIBUTIONS PURSUANT TO THIS PLAN AND, THEREFORE, ARE NOT, AND ON ACCOUNT OF SUCH DISTRIBUTIONS SHALL NOT BE, LIABLE AT ANY TIME FOR THE VIOLATION OF ANY APPLICABLE LAW, RULE OR REGULATION GOVERNING THE SOLICITATION OF ACCEPTANCES OR REJECTIONS OF THIS PLAN OR SUCH DISTRIBUTIONS MADE PURSUANT TO THIS PLAN.

G. Injunction

FROM AND AFTER THE EFFECTIVE DATE, ALL ENTITIES ARE PERMANENTLY ENJOINED FROM COMMENCING OR CONTINUING IN ANY MANNER, ANY CAUSE OF ACTION RELEASED OR TO BE RELEASED PURSUANT TO THIS PLAN OR THE CONFIRMATION ORDER.

FROM AND AFTER THE EFFECTIVE DATE, TO THE EXTENT OF THE RELEASES AND EXCULPATION GRANTED IN ARTICLE VIII, THE DEBTORS AND HOLDERS OF CLAIMS OR INTERESTS SHALL BE PERMANENTLY ENJOINED FROM COMMENCING OR CONTINUING IN ANY MANNER AGAINST THE RELEASED PARTIES AND THE EXCULPATED PARTIES AND THEIR ASSETS AND PROPERTIES, AS THE CASE MAY BE, ANY SUIT, ACTION OR OTHER PROCEEDING, ON ACCOUNT OF OR RESPECTING ANY CLAIM, DEMAND, LIABILITY, OBLIGATION, DEBT, RIGHT, CAUSE OF ACTION, INTEREST OR REMEDY RELEASED OR TO BE RELEASED PURSUANT TO ARTICLE VIII.

EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS PLAN, THE PLAN SUPPLEMENT OR RELATED DOCUMENTS, OR IN OBLIGATIONS ISSUED PURSUANT TO THIS PLAN, ALL ENTITIES WHO HAVE HELD, HOLD OR MAY HOLD CLAIMS OR INTERESTS THAT HAVE BEEN RELEASED OR DISCHARGED PURSUANT TO ARTICLE VIII.C OR ARTICLE VIIL.D, OR ARE SUBJECT TO EXCULPATION PURSUANT TO ARTICLE VIIL.F ARE PERMANENTLY ENJOINED, FROM AND AFTER THE EFFECTIVE DATE, FROM TAKING ANY OF THE FOLLOWING ACTIONS: (1) COMMENCING OR CONTINUING IN ANY MANNER ANY ACTION OR OTHER PROCEEDING OF ANY KIND ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH CLAIMS OR INTERESTS; (2) ENFORCING, ATTACHING,

COLLECTING OR RECOVERING BY ANY MANNER OR MEANS ANY JUDGMENT, AWARD, DECREE OR ORDER AGAINST SUCH ENTITIES ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH CLAIMS OR INTERESTS; (3) CREATING, PERFECTING OR ENFORCING ANY ENCUMBRANCE OF ANY KIND AGAINST SUCH ENTITIES OR THE PROPERTY OR ESTATE OF SUCH ENTITIES ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH CLAIMS OR INTERESTS; AND (4) COMMENCING OR CONTINUING IN ANY MANNER ANY ACTION OR OTHER PROCEEDING OF ANY KIND ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH CLAIMS OR INTERESTS RELEASED OR SETTLED PURSUANT TO THIS PLAN.

THE RIGHTS AFFORDED IN THIS PLAN AND THE TREATMENT OF ALL CLAIMS AND INTERESTS HEREIN SHALL BE IN EXCHANGE FOR AND IN COMPLETE SATISFACTION OF CLAIMS AND INTERESTS OF ANY NATURE WHATSOEVER, INCLUDING ANY INTEREST ACCRUED ON CLAIMS FROM AND AFTER THE PETITION DATE, AGAINST THE DEBTORS OR ANY OF THEIR ASSETS, PROPERTY OR ESTATES. ON THE EFFECTIVE DATE, ALL SUCH CLAIMS AGAINST THE DEBTORS SHALL BE FULLY RELEASED AND THE INTERESTS SHALL BE CANCELLED.

EXCEPT AS OTHERWISE EXPRESSLY PROVIDED FOR HEREIN OR IN OBLIGATIONS ISSUED PURSUANT HERETO FROM AND AFTER THE EFFECTIVE DATE, ALL CLAIMS SHALL BE FULLY RELEASED, AND THE INTERESTS SHALL BE CANCELLED, AND THE DEBTORS' LIABILITY WITH RESPECT THERETO SHALL BE EXTINGUISHED COMPLETELY, INCLUDING ANY LIABILITY OF THE KIND SPECIFIED UNDER SECTION 502(G) OF THE BANKRUPTCY CODE.

ALL ENTITIES SHALL BE PRECLUDED FROM ASSERTING AGAINST THE DEBTORS, THE ESTATES, THE LIQUIDATING TRUSTEE, EACH OF THEIR RESPECTIVE SUCCESSORS AND ASSIGNS AND EACH OF THEIR ASSETS AND PROPERTIES, ANY OTHER CLAIMS OR INTERESTS BASED UPON ANY DOCUMENTS, INSTRUMENTS OR ANY ACT OR OMISSION, TRANSACTION OR OTHER ACTIVITY OF ANY KIND OR NATURE THAT OCCURRED BEFORE THE EFFECTIVE DATE.

H. No Discharge

Notwithstanding any other provision of this Plan, pursuant to section 1141(d)(3) of the Bankruptcy Code, the Debtors shall not receive a discharge.

I. Reservation of Causes of Action/Reservation of Rights

Except with respect to the exculpation in Article VIII.F of this Plan and the releases in Article VIII.B of this Plan, nothing contained in this Plan shall be deemed to be a waiver or the relinquishment of any Causes of Action that the Debtors or the Liquidating Trust, as applicable, may have or may choose to assert against any Person.

In accordance with section 1123(b) of the Bankruptcy Code, and except where such Causes of Action have been expressly released in this Plan or the Global Settlement Agreement,

the Liquidating Trustee shall retain and may enforce all rights to commence and pursue, as appropriate, any and all Causes of Action, whether arising before or after the Petition Date, including any actions specifically enumerated in any supplemental documents, and the Liquidating Trustee's rights to commence, prosecute, or settle such Causes of Action shall be preserved notwithstanding the occurrence of the Effective Date. The Liquidating Trustee may pursue such Causes of Action, as appropriate, in accordance with the best interests of the Liquidating Trust Beneficiaries. No Entity may rely on the absence of a specific reference in the Plan or the Disclosure Statement to any Cause of Action against them as any indication that the Debtors or the Liquidating Trustee, as applicable, will not pursue any and all available Causes of Action against them. Except with respect to Causes of Action as to which the Debtors have released any Entity on or prior to the Effective Date in accordance with a Final Order of the Bankruptcy Court, the Debtors or the Liquidating Trustee, as applicable, expressly reserve all rights to prosecute any and all Causes of Action against any Entity. Unless any Causes of Action against an Entity is expressly waived, relinquished, exculpated, released, compromised, or settled in the Plan, Global Settlement Agreement or a Bankruptcy Court order, the Liquidating Trustee expressly reserves all Causes of Action, for later adjudication, and, therefore, no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppels (judicial, equitable or otherwise), or laches, shall apply to such Causes of Action upon, after, or as a consequence of the Confirmation or Consummation of this Plan.

Without limiting the foregoing, and except where such Causes of Action have been expressly released in this Plan or the Global Settlement Agreement, the Liquidating Trustee may pursue (1) all Avoidance Actions including, without limitation, claims for the recovery of preferential transfers pursuant to sections 547 and 550 of the Bankruptcy Code, (2) actions to collect accounts receivable and any other amounts due to the Debtors' Estates, (3) tax refunds or other claims held by the Debtors' Estates, and (4) potential recoveries in connection with the Payment Card Interchange Fee and Merchant Discount Antitrust Litigation, Case Number 05-MD-1720 (JG) (JO), pending in the United States District Court for the Eastern District of New York, in each case whether or not such payment, transfer, action or claim is specified in the Debtors' Schedules.

J. Term of Injunctions or Stays

Unless otherwise provided in this Plan or in the Confirmation Order, all injunctions or stays in effect in the Chapter 11 Cases pursuant to sections 105 or 362 of the Bankruptcy Code or any order of the Bankruptcy Court, and extant on the Confirmation Date (excluding any injunctions or stays contained in this Plan or the Confirmation Order), shall remain in full force and effect until the Effective Date. All injunctions or stays contained in this Plan or the Confirmation Order shall remain in full force and effect in accordance with their terms.

**ARTICLE IX.
CONDITIONS PRECEDENT TO CONFIRMATION
AND CONSUMMATION OF THIS PLAN**

A. Conditions Precedent to Confirmation

It shall be a condition to Confirmation that all provisions, terms and conditions hereof are approved in the Confirmation Order.

B. Conditions Precedent to the Effective Date

It shall be a condition to the Effective Date of this Plan that the following conditions shall have been satisfied or waived pursuant to the provisions of Article IX.C hereof:

1. The Confirmation Order (a) shall have been duly entered and be a Final Order and (b) shall be in form and substance otherwise reasonably acceptable to the Committee.

2. Any amendments, modifications or supplements to this Plan (including the Plan Supplement), if any, shall be acceptable to the Committee.

3. All actions, documents, certificates and agreements necessary to implement this Plan shall have been effected or executed and delivered to the required parties and, to the extent required, Filed with the applicable Governmental Units in accordance with applicable laws.

4. The Confirmation Order shall, among other things, provide that all transfers of property by the Debtors (a) to the Liquidating Trust (i) are or shall be legal, valid, and effective transfers of property, (ii) vest or shall vest the Liquidating Trust with good title to such property free and clear of all liens, charges, claims, encumbrances or interests, except as expressly provided in the Plan or Confirmation Order, (iii) do not and shall not constitute voidable transfers under the Bankruptcy Code or under applicable non-bankruptcy law, (iv) shall be exempt from any transfer, sales, stamp or other similar tax (which exemption shall also apply to the transfers by the Liquidating Trust) and (v) do not and shall not subject the Liquidating Trustee or Holders of Claims to any liability by reason of such transfer under the Bankruptcy Code or under applicable non-bankruptcy law, including, without limitation, any laws affecting successor or transferee liability and (b) to Holders of Claims under the Plan are for good consideration and value.

5. All actions and transfers and all agreements, instruments, or other documents necessary to implement the terms and provisions of this Plan, including all transfers to the Liquidating Trust, shall have been effected or executed and delivered, as applicable, in form and substance satisfactory to the Debtors and the Committee.

6. The Liquidating Trustee shall have been appointed and the Liquidating Trust Agreement shall have been executed.

7. The Debtors shall have completed all going out of business sales at the Debtors' business locations pursuant to the Store Closing Approval Order.

C. Waiver of Conditions

The conditions to Confirmation and to Consummation set forth in this Article IX may be waived by the Debtors, with the consent of the Committee, without notice, leave or order of the Bankruptcy Court or any formal action other than proceeding to confirm or consummate this Plan; *provided, however*, that the condition that the Debtors shall have completed all going out of business sales at the Debtors' business locations pursuant to the Store Closing Approval Order cannot be waived without the consent of the GOB Agent.

D. Effect of Failure of Conditions

If the Consummation of this Plan does not occur, this Plan shall be null and void in all respects and nothing contained in this Plan or the Disclosure Statement shall: (1) constitute a waiver or release of any Claims by the Debtors, any Holders or any other Entity; (2) prejudice in any manner the rights of the Debtors, any Holders or any other Entity; or (3) constitute an admission, acknowledgment, offer or undertaking by the Debtors, any Holders or any other Entity in any respect.

ARTICLE X.

MODIFICATION, REVOCATION OR WITHDRAWAL OF THIS PLAN

A. Modification and Amendments

Except as otherwise specifically provided in this Plan, the Debtors, with the consent of the Committee, reserve the right to modify this Plan, whether such modification is material or immaterial, and seek Confirmation consistent with the Bankruptcy Code. Subject to certain restrictions and requirements set forth in section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019 (as well as those restrictions on modifications set forth in this Plan), the Debtors, with the consent of the Committee, expressly reserve their respective rights to revoke or withdraw, to alter, amend or modify this Plan with respect to any Debtor, one or more times, after Confirmation, and, to the extent necessary, may initiate proceedings in the Bankruptcy Court to so alter, amend or modify this Plan, or remedy any defect or omission or reconcile any inconsistencies in this Plan, the Disclosure Statement or the Confirmation Order, in such matters as may be necessary to carry out the purposes and intent of this Plan.

B. Effect of Confirmation on Modifications

Entry of the Confirmation Order shall mean that all modifications or amendments to this Plan since the solicitation thereof are approved pursuant to section 1127(a) of the Bankruptcy Code and do not require additional disclosure or re-solicitation under Bankruptcy Rule 3019.

C. Revocation or Withdrawal of Plan

The Debtors, with the consent of the Committee, reserve the right to revoke or withdraw this Plan before the Confirmation Date and to file subsequent plans. If the Debtors, with the consent of the Committee, revoke or withdraw this Plan, or if Confirmation or Consummation does not occur, then, subject to the terms of the Global Settlement Agreement: (1) this Plan shall be null and void in all respects; (2) any settlement or compromise embodied in this Plan

(including the fixing or limiting to an amount certain of the Claims or Interests or Class of Claims or Interests), assumption or rejection of Executory Contracts or Unexpired Leases effected by this Plan, and any document or agreement executed pursuant to this Plan, shall be deemed null and void; and (3) nothing contained in this Plan shall: (a) constitute a waiver or release of any Claims or Interests; (b) prejudice in any manner the rights of such Debtor, any Holder or any other Entity; or (c) constitute an admission, acknowledgement, offer or undertaking of any sort by such Debtor, any holder or any other Entity.

ARTICLE XI. RETENTION OF JURISDICTION

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, on and after the Effective Date, the Bankruptcy Court shall retain exclusive jurisdiction over all matters arising out of, or related to, the Chapter 11 Cases and this Plan pursuant to sections 105(a) and 1142 of the Bankruptcy Code, including jurisdiction to:

1. allow, disallow, determine, liquidate, classify, estimate or establish the priority, Secured or unsecured status, or amount of any Claim or Interest, including the resolution of any request for payment of any Administrative Claim and the resolution of any and all objections to the Secured or unsecured status, priority, amount or allowance of Claims or Interests;
2. decide and resolve all matters related to the granting and denying, in whole or in part, any applications for allowance of compensation or reimbursement of expenses to Professionals (including Fee Claims) authorized pursuant to the Bankruptcy Code or this Plan;
3. resolve any matters related to: (a) the assumption, assumption and assignment or rejection of any Executory Contract or Unexpired Lease to which a Debtor is party or with respect to which a Debtor may be liable and to hear, determine and, if necessary, liquidate, any Claims arising therefrom, including Cure Claims pursuant to section 365 of the Bankruptcy Code; (b) any potential contractual obligation under any Executory Contract or Unexpired Lease that is assumed or assumed and assigned; (c) the Liquidating Trustee amending, modifying or supplementing, after the Effective Date, pursuant to Article V, the Executory Contracts and Unexpired Leases to be assumed, assumed and assigned or rejected or otherwise; and (d) any dispute regarding whether a contract or lease is or was executory, expired or terminated;
4. ensure that distributions to Holders of Allowed Claims are accomplished pursuant to the provisions of this Plan;
5. adjudicate, decide or resolve any motions, adversary proceedings, contested or litigated matters and any other matters, and grant or deny any applications involving a Debtor that may be pending on the Effective Date;
6. adjudicate, decide or resolve any and all matters related to section 1141 of the Bankruptcy Code;
7. enter and implement such orders as may be necessary or appropriate to execute, implement or consummate the provisions of this Plan and all contracts, instruments, releases,

indentures and other agreements or documents created in connection with this Plan, the Plan Supplement or the Disclosure Statement;

8. enter and enforce any order for the sale of property pursuant to sections 363, 1123 or 1146(a) of the Bankruptcy Code;

9. Adjudicate, decide, or resolve any and all matters related to Causes of Action, whether commenced before or after the Confirmation Date;

10. resolve any cases, controversies, suits, disputes or Causes of Action that may arise in connection with Consummation, including interpretation or enforcement of this Plan or any Entity's obligations incurred in connection with this Plan;

11. issue injunctions, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any Entity with Consummation or enforcement of this Plan;

12. resolve any cases, controversies, suits, disputes or Causes of Action with respect to the releases, injunctions and other provisions contained in Article VIII, and enter such orders as may be necessary or appropriate to implement such releases, injunctions and other provisions;

13. resolve any cases, controversies, suits, disputes or Causes of Action with respect to the repayment or return of distributions and the recovery of additional amounts owed by the Holder of a Claim for amounts not timely repaid pursuant to Article VI.H.1;

14. enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked or vacated;

15. determine any other matters that may arise in connection with or relate to this Plan, the Disclosure Statement or the Confirmation Order;

16. enter an order or final decree concluding or closing any of the Chapter 11 Cases;

17. adjudicate any and all disputes arising from or relating to distributions under this Plan;

18. consider any modifications of this Plan, to cure any defect or omission or to reconcile any inconsistency in any Bankruptcy Court order, including the Confirmation Order;

19. determine requests for the payment of Claims entitled to priority pursuant to section 507 of the Bankruptcy Code;

20. hear and determine 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;

21. hear and determine matters concerning state, local and federal taxes in accordance with sections 346, 505 and 1146 of the Bankruptcy Code;

22. hear and determine all disputes involving the existence, nature, scope or enforcement of any exculpations, discharges, injunctions and releases granted in connection with and under this Plan, including under Article VIII;

23. enforce all orders previously entered by the Bankruptcy Court; and

24. hear any other matter not inconsistent with the Bankruptcy Code.

ARTICLE XII. MISCELLANEOUS PROVISIONS

A. Immediate Binding Effect

Subject to Article IX.B and notwithstanding Bankruptcy Rules 3020(e), 6004(h) or 7062 or otherwise, upon the occurrence of the Effective Date, the terms of this Plan and the Plan Supplement shall be immediately effective and enforceable and deemed binding upon the Debtors, the Liquidating Trustee and any and all Holders of Claims or Interests (irrespective of whether their Claims or Interests are deemed to have accepted this Plan), all Entities that are parties to or are subject to the settlements, compromises, releases, discharges and injunctions described in this Plan, each Entity acquiring property under this Plan and any and all non-Debtor parties to Executory Contracts and Unexpired Leases with the Debtors.

B. Additional Documents

On or before the Effective Date, the Debtors may File with the Bankruptcy Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of this Plan, which agreements and other documents shall be in form and substance acceptable to the Committee. The Debtors or Liquidating Trustee, as applicable, and all Holders receiving distributions pursuant to this Plan and all other parties in interest may, from time to time, prepare, execute and deliver any agreements or documents and take any other actions as may be necessary or advisable to effectuate the provisions and intent of this Plan.

C. Dissolution of Statutory Committee

On the Effective Date, the Committee shall be dissolved and members thereof shall be released and discharged from all rights and duties from or related to the Chapter 11 Cases.

D. Reservation of Rights

Except as expressly set forth in this Plan, this Plan shall have no force or effect unless the Bankruptcy Court enters the Confirmation Order, and the Confirmation Order shall have no force or effect if the Effective Date does not occur. None of the Filing of this Plan, any statement or provision contained in this Plan or the taking of any action by any Debtor with respect to this Plan, the Disclosure Statement or the Plan Supplement shall be or shall be deemed to be an admission or waiver of any rights of any Debtor with respect to the Holders before the Effective Date.

E. Successors and Assigns

The rights, benefits and obligations of any Entity named or referred to in this Plan shall be binding on, and shall inure to the benefit of any heir, executor, administrator, successor or assign, Affiliate, officer, director, agent, representative, attorney, beneficiaries or guardian, if any, of each Entity.

F. Notices

To be effective, all notices, requests and demands to or upon the Debtors or the Liquidating Trustee shall be in writing. Unless otherwise expressly provided herein, any such notice, request or demand shall be deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile or e-mail transmission, when received and confirmed, addressed to the following:

If to the Debtors:

Shearman & Sterling LLP
599 Lexington Avenue
New York, New York 10022
Attention: Douglas P. Bartner and Jill Frizzley
Facsimile: (646) 848-4000
E-mail addresses: dbartner@shearman.com,
jfrizzley@shearman.com

- and -

Young Conaway Stargatt & Taylor, LLP
Rodney Square
1000 North King Street
Wilmington, Delaware 19801
Attention: Pauline K. Morgan
Facsimile: (302) 571-1253
E-mail address: pmorgan@ycst.com

If to the Liquidating Trustee:

As set forth in the Plan Supplement

After the Effective Date, the Liquidating Trustee may notify Entities entitled to receive documents pursuant to Bankruptcy Rule 2002 as of the Effective Date, that in order to continue to receive such documents, such Entities must File and serve on the Liquidating Trustee and its counsel a renewed request to receive documents pursuant to Bankruptcy Rule 2002. After the Effective Date, the Liquidating Trustee is authorized to limit the list of Entities receiving documents pursuant to Bankruptcy Rule 2002 to those Entities who have Filed such renewed requests.

G. Entire Agreement

Except as otherwise indicated, this Plan and the Plan Supplement supersede all previous and contemporaneous negotiations, promises, covenants, agreements, understandings and representations on such subjects, all of which have become merged and integrated into this Plan; *provided, however*, that nothing in this Plan shall supersede the Agency Agreement or the Global Settlement Agreement.

H. Exhibits

All exhibits and documents included in the Plan Supplement are incorporated into and are a part of this Plan as if set forth in full in this Plan. After the exhibits and documents are Filed, copies of such exhibits and documents shall be available upon written request to the Debtors' counsel at the address above or by downloading such exhibits and documents from the website of the Debtors' notice, claims and balloting agent at <http://cases.primeclerk.com/coldwater> or the Bankruptcy Court's website at www.deb.uscourts.gov. To the extent any exhibit or document is inconsistent with the terms of this Plan, unless otherwise ordered by the Bankruptcy Court, the non-exhibit or non-document portion of this Plan shall control.

I. Severability of Plan Provisions

If, before Confirmation, any term or provision of this Plan is held by the Bankruptcy Court to be invalid, void or unenforceable, the Bankruptcy Court shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of this Plan will remain in full force and effect and will in no way be affected, impaired or invalidated by such holding, alteration or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of this Plan, as it may have been altered or interpreted in accordance with the foregoing, is: (1) valid and enforceable pursuant to its terms; (2) integral to this Plan and may not be deleted or modified without the Debtors' and the Committee's consent; and (3) non-severable and mutually dependent.

J. Votes Solicited in Good Faith

Upon entry of the Confirmation Order, the Debtors will be deemed to have solicited votes on this Plan in good faith and in compliance with the Bankruptcy Code and pursuant to section 1125(e) of the Bankruptcy Code.

K. Conflicts

Except as set forth in this Plan, to the extent that any provision of the Disclosure Statement, the Plan Supplement or any other order (other than the Confirmation Order) referenced in this Plan (or any exhibits, schedules, appendices, supplements or amendments to any of the foregoing), conflict with or are in any way inconsistent with any provision of this Plan,

this Plan shall govern and control. To the extent there are any inconsistencies between this Plan and the Confirmation Order, the Confirmation Order shall govern and control.

[Remainder of page intentionally left blank.]

Dated: August 8, 2014
New York, New York

COLDWATER CREEK INC., on behalf of itself and
each of the other Debtors

By: /s/ James A. Bell
Name: James A. Bell
Title: President and Interim CEO

COUNSEL:

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*Co-Counsel to the Debtors and Debtors in
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Document comparison by Workshare Compare on Monday, September 15, 2014
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Style change	0
Format changed	0
Total changes	268

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

	X	
In re:	:	Chapter 11
COLDWATER CREEK INC., et al.,¹	:	Case No. 14-10867 (BLS)
Debtors.	:	(Jointly Administered)

**NOTICE OF FILING OF BLACKLINED VERSION OF DEBTORS' MODIFIED
THIRD AMENDED JOINT PLAN OF LIQUIDATION OF COLDWATER CREEK INC.
AND ITS DEBTOR AFFILIATES PURSUANT TO CHAPTER 11 OF
THE BANKRUPTCY CODE**

PLEASE TAKE NOTICE that, on August 8, 2014, Coldwater Creek Inc., on behalf of itself and its affiliated debtors and debtors in possession in the above-captioned cases (collectively, the “**Debtors**”), filed the *Third Amended Joint Plan of Liquidation of Coldwater Creek Inc. and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* (the “**Third Amended Plan**”) [Docket No. 835].

PLEASE TAKE FURTHER NOTICE that, on the date hereof, the Debtors filed the *Modified Third Amended Joint Plan of Liquidation of Coldwater Creek Inc. and its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* (the “**Modified Amended Plan**”).

PLEASE TAKE FURTHER NOTICE that, for the convenience of the Court and all interested parties, attached hereto as **Exhibit A** is a blackline of the Modified Amended Plan compared against the Third Amended Plan.

¹ The Debtors in these proceedings (including the last four digits of their respective taxpayer identification numbers) are: Coldwater Creek Inc. (9266), Coldwater Creek U.S. Inc. (8831), Aspenwood Advertising, Inc. (7427), Coldwater Creek The Spa Inc. (7592), CWC Rewards Inc. (5382), Coldwater Creek Merchandising & Logistics Inc. (3904) and Coldwater Creek Sourcing Inc. (8530). Debtor CWC Sourcing LLC has the following Idaho organizational identification number: W38677. The Debtors’ corporate headquarters is located at One Coldwater Creek Drive, Sandpoint, Idaho 83864.

Dated: Wilmington, Delaware
September 15, 2014

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EXHIBIT A

Plan Blackline

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

COLDWATER CREEK INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 14-10867 (BLS)

(Jointly Administered)

**MODIFIED THIRD AMENDED JOINT PLAN OF LIQUIDATION OF COLDWATER
CREEK INC. AND ITS DEBTOR AFFILIATES PURSUANT
TO CHAPTER 11 OF THE BANKRUPTCY CODE**

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Co-Counsel to the Debtors

Dated: ~~August 8,~~ September 15, 2014

¹ The Debtors in these proceedings (including the last four digits of their respective taxpayer identification numbers) are: Coldwater Creek Inc. (9266), Coldwater Creek U.S. Inc. (8831), Aspenwood Advertising, Inc. (7427), Coldwater Creek The Spa Inc. (7592), CWC Rewards Inc. (5382), Coldwater Creek Merchandising & Logistics Inc. (3904) and Coldwater Creek Sourcing Inc. (8530). Debtor CWC Sourcing LLC has the following Idaho organizational identification number: W38677. The Debtors' corporate headquarters is located at One Coldwater Creek Drive, Sandpoint, Idaho 83864.

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Exhibit 3

Notice of Effective Date

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

<p>-----X</p> <p>In re:</p> <p>CWC LIQUIDATION INC.</p> <p>(f/k/a Coldwater Creek Inc.), et al.,¹</p> <p style="text-align: center;">Debtors.</p> <p>-----X</p>	<p>:</p> <p>:</p> <p>:</p> <p>:</p> <p>:</p> <p>:</p> <p>:</p> <p>:</p> <p>:</p> <p>:</p>	<p>Chapter 11</p> <p>Case No. 14-10867 (BLS)</p> <p>(Jointly Administered)</p>
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**NOTICE OF (A) ENTRY OF ORDER APPROVING MODIFIED THIRD
AMENDED JOINT PLAN OF LIQUIDATION OF COLDWATER CREEK INC. AND
ITS DEBTOR AFFILIATES PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY
CODE; (B) OCCURRENCE OF THE EFFECTIVE DATE OF THE PLAN;
AND (C) RELATED DEADLINES**

PLEASE TAKE NOTICE OF THE FOLLOWING:

1. **Confirmation of Plan.** On September [17], 2014 (the “**Confirmation Date**”), the United States Bankruptcy Court for the District of Delaware (the “**Bankruptcy Court**”) entered its *Findings of Fact, Conclusions of Law and Order Confirming Modified Third Amended Joint Plan of Liquidation of Coldwater Creek Inc. and its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. _____] (the “**Confirmation Order**”).²
2. **Effective Date.** The Effective Date of the Plan was _____, 2014.
3. **Administrative Claims Bar Date.** Pursuant to Article II.A.3 of the Plan, unless required to be filed by an earlier date by another order of the Bankruptcy Court, all requests for payment of Administrative Claims accruing on or after the Petition Date, but prior to the Effective Date, other than: (i) a Fee Claim, (ii) an Administrative Claim that has been Allowed on or before the Effective Date; and (iii) a Claim for U.S. Trustee fees, must be filed and served on the Debtors, the Liquidating Trustee and such other entities who are designated by

¹ The Debtors in these proceedings (including the last four digits of their respective taxpayer identification numbers) are: CWC Liquidation Inc. (f/k/a Coldwater Creek Inc.) (9266), CWC U.S. Liquidation Inc. (f/k/a Coldwater Creek U.S. Inc.) (8831), CWC Advertising Liquidation Inc. (f/k/a Aspenwood Advertising, Inc.) (7427), CWC Spa Liquidation Inc. (f/k/a Coldwater Creek The Spa Inc.) (7592), CWC Rewards Liquidation Inc. (f/k/a CWC Rewards Inc.) (5382), CWC M&L Liquidation Inc. (f/k/a Coldwater Creek Merchandising & Logistics Inc.) (3904), and CWC Sourcing Liquidation Inc. (f/k/a Coldwater Creek Sourcing Inc.) (8530). Debtor CWC Sourcing Liquidation LLC (f/k/a CWC Sourcing LLC) has the following Idaho organizational identification number: W38677. The Debtors’ corporate headquarters is located at One Coldwater Creek Drive, Sandpoint, Idaho 83864.

² Unless otherwise defined in this notice (the “**Notice**”), capitalized terms used herein shall have the meanings ascribed to them in the *Modified Third Amended Joint Plan of Liquidation of Coldwater Creek Inc. and its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code*, including the exhibits thereto, and all documents and agreements executed pursuant thereto, and as modified from time to time, the “**Plan**”).

the Bankruptcy Rules, the Confirmation Order or other order of the Court, so as to be received by **no later than the date that is thirty days after the Effective Date (_____, 2014).** Holders of Administrative Claims that are required to, but do not, File and serve a request for payment of such Administrative Claims by such date shall be forever barred, estopped and enjoined from asserting such Administrative Claims against the Debtors' property to be distributed under this Plan, the Liquidating Trust Assets or the Liquidating Trust.

4. **Fee Claims.** As provided in Article II.A.2(a) of the Plan, all requests for compensation or reimbursement of Fee Claims for services rendered prior to the Effective Date shall be filed and served on the Debtors and such other entities who are designated by the Bankruptcy Rules, the Confirmation Order or other order of the Court, no later than **the date that is forty days after the Effective Date (_____, 2014).** Holders of Fee Claims that fail to file and serve final fee applications timely and properly, shall be forever barred, estopped and enjoined from asserting such Fee Claims against the Debtors' property to be distributed under this Plan, the Liquidating Trust Assets or the Liquidating Trust.

5. **Rejection Damages Bar Date.** Pursuant to Article V.B of the Plan, counterparties to Executory Contracts or Unexpired Leases rejected pursuant to the Plan shall file any rejection damages claims on or before **30 days after the Effective Date (_____, 2014)** and such proofs of claim must otherwise comply with the *Order (I) Establishing Bar Dates for Filing Proofs of Prepetition Claims, Including Section 503(b)(9) Claims, and (II) Approving the Form and Manner of the Notice Thereof*, dated May 6, 2014 [Docket No. 349]. Any Claims arising from the rejection of an Executory Contract or Unexpired Lease not Filed within such time will be automatically disallowed, forever barred from assertion and shall not be enforceable against the property to be distributed under this Plan without the need for any objection by the Liquidating Trustee or further notice to, or action, order or approval of the Bankruptcy Court.

6. **Copies of the Confirmation Order.** Any party-in-interest wishing to obtain a copy of the Confirmation Order may obtain such copy: (i) at <http://cases.primeclerk.com/coldwater/> or (ii) by contacting the Debtors' claims and noticing agent at (855) 360-2999 or coldwaterinfo@primeclerk.com. Copies of the Confirmation Order may also be reviewed during regular business hours at the Bankruptcy Court, 824 Market Street, Wilmington, Delaware 19801 or may be obtained at the Bankruptcy Court's website at www.deb.uscourts.gov, by following the directions for accessing the ECF system on such site.

Dated: September __, 2014
Wilmington, Delaware