

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

**In re**

**CENTURY 21 DEPARTMENT STORES LLC,  
*et al.*,**

**Debtors.<sup>1</sup>**

**Chapter 11**

**Case No. 20-12097 (SCC)**

**(Jointly Administered)**

**FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER PURSUANT  
TO SECTIONS 1129(a) AND (b) OF THE BANKRUPTCY CODE AND  
RULE 3020 OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE  
CONFIRMING DEBTORS' FIRST AMENDED JOINT PLAN OF  
LIQUIDATION PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE**

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WHEREAS Century 21 Department Stores LLC and its affiliated debtors in the above-captioned Chapter 11 Cases (collectively, the “**Debtors**”), as “proponents of the plan” within the meaning of 1129 of title 11 of the United States Code (the “**Bankruptcy Code**”), filed the *Debtors’ First Amended Joint Plan of Liquidation Pursuant to Chapter 11 of the Bankruptcy Code* [ECF No. 740] (as transmitted to parties in interest, the “**First Amended Plan**” and with technical modifications,<sup>2</sup> the “**Plan**”)<sup>3</sup> and the *Disclosure Statement for Debtors’ First Amended Joint Plan*

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<sup>1</sup> The Debtors in these chapter 11 cases (the “**Chapter 11 Cases**”), along with the last four digits of each Debtor’s federal tax identification number, as applicable, are Century 21 Department Stores LLC (4073), L.I. 2000, Inc. (9619), C21 Department Stores Holdings LLC (8952), Giftco 21 LLC (0347), Century 21 Fulton LLC (4536), C21 Philadelphia LLC (2106), Century 21 Department Stores of New Jersey, L.L.C. (1705), Century 21 Gardens of Jersey, LLC (9882), C21 Sawgrass Blue, LLC (8286), C21 GA Blue LLC (5776), and Century Paramus Realty LLC (5033). The Debtors’ principal place of business is: 22 Cortlandt Street, 5th Floor, New York, NY 10007.

<sup>2</sup> On April 22, 2021, the Debtors filed the *Debtors’ First Amended Joint Plan of Liquidation Pursuant to Chapter 11 of the Bankruptcy Code (with Technical Modifications)* [ECF No. 870].

<sup>3</sup> Unless otherwise defined herein, capitalized terms shall have the meanings given to such terms in the Plan, a copy of which is annexed hereto as **Exhibit A**. Any term used in the Plan or this Confirmation Order that is not defined in the Plan or this Confirmation Order, but that is used in the Bankruptcy Code or the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”) shall have the meaning ascribed to such term in the Bankruptcy Code or the Bankruptcy Rules, as applicable.

*of Liquidation Pursuant to Chapter 11 of the Bankruptcy Code* [ECF No. 741] (as transmitted to parties in interest, the “**Disclosure Statement**”); and

WHEREAS on March 16, 2021, the Court entered an order (the “**Solicitation Procedures Order**”) [ECF No. 769], which, among other things, (i) approved the Disclosure Statement under section 1125 of the Bankruptcy Code and Bankruptcy Rule 3017, (ii) established April 26, 2021, as the date for the hearing to consider confirmation of the Plan (the “**Confirmation Hearing**”), (iii) approved the form and method of notice of the Confirmation Hearing (the “**Confirmation Hearing Notice**”), and (iv) established certain procedures for soliciting and tabulating votes with respect to the Plan; and

WHEREAS, in accordance with the Solicitation Procedures Order and as provided in Bankruptcy Rule 3017(d), as set forth in *Affidavits of Service*, sworn to on March 24, 2021 [ECF No. 799] and on March 24, 2021 [ECF No. 800] (together, the “**Stretto Affidavits**”), Stretto served the Confirmation Hearing Notice upon all parties in interest in the Chapter 11 Cases and, in addition, (i) upon Holders of Claims in Class 3 (General Unsecured Claims) entitled to vote, the Disclosure Statement (with the First Amended Plan annexed thereto), the Solicitation Procedures Order (without exhibits), and an appropriate form of ballot and return envelope (together, a “**Ballot**”), and (ii) upon Holders of Claims or Interests, as applicable, in Class 1 (Other Secured Claims), Class 2 (Other Priority Claims), Class 4 (Intercompany Claims), Class 5 (Intercompany Interests), and Class 6 (Interests in C21 Holdings and L.I. 2000), a Non-Voting Status Notice (as defined in the motion seeking approval of the Solicitation Procedures Order); and

WHEREAS, as set forth in the *Verification of Publication of Vanessa Salvo, Principal Clerk of USA Today*, sworn to on March 22, 2021 [ECF No. 801] (the “**Certificate of**

**Publication**”), in accordance with the Solicitation Procedures Order, the Confirmation Hearing Notice was published in the national edition of *USA Today* on March 22, 2021; and

WHEREAS on April 9, 2021, the Debtors filed (i) the Plan Supplement with respect to the Plan [ECF No. 833] (as the document contained therein may have been or may be further amended or supplemented, the “**Plan Supplement**”), to which attached as Exhibit B was the Plan Administrator Agreement, and (ii) the *Supplemental Notice of Hearing to Consider Confirmation of Debtors’ Chapter 11 Plan and Notice of Filing of Plan Supplement* [ECF No. 834]; and

WHEREAS, as set forth in the *Certification of Stretto Regarding Solicitation of Votes and Tabulation of Ballots in Connection with the Debtors’ First Amended Joint Plan of Liquidation Pursuant to Chapter 11 of the Bankruptcy Code* [ECF No. 859] and the *Supplement to Certification of Stretto Regarding Solicitation of Votes and Tabulation of Ballots in Connection with the Debtors’ First Amended Joint Plan of Liquidation Pursuant to Chapter 11 of the Bankruptcy Code* [ECF No. 863], each sworn to on April 19, 2021 (together, the “**Voting Report**”), Stretto attested to and certified the method and results of the tabulation of votes with respect to the Class entitled to vote to accept or reject the Plan; and

WHEREAS on April 22, 2021, the Debtors filed (i) the *Debtors’ Memorandum of Law in Support of Confirmation of Debtors First Amended Joint Plan of Liquidation Pursuant to Chapter 11 of the Bankruptcy Code (with Technical Modifications)* (the “**Confirmation Brief**”) [ECF No. 871], (ii) the *Declaration of Brian M. Cashman in Support of Confirmation of First Amended Joint Plan of Liquidation Pursuant to Chapter 11 of the Bankruptcy Code (with Technical Modifications)* [ECF No. 872] (the “**Cashman Declaration**”); and (iii) a revised Plan Administrator Agreement [ECF No. 870]; and

WHEREAS the Confirmation Hearing was held and concluded on [April 26], 2021, and the record was closed; and

WHEREAS on [April 26], 2021, the Court rendered a bench ruling regarding the confirmation of the Plan (the “**Confirmation Ruling**”); and

NOW, THEREFORE, based on the Voting Report, the Cashman Declaration, the Debtors’ Confirmation Brief, the Certificate of Publication and the Stretto Affidavits, and upon (i) the record of and representations made at the Confirmation Hearing, including all the evidence proffered or adduced, and the arguments of counsel made, at the Confirmation Hearing, and (ii) the entire record of the Chapter 11 Cases, including the Confirmation Ruling; and after due deliberation thereon and sufficient cause appearing therefor, including for the reasons stated by the Court in the Confirmation Ruling;

**FINDINGS OF FACT AND CONCLUSIONS OF LAW**

**IT IS HEREBY FOUND AND DETERMINED THAT:**

A. Findings of Fact and Conclusions of Law. The findings and conclusions set forth herein and in the Confirmation Ruling constitute the Court’s findings of fact and conclusions of law pursuant to Fed. R. Bankr. P. 7052, made applicable to this proceeding pursuant to Fed. R. Bankr. P. 9014. To the extent any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

B. Exclusive Jurisdiction; Venue; Core Proceeding (28 U.S.C. §§ 157(b)(2)), 1334(a). The Court has had jurisdiction over the Chapter 11 Cases pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper under 28 U.S.C. §§ 1408 and 1409. Confirmation of the Plan is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(L), and the Court has exclusive jurisdiction to

determine whether the Plan complies with the applicable provisions of the Bankruptcy Code and should be confirmed.

C. Judicial Notice. The Court takes judicial notice of the docket of the Chapter 11 Cases maintained by the Clerk of the Court and/or its duly-appointed agent, including, without limitation, all pleadings and other documents filed, all orders entered, and the evidence and arguments made, proffered, or adduced at the hearings held before the Court during the pendency of the Chapter 11 Cases, including, but not limited to, the hearing to consider the adequacy of the Disclosure Statement and the Solicitation Procedures Order entered in connection therewith.

D. Burden of Proof. The Debtors have the burden of proving satisfaction of the applicable elements of section 1129(a) and (b) of the Bankruptcy Code by a preponderance of the evidence and have satisfied such burden as reflected herein, the record of the Confirmation Hearing and the Confirmation Ruling.

E. Transmittal and Mailing of Materials; Notice. The Disclosure Statement, the First Amended Plan, the Ballots, the Non-Voting Status Notices, the Solicitation Procedures Order, and the Confirmation Hearing Notice, which were transmitted and served as set forth in the Stretto Affidavits and the Certificate of Publication, have been transmitted, served, and published in compliance with the Solicitation Procedures Order, the Bankruptcy Rules, and the Local Bankruptcy Rules for the Southern District of New York (the “**Local Rules**”). Such transmittal, service, and publication were adequate and sufficient, and no other or further notice is or shall be required.

F. Voting. Votes to accept or reject the Plan have been solicited and tabulated fairly, in good faith, and in a manner consistent with the Bankruptcy Code, the Bankruptcy Rules, the Solicitation Procedures Order, and industry practice.

G. Plan Compliance with Bankruptcy Code (11 U.S.C. § 1129(a)(1)). The Plan complies with the applicable provisions of the Bankruptcy Code, thereby satisfying section 1129(a)(1) of the Bankruptcy Code.

H. Proper Classification (11 U.S.C. §§ 1122, 1123(a)(1)). In addition to Administrative Claims, Professional Fee Claims, and Priority Tax Claims, which need not be classified, the Plan designates six (6) Classes of Claims and Interests. The Claims or Interests placed in each Class are substantially similar to other Claims or Interests, as the case may be, in each such Class. Valid business, factual, and legal reasons exist for separately classifying the various Classes of Claims or Interests created under the Plan, and such Classes do not unfairly discriminate between Holders of Claims and Interests. The Plan satisfies sections 1122 and 1123(a)(1) of the Bankruptcy Code.

I. Specific Unimpaired Classes (11 U.S.C. § 1123(a)(2)). Article III of the Plan specifies that Class 1 (Other Secured Claims) and Class 2 (Other Priority Claims) are Unimpaired under the Plan, thereby satisfying section 1123(a)(2) of the Bankruptcy Code.

J. Specific Treatment of Impaired Classes (11 U.S.C. § 1123(a)(3)). Article III of the Plan designates Class 3 (General Unsecured Claims), Class 4 (Intercompany Claims), Class 5 (Intercompany Interests), Class 6 (Interests in C21 Holdings and L.I. 2000) as Impaired, and specifies the treatment of Claims and Interests in such Classes, thereby satisfying section 1123(a)(3) of the Bankruptcy Code.

K. No Discrimination (11 U.S.C. § 1123(a)(4)). The Plan provides for the same treatment for each Claim or Interest in each respective Class unless the Holder of a particular Claim or Interest has agreed to a less favorable treatment of such Claim or Interest, thereby satisfying section 1123(a)(4) of the Bankruptcy Code.

L. Implementation of the Plan (11 U.S.C. § 1123(a)(5)). The Plan and the Plan Administrator Agreement provide adequate and proper means for the Plan's implementation.

M. Nonvoting Equity Securities (11 U.S.C. § 1123(a)(6)). The Plan is a liquidating plan, and the Debtors will not be issuing equity securities. Therefore, section 1123(a)(6) of the Bankruptcy Code is inapplicable in the Chapter 11 Cases.

N. Selection of Officers, Directors, or Trustees (11 U.S.C. § 1123(a)(7)). In conjunction with section 1123(a)(7) of the Bankruptcy Code, the Plan Administrator Agreement provides for Alan D. Halperin to be appointed as the Plan Administrator to administer the Wind-Down Debtor in accordance with the Plan and Plan Administrator Agreement to the extent not inconsistent with this Confirmation Order.

O. Additional Plan Provisions (11 U.S.C. § 1123(b)). The provisions of the Plan are appropriate and not inconsistent with the applicable provisions of the Bankruptcy Code, thereby satisfying section 1123(b) of the Bankruptcy Code. The failure to specifically address a provision of the Bankruptcy Code in this Confirmation Order shall not diminish or impair the effectiveness of this Confirmation Order.

P. Bankruptcy Rule 3016(a). The Plan is dated and identifies the entities submitting the Plan as proponents, thereby satisfying Bankruptcy Rule 3016(a).

Q. Debtors' Compliance with Bankruptcy Code (11 U.S.C. § 1129(a)(2)). The Debtors have complied with the applicable provisions of the Bankruptcy Code, thereby satisfying section 1123(a)(2) of the Bankruptcy Code. Specifically:

- a. The Debtors are proper debtors under section 109 of the Bankruptcy Code.
- b. The Debtors have complied with applicable provisions of the Bankruptcy Code, except as otherwise provided or permitted by orders of the Court.

c. The Debtors have complied with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, and the Solicitation Procedures Order in transmitting the Disclosure Statement, the First Amended Plan, the Ballots, and related documents and notices and in soliciting and tabulating votes on the First Amended Plan.

R. 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. The Debtors' good faith is evident from the facts and record of these Chapter 11 Cases, the Disclosure Statement and the hearing thereon, and the record of the Confirmation Hearing and other proceedings held in these Chapter 11 Cases. The Plan is a product of extensive arms'-length negotiations between and among the Debtors, the Committee, the U.S. Trustee, and other parties in interest. The Plan was proposed with the legitimate and honest purpose of maximizing the value of the Debtors' Estates and effectuating a successful liquidation of the Debtors.

S. Payment for Services or Costs and Expenses (11 U.S.C. § 1129(a)(4)). Any payment made or to be made by any of the Debtors for services or for costs and expenses in or in connection with the Chapter 11 Cases, or in connection with the Plan and incident to the Chapter 11 Cases has been approved by, or is subject to the approval of, the Court as reasonable, thereby satisfying section 1129(a)(4) of the Bankruptcy Code.

T. Directors, Officers, and Insiders (11 U.S.C. § 1129(a)(5)). The Debtors have complied with section 1129(a)(5) of the Bankruptcy Code. The identity, affiliations, and compensation of the Plan Administrator proposed to serve after the Effective Date has been fully disclosed in the Plan Administrator Agreement.

U. No Rate Changes (11 U.S.C. § 1129(a)(6)). The Plan does not provide for any changes in any regulated rates and, therefore, section 1129(a)(6) of the Bankruptcy Code is inapplicable in these Chapter 11 Cases.

V. Best Interests of Creditors (11 U.S.C. § 1129(a)(7)). The Plan satisfies section 1129(a)(7) of the Bankruptcy Code. The Disclosure Statement (including the Liquidation Analysis annexed thereto), the Cashman Declaration, and the other evidence proffered or adduced at the Confirmation Hearing (i) are persuasive and credible, (ii) have not been controverted by other evidence, and (iii) establish that each Holder of an Impaired Claim or Interest either has accepted the Plan or will receive or retain under the Plan, on account of such Claim or Interest, property of a value, as of the Effective Date, that is not less than the amount such Holder would receive or retain if the Debtors were liquidated under chapter 7 of the Bankruptcy Code on such date.

W. Acceptance by Certain Classes (11 U.S.C. § 1129(a)(8)). Class 1 (Other Secured Claims) and Class 2 (Other Priority Claims) are Unimpaired under the Plan and are presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. As reflected in the Voting Report, Class 3 (General Unsecured Claims) has voted to accept the Plan in accordance with section 1126 of the Bankruptcy Code. Class 4 (Intercompany Claims), Class 5 (Intercompany Interests) and Class 6 (Interests in C21 Holdings and L.I. 2000) (collectively, the “**Rejecting Classes**”) are deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Although section 1129(a)(8) of the Bankruptcy Code has not been satisfied with respect to the Rejecting Classes, the Plan is confirmable because the Plan satisfies section 1129(b) of the Bankruptcy Code with respect to each of the Rejecting Classes.

X. Treatment of Administrative Claims, Professional Fee Claims, and Priority Tax Claims (11 U.S.C. § 1129(a)(9)). The treatment of Administrative Claims, Professional Fee

Claims, and Priority Tax Claims pursuant to Article II of the Plan satisfies the requirements of sections 1129(a)(9)(A), (B) and (C) of the Bankruptcy Code.

Y. Acceptance by Impaired Classes (11 U.S.C. § 1129(a)(10)). Class 3 (General Unsecured Claims) is Impaired under the Plan and has accepted the Plan, determined without including any acceptance of the Plan by any insider, thus satisfying the requirements of section 1129(a)(10) of the Bankruptcy Code.

Z. Feasibility (11 U.S.C. § 1129(a)(11)). The Plan provides for the deemed transfer of the remaining assets of all the Debtors to the Wind-Down Debtor, the designation of the Plan Administrator to monetize any non-Cash assets, and distribute Cash or other consideration to Holders of Allowed Claims in accordance with the Plan. In addition, the Plan provides for the establishment of a Post Effective Date Reserve, a Professional Fee Escrow Account, and a Disputed Claims Reserve, setting aside money sufficient to make required payments and Distributions. Therefore, confirmation of the Plan is not likely to be followed by the need for further reorganization of the Debtors, thereby satisfying (or eliminating the need to consider) section 1129(a)(11) of the Bankruptcy Code. The evidence proffered or adduced at the Confirmation Hearing (i) is persuasive and credible, (ii) has not been controverted by other evidence, and (iii) establishes that the Plan satisfies the requirements of section 1129(a)(11) of the Bankruptcy Code.

AA. Payment of Fees (11 U.S.C. § 1129(a)(12)). Pursuant to Article XII.C of the Plan, all fees and applicable interest payable pursuant to section 1930(a) of the Judicial Code and 31 U.S.C. § 3717, as applicable, as determined by the Court at a hearing pursuant to section 1128 of the Bankruptcy Code, shall be paid by the Plan Administrator for each quarter (including any fraction thereof) until the Wind-Down Debtor's Chapter 11 Case is converted, dismissed, or

closed, whichever occurs first. Thus, Article XII.C of the Plan satisfies the requirements of section 1129(a)(12) of the Bankruptcy Code.

BB. Benefit Plans (11 U.S.C. § 1129(a)(13)). The Debtors will not have retiree benefit plans upon consummation of the Plan. Accordingly, the Plan complies with section 1129(a)(13) of the Bankruptcy Code.

CC. Domestic Support Obligations (11 U.S.C. § 1129(a)(14)). The Debtors are not required by a judicial or administrative order, or by statute, to pay any domestic support obligations and, therefore, section 1129(a)(14) of the Bankruptcy Code is inapplicable to these Chapter 11 Cases.

DD. The Debtors Are Not Individuals (11 U.S.C. § 1129(a)(15)). The Debtors are not individuals and, therefore, section 1129(a)(15) of the Bankruptcy Code is inapplicable in these Chapter 11 Cases.

EE. No Applicable Nonbankruptcy Law Regarding Transfers (11 U.S.C. § 1129(a)(16)). Each of the Debtors is a moneyed, business, or commercial corporation or trust and, therefore, section 1129(a)(16) of the Bankruptcy Code is inapplicable in these Chapter 11 Cases.

FF. Fair and Equitable; No Unfair Discrimination (11 U.S.C. § 1129(b)). Although section 1129(a)(8) of the Bankruptcy Code has not been satisfied with respect to the Rejecting Classes, the Plan is confirmable because it satisfies section 1129(b) with respect to each such Class. Based on the Disclosure Statement, the Confirmation Brief, the Cashman Declaration, and the evidence proffered, adduced, or presented by the Debtors at the Confirmation Hearing, the Plan does not discriminate unfairly with respect to the Rejecting Classes, because no Class of Claims or Interests having similar legal rights to the Claims and Interests in the Rejecting Classes is

receiving different treatment under the Plan. Further, the Plan is fair and equitable with respect to the Rejecting Classes for the following reasons:

- a. Classes of Unsecured Claims (Classes 3 and 4). The Plan is fair and equitable with respect to Class 3 (General Unsecured Claims) and Class 4 (Intercompany Claims), because the Holder of any Claim or Interest that is junior to the claims of such Classes will not receive or retain under the Plan on account of such junior Claim or Interest any property. Moreover, no senior creditor will receive in excess of the full value of its Claim under the Plan.
- b. Classes of Interests (Classes 5 and 6). The Plan is fair and equitable with respect to Class 5 (Intercompany Interests) and Class 6 (Interests in C21 Holdings and L.I. 2000) because the Holder of any Interest that is junior to the Interests of such Classes will not receive or retain under the Plan on account of such junior Interest any property. Moreover, no senior creditor will receive in excess of the full value of its Claim under the Plan.

Accordingly, upon confirmation of the Plan and the occurrence of the Effective Date, the Plan (subject to any modifications set forth herein) shall be binding on the members of the Rejecting Classes.

GG. Only One Plan (11 U.S.C. § 1129(c)). The Plan is the only plan for which confirmation is sought in these Chapter 11 Cases and, therefore, section 1129(c) of the Bankruptcy Code is inapplicable in these Chapter 11 Cases.

HH. Principal Purpose of the Plan (11 U.S.C. § 1129(d)). The principal purpose of the Plan is not the avoidance of taxes or the avoidance of the application of Section 5 of the Securities Act of 1933, thereby satisfying section 1129(d) of the Bankruptcy Code.

II. Modifications to the Plan. The Technical Amendments constitute technical changes and do not materially adversely affect or change the treatment of any Claims or Interests. Accordingly, pursuant to Bankruptcy Rule 3019, the Technical Amendments do not require additional disclosure under section 1125 of the Bankruptcy Code or re-solicitation of votes under section 1126 of the Bankruptcy Code, nor do they require that Holders of Claims or Equity Interests be afforded an opportunity to change previously-cast acceptances or rejections of the Plan, thereby satisfying section 1127 of the Bankruptcy Code.

JJ. Good Faith Solicitation (11 U.S.C. § 1125(e)). Based on the record before the Court in these Chapter 11 Cases, the Debtors and their directors, officers, employees, members, agents, advisors, and professionals have acted in “good faith” within the meaning of section 1125(e) of the Bankruptcy Code, in compliance with the applicable provisions of the Bankruptcy Code and Bankruptcy Rules in connection with all their respective activities relating to the solicitation of acceptance or rejection of the Plan and their participation in the activities described in section 1125 of the Bankruptcy Code, and are entitled to the protections afforded by section 1125(e) of the Bankruptcy Code and the exculpation provisions set forth in Article VIII.E of the Plan.

KK. Assumption and Rejection. Article V of the Plan governing the assumption and rejection of executory contracts and unexpired leases satisfies the requirements of section 365(b) of the Bankruptcy Code. The Debtors have exercised reasonable business judgment in determining whether to assume or reject executory contracts and unexpired leases. The executory contracts to be rejected pursuant to Article V of the Plan shall be deemed rejected effective upon the occurrence of the Effective Date.

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

MM. Implementation. All documents necessary to implement the Plan, the document contained in the Plan Supplement, and all other relevant and necessary documents have been negotiated in good faith and at arm's-length and shall, upon completion of documentation and execution, be valid, binding, and enforceable agreements and not be in conflict with any federal or state law. Such documents provide adequate and proper means for the Plan's implementation.

NN. Injunction, Exculpation, and Releases. The releases of Claims and Causes of Action described in Article VIII of the Plan constitute good faith compromises and settlements of the matters covered thereby. Such compromises and settlements are (i) made in exchange for adequate consideration; (ii) in the best interests of the Debtors' Estates, holders of Claims, and other parties in interest; (iii) fair, equitable, and reasonable; (iv) integral elements of the resolution of the Chapter 11 Cases in accordance with the Plan; (v) in the cases of releases provided pursuant to section VIII.D of the Plan, are consensual, or are otherwise approved by the Court as appropriate pursuant to applicable law; and (vi) appropriately tailored to exclude claims for gross negligence, willful misconduct, or fraud as determined by Final Order. Each of the release, injunction, indemnification, and exculpation provisions set forth in the Plan: (i) is within the jurisdiction of the Court under 28 U.S.C. §§ 1334(a), (b), and (d); (ii) is an essential means of implementing the Plan pursuant to section 1123(a)(5) of the Bankruptcy Code; (iii) is an integral element of the transactions incorporated into the Plan; (iv) confers a material benefit on, and is in the best interests of, the Debtors, their Estates, and their creditors; (v) is important to the overall objectives of the Plan to finally resolve all Claims among or against the parties in interest in the Chapter 11 Cases with respect to the Debtors and their liquidation; (vi) is appropriately tailored to the circumstances

of the Chapter 11 Cases; and (vii) is consistent with sections 105, 1123, 1129, and other applicable provisions of the Bankruptcy Code.

OO. Objections. All parties have had a full and fair opportunity to object to confirmation of the Plan and to litigate all issues raised in such objections, or which might have been raised, and the objections have been fully considered by the Court and, to the extent not previously resolved, are overruled for the reasons stated in the Confirmation Ruling and herein.

PP. Retention of Jurisdiction. The Court may properly retain jurisdiction over the matters set forth in Article XI of the Plan and section 1142 of the Bankruptcy Code.

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

1. **Confirmation**. The Plan annexed hereto as Exhibit A and each of its provisions, as modified pursuant to section 1127 of the Bankruptcy Code, are hereby approved and **CONFIRMED** under section 1129 of the Bankruptcy Code. The terms of the Plan and the Plan Administrator Agreement, each as may be modified, are incorporated by reference into and are an integral part of the Plan and this Confirmation Order.

2. **Plan Supplement**. The form of Plan Administrator Agreement attached hereto as Exhibit B, and any amendments, modifications, and supplements thereto, and any and all documents introduced into evidence by the Debtors at the Confirmation Hearing (including all exhibits and attachments thereto and documents referred to therein), and the execution, delivery, and performance thereof by the Debtors, are authorized and approved.

3. The terms of the Plan, the Plan Administrator Agreement, all exhibits thereto, and this Confirmation Order shall be effective and binding as of the Effective Date on all parties in interest, including, without limitation: (a) the Debtors; (b) the ABL Lenders; (c) Holders of

General Unsecured Claims; (d) the Committee; (f) all Holders of Claims and Interests; and (g) the Purchasers and their affiliates.

4. The failure to include or refer to any particular article, section, or provision of the Plan, the Plan Administrator Agreement, or any related document, agreement, or exhibit does not impair the effectiveness of that article, section, or provision; it being the intent of the Court that the Plan, the Plan Administrator Agreement, and any related document, agreement, or exhibit are approved in their entirety.

5. **Objections.** To the extent that any objections (including any reservations of rights contained therein) to Confirmation have not been withdrawn, waived, or settled before entry of this Confirmation Order, are not cured by the relief granted in this Confirmation Order, or have not been otherwise resolved as stated on the record of the Confirmation Hearing, all such objections (including any reservation of rights contained therein) are hereby overruled in their entirety and on the merits in all respects.

6. **Substantive Consolidation.** The substantive consolidation of the Debtors and their respective Estates for all purposes relating to the Plan, including for purposes of voting, Confirmation and Distributions is hereby approved. For all purposes associated with the Confirmation and Consummation of the Plan, all assets and liabilities of the Debtors shall be treated as though they were merged into a single economic unit, and all guarantees by any Debtor of the obligations of any other Debtor, to the extent such exist, shall be considered eliminated so that any Claim and any guarantee thereof by any other Debtor, as well as any joint and several liability of any Debtor with respect to any other Debtor, shall be treated as one obligation of Debtor Century 21 Department Stores LLC as described in paragraph 7 hereof and in the Plan. No Distribution shall be made under the Plan on account of any Intercompany Claim or Intercompany

Interest held by any one of the Debtors in any of the other Debtors except to the extent necessary to effect the substantive consolidation provided for herein. Every Claim that is timely Filed or to be Filed in the Chapter 11 Cases of any of the Debtors shall be deemed Filed against the consolidated Estate of Debtor Century 21 Department Stores LLC and shall be one Claim against, and one single obligation of, the Estate.

7. Notwithstanding any provision of the Plan to the contrary, any Holder of multiple Allowed Claims against more than one Debtor that arise from the contractual, joint, joint and several, or several liability of such Debtors, the guaranty by one Debtor of another Debtor's obligation or other similar circumstances, shall be entitled to one Allowed Claim that, in the aggregate, does not exceed the amount of the underlying Claim giving rise to such multiple Claims. Claims against more than one of the Debtors arising from the same injury, damage, cause of action or common facts shall be Allowed only once as if such Claim were against a single Debtor.

8. **Settlement Agreement.** The releases set forth in the Participation Agreement and Settlement Agreement are and shall remain in full force and effect. In accordance with the Settlement Agreement, the claims and interests of the Gindi Releasers, including (a) Raymond Gindi, (b) Isaac A. Gindi, (c) Isaac S. Gindi, (d) Eddie Gindi, (e) Jack Gindi, (f) I.G. Gindi 2009 Generational Trust, (g) Raymond Gindi 2012 Generational Trust, (h) Eddie Gindi Generational Trust, (i) Isaac S. Gindi 2010 Gift Trust, (j) 10-12 Cortlandt Blue LLC, (k) 173 Bway Blue LLC, (l) 175-177 Bway Blue LLC, (m) Blue Millennium Realty LLC, (n) C21 BK Home LLC, (o) Strike Enterprises LLC, (p) 86 Blue LLC, (q) C21 Bay Ridge Blue LLC, (r) CCC Partners, (s) ASG Equities Secaucus LLC, (t) C21 SDC Blue LLC, (u) Secaucus Blue LLC, (v) ADC Blue LLC, (w) Century Rego Realty, and (x) C21 Property Management Partners, have been fully and finally waived and released and, therefore, shall not be entitled to receive any recovery under the Plan.

For the avoidance of doubt, if there is any inconsistency between the Plan, this Confirmation Order, and the Settlement Agreement, the Settlement Agreement shall control.

9. **Plan Modifications.** In accordance with section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019, all Holders of Claims who voted to accept the Plan, or which are conclusively presumed to have accepted the Plan, are presumed to accept the Plan, subject to modifications. No Holder of a Claim who has voted to accept the Plan shall be permitted to change its vote as a consequence of the Plan or Plan Administrator Agreement modifications. All modifications to the Plan or Plan Administrator Agreement made after the Voting Deadline are hereby approved pursuant to section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019.

10. **Findings of Fact and Conclusions of Law.** The findings of fact and the conclusions of law set forth in this Confirmation Order constitute findings of fact and conclusions of law in accordance with Bankruptcy Rule 7052, made applicable to this proceeding by Bankruptcy Rule 9014. All findings of fact and conclusions of law announced by the Court at the Confirmation Hearing in relation to Confirmation, including the Confirmation Ruling, are hereby incorporated into this Confirmation Order. To the extent any findings of fact constitute conclusions of law, or conclusions of law constitute findings of fact, they are adopted as such. To the extent any finding of fact or conclusion of law set forth in this Confirmation Order (including any findings of fact or conclusions of law announced by the Court at the Confirmation Hearing and incorporated herein) constitutes an order of this Court, it is adopted as such.

11. **Modification of Plan Supplement.** Subject to the terms of the Plan and this Confirmation Order, the Debtors, with the consent of the Committee, are authorized to modify and amend the Plan Supplement through and including the Effective Date, and to take all actions

necessary and appropriate to effect the transactions contemplated therein through, including, and following the Effective Date.

12. **Postconfirmation Modification of the Plan.** Subject to the limitations and terms contained in Article X of the Plan, the Debtors, with the consent of the Committee, are hereby authorized to amend or modify the Plan at any time prior to the substantial consummation of the Plan, but only in accordance with section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019, without further order of the Court.

13. **Plan Classification Controlling.** The terms of the Plan solely shall govern the classification of Claims and Interests for purposes of the Distributions to be made thereunder and the classifications set forth on the Ballots tendered to or returned by the Holders of Claims or Interests in connection with voting on the Plan: (a) were set forth thereon solely for 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 Claims and Interests under the Plan for distribution purposes; (c) may not be relied upon by any holder of a Claim or Interest as representing the actual classification of such Claim or Interest under the Plan for distribution purposes; and (d) shall not be binding on the Debtors except for voting purposes.

14. **General Settlement of Claims and Interests.** Pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the classification, Distributions, releases, and other benefits provided under the Plan, on the Effective Date, the provisions of the Plan shall constitute a good-faith compromise and settlement of all Claims, Interests, Causes of Action, and controversies released, settled, compromised, or otherwise resolved pursuant to the Plan. The Plan shall be deemed a motion to approve the good-faith compromise and settlement of all such Claims, Interests, Causes of Action, and controversies

pursuant to Bankruptcy Rule 9019, and the entry of the Confirmation Order shall constitute the Court's approval of such compromises and settlements under section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, as well as a finding by the Court that such settlements and compromises are fair, equitable, reasonable, and in the best interests of the Debtors and their Estates. Subject to Article VI of the Plan, all Distributions made to Holders of Allowed Claims and Allowed Interests (as applicable) in any Class are intended to be and shall be in full and final settlement of Allowed Claims and Allowed Interests (as applicable).

15. **Postconfirmation Transactions.** On and after the Effective Date, the Wind-Down Debtor shall enter into any transaction and shall take any actions as may be necessary or appropriate to (a) effectuate the winding down of the Estates, (b) close the Chapter 11 Cases, (c) monetize assets or (d) cancel any securities, notes, instruments, certificates, and other documents pursuant to the Plan and Plan Administrator Agreement.

16. **Continued Corporate Existence and Vesting of Assets in Wind-Down Debtor.** From and after the Effective Date, the Wind-Down Debtor will continue in existence for the purpose of winding up the Debtors' affairs as expeditiously as practicable. Upon the Effective Date, all transactions and applicable matters contemplated under the Plan will be deemed authorized by the Wind-Down Debtor without any requirement of further action by the Wind-Down Debtor. On and after the Effective Date, the Debtors' remaining assets will be administered and managed by the Plan Administrator in accordance with the Plan and the Plan Administrator Agreement.

17. **Sources of Consideration for Plan Distributions.** Distributions under the Plan shall be funded with Cash held on the Effective Date by or for the benefit of the Debtors or Wind-Down Debtor and the proceeds of any non-Cash or contingent assets held by the Wind-Down

Debtor, including Insurance Action Proceeds and/or recoveries from Causes of Action, if any. Notwithstanding anything to the contrary in the Plan, on the Effective Date, any Cause of Action not settled, released, enjoined or exculpated under Article VIII of the Plan or during the pendency of these Chapter 11 Cases on or prior to the Effective Date shall vest in the Wind-Down Debtor and shall be subject to administration by the Plan Administrator.

18. **Plan Administrator.** The Plan Administrator shall have all the rights, powers, and duties necessary to carry out his or her responsibilities under the Plan and the Plan Administrator Agreement, subject to this Confirmation Order.

19. The Plan Administrator shall act for the Wind-Down Debtor in the same fiduciary capacity as applicable to a sole officer, director, and manager and the exclusive representative of the Estate of the Wind-Down Debtor, subject to the provisions hereof (and all certificates of formation, membership agreements, and related documents are deemed amended by the Plan to permit and authorize the same). On the Effective Date, the authority, power, and incumbency of the persons acting as directors, managers, and officers of the Wind-Down Debtor shall be deemed to have resigned, solely in their capacities as such, and the Plan Administrator shall be appointed as the sole director, sole manager and sole officer of the Wind-Down Debtor and shall succeed to the powers of the Wind-Down Debtor's directors, managers, and officers. From and after the Effective Date, the Plan Administrator shall be the sole representative of, and shall act for, the Wind-Down Debtor. For the avoidance of doubt, the foregoing shall not limit the authority of the Wind-Down Debtor or the Plan Administrator, as applicable, to continue the employment of any former director, manager, or officer of the Debtors.

20. The powers of the Plan Administrator shall include any and all powers and authority to implement the Plan and to make Distributions thereunder and Wind-Down the business and

affairs of the Debtors and the Wind-Down Debtor in accordance with the Plan and Plan Administrator Agreement.

21. **Plan Implementation Authorization.** The Debtors, the Wind-Down Debtor, or the Plan Administrator, as the case may be, and their respective directors, officers, members, agents, and attorneys, financial advisors, and investment bankers are authorized and empowered from and after the date hereof to negotiate, execute, issue, deliver, implement, file, or record any contract, instrument, release, or other agreement or document related to the Plan, as the same may be modified, amended and supplemented, and to take any action necessary or appropriate to implement, effectuate, consummate, or further evidence the Plan in accordance with its terms and the terms hereof, or take any or all corporate actions authorized to be taken pursuant to the Plan, the Plan Administrator Agreement or this Confirmation Order, whether or not specifically referred to in the Plan or any exhibit thereto, without further order of the Court.

22. To the extent applicable, any or all documents pursuant to the foregoing shall be accepted upon presentment by each of the respective state filing or recording offices and filed or recorded in accordance with applicable state law and shall become effective in accordance with their terms and the provisions of state law. Pursuant to the appropriate provisions of the New York Business Corporation Law and any comparable provision of the business corporation laws of any other state, as applicable, no action of the Debtors or Wind-Down Debtor's members, managers, or directors will be required to authorize the Debtors or Wind-Down Debtor, as applicable, to enter into, execute and deliver, adopt or amend, as the case may be, any such contract, instrument, release, or other agreement or document related to the Plan, and following the Effective Date, each of the Plan documents will be a legal, valid, and binding obligation of the Debtors or Wind-Down Debtor, as applicable, enforceable against the Debtors and the Wind-Down Debtor in accordance

with the respective terms thereof. The Debtors, Wind-Down Debtor or the Plan Administrator may also, consistent with the Plan, take any additional steps prior to, on, and/or after the Effective Date in furtherance of the wind-down process and/or consolidate and streamline their organization, including, among other things, the merger, liquidation, or consolidation of one or more of the Debtors.

23. **Dissolution of the Debtors and the Wind-Down Debtor.** On or after the Effective Date, except as otherwise provided in the Plan, each Debtor other than Debtor C21 Stores shall be deemed dissolved without further order of the Court or action by the Debtor or Plan Administrator, including the filing of any documents with the secretary of state for the state in which such dissolved Debtor(s) was formed or any other jurisdiction. With respect to Debtor C21 Stores, the Plan Administrator may File a certification with the Court that all Distributions have been made, all of its duties under the Plan have been completed and, therein, request entry of a final decree closing the last of the Chapter 11 Cases, upon entry of which the Wind-Down Debtor shall be deemed to be dissolved without any further action by the Wind-Down Debtor, including the filing of any documents with the secretary of state for the state in which the Wind-Down Debtor was formed or any other jurisdiction. The Plan Administrator is authorized to take all necessary or appropriate actions to dissolve the Wind-Down Debtor in, and withdraw the Wind-Down Debtor from, applicable states. All applicable Governmental Units shall accept any articles, agreements, certificates, notices, or other documents filed by the Plan Administrator and shall take all steps necessary to allow and effect the prompt dissolution and/or winding-up of the Debtors as provided herein or in the Plan.

24. **Cancellation of Securities and Agreements.** Upon the Effective Date: (a) the obligations of the Debtors under the Prepetition Credit Documents and any other certificate,

Security, share, note, bond, indenture, purchase right, option, warrant, or other instrument or document directly or indirectly evidencing or creating any indebtedness or obligation of or ownership interest in the Debtors giving rise to any Claim or Interest shall be cancelled solely as to the Debtors and their affiliates, and the Wind-Down Debtor shall not have any continuing obligations thereunder; and (b) the obligations of the Debtors and their affiliates pursuant, relating, or pertaining to any agreements, indentures, certificates of designation, bylaws, or certificate or articles of incorporation or similar documents governing the shares, certificates, notes, bonds, indentures, purchase rights, options, warrants, or other instruments or documents evidencing or creating any indebtedness or obligation of or ownership interest in the Debtors shall be released.

25. **Approval of Consents and Authorization to Take Acts Necessary to Implement Plan.** This Confirmation Order shall constitute all authority, approvals, and consents required, if any, by the laws, rules, and regulations of all states and any other governmental authority with respect to the implementation or consummation of the Plan and any documents, instruments, or agreements, and any amendments or modifications thereto, and any other acts and transactions referred to in or contemplated by the Plan, the Plan Supplement, the Disclosure Statement, and any documents, instruments, securities, or agreements, and any amendments or modifications thereto.

26. **The Releases, Injunction, Exculpation, and Related Provisions under the Plan.** The following releases, injunctions, exculpations, and related provisions set forth in Article VIII of the Plan are incorporated herein in their entirety, are hereby approved and authorized in all respects, are so ordered, and shall be immediately effective on the Effective Date without further order or action on the part of this Court or any other party: (a) Release of Liens (Article VIII.B);

(b) Releases by the Debtors (Article VIII.C); (c) Third-Party Release (Article VIII.D); (d) Exculpation (Article VIII.E); and (e) Injunction (Article VIII.F).

27. **Pennsylvania Tax Matter.** Nothing in the Confirmation Order or the Plan shall release or exculpate any non-debtor, including any Released Parties and/or Exculpated Parties, from any liability that may be due and owing to the Commonwealth of Pennsylvania, Department of Revenue, on account of trust fund taxes, including but not limited to liabilities arising under applicable state laws against the Released Parties and/or Exculpated Parties, nor shall anything in the Confirmation Order or the Plan enjoin the Commonwealth of Pennsylvania, Department of Revenue's ability to exercise its state court remedies to bring suit against non-debtor parties for trust fund debts that are or shall be properly assessed.

28. **Governmental Unit Matters.** As to any Governmental Unit (as defined in section 101(27) of the Bankruptcy Code), nothing in the Plan or this Confirmation Order shall limit or expand the scope of release or injunction to which the Debtors or Wind-Down Debtor are entitled to under the Bankruptcy Code, if any. The release and injunction provisions contained in the Plan and this Confirmation Order are not intended to and shall not be construed to bar any Governmental Unit from, subsequent to the entry of this Confirmation Order, pursuing any police, or regulatory, or governmental action.

29. Accordingly, notwithstanding anything contained in the Plan or this Confirmation Order to the contrary, nothing in the Plan or this Confirmation Order shall release, impair or otherwise preclude: (1) any liability to any Governmental Unit that is not a "claim" within the meaning of section 101(5) of the Bankruptcy Code; (2) any Claim of any Governmental Unit arising on or after the Effective Date; (3) any valid right of setoff or recoupment of any Governmental Unit against any of the Debtors; or (4) any liability of the Debtors or Wind-Down

Debtor under police, regulatory, or governmental statutes or regulations to any Governmental Unit as the owner, lessor, lessee or operator of property that such entity owns, operates or leases after the Confirmation Date. Nor shall anything in this Confirmation Order or the Plan: (i) enjoin or otherwise bar any Governmental Unit from asserting or enforcing, outside this Court, any liability described in the preceding sentence; or (ii) divest any court, commission, or tribunal of jurisdiction to determine whether any liabilities asserted by any Governmental Unit are barred by this Confirmation Order, the Plan, or the Bankruptcy Code.

30. Moreover, nothing in this Confirmation Order or the Plan shall release or exculpate any non-Debtor, including any Released Parties, from any liability to any Governmental Unit, including but not limited to any liabilities arising under the Internal Revenue Code, the environmental laws, or the criminal laws against the Released Parties, nor shall anything in this Confirmation Order or the Plan enjoin any Governmental Unit from bringing any claim, suit, action or other proceeding against any non-Debtor for any liability whatsoever; provided, however, that the foregoing sentence shall not diminish the scope of any exculpation to which any party is entitled under section 1125(e) of the Bankruptcy Code.

31. Nothing contained in the Plan or this Confirmation Order shall be deemed to determine the tax liability of any person or entity, including but not limited to the Debtors and the Wind-Down Debtor, nor shall the Plan or this Confirmation Order be deemed to have determined the federal tax treatment of any item, distribution, or entity, including the federal tax consequences of the Plan, nor shall anything in the Plan or this Confirmation Order be deemed to have conferred jurisdiction upon this Court to make determinations as to federal tax liability and federal tax treatment except as provided under 11 U.S.C. § 505.

32. Nothing contained in the Plan or this Confirmation Order shall be deemed to release, exculpate or otherwise affect the Debtors, the Wind-Down Debtor, or the Plan Administrator from the financial obligations to the U.S. Trustee as well as reporting requirements as set forth in the Plan.

33. **The Indemnification, Exculpation, and Protective Provisions under the Plan Administrator Agreement.** All of the indemnification, exculpations, and protective provisions contained in the Plan Administrator Agreement are incorporated herein in their entirety, are hereby approved and authorized in all respects, are so ordered, and shall be immediately effective on the Effective Date without further order or action on the part of this Court or any other party.

34. **Rejection of Executory Contracts and Unexpired Leases.** The provisions governing the treatment of Executory Contracts and Unexpired Leases set forth in Article V of the Plan shall be, and hereby are, approved in their entirety.

35. **Provisions Governing Distributions.** The Distribution provisions of Article VI of the Plan shall be, and hereby are, approved in their entirety. Except as otherwise set forth in the Plan or this Confirmation Order, Distributions under the Plan shall be made by the Disbursing Agent, which, for the avoidance of doubt, shall be the Plan Administrator until and unless the Plan Administrator in its discretion appoints a designee, which designation may be revoked by the Plan Administrator.

36. **Distribution Record Date.** Notwithstanding anything to the contrary in the Plan, the Distribution Record Date shall be 5:00 p.m. (prevailing Eastern Time) on the date of this Order, and effective as of and after such date and time, the transfer registers for Claims shall be closed and such registers shall be promptly furnished to the Plan Administrator. The Plan Administrator shall have no obligation to recognize the assignment, transfer or sale of any Claim that occurs after

such time on the Distribution Record Date and shall be entitled to recognize and make Distributions only to those Holders who are Holders of Claims as of 5:00 p.m. on the Distribution Record Date.

37. **Satisfaction of ABL Parties.** On the Effective Date, Holders of Prepetition Secured Claims will be deemed Paid in Full (as defined in the Cash Collateral Order) and such payment shall constitute full and final satisfaction, compromise, settlement, and release of and was made in exchange for, their Claims.

38. **Postconfirmation Notices.** In accordance with Bankruptcy Rules 2002 and 3020(c), no later than five Business Days after the Effective Date, the Wind-Down Debtor shall cause the notice of Confirmation and occurrence of the Effective Date (the “**Notice of Effective Date**”) to be served by United States mail, first-class postage prepaid, by hand, by overnight courier service, or by electronic service to all parties served with the Confirmation Hearing Notice; *provided* that no notice or service of any kind shall be required to be mailed or made upon any Entity to whom the Debtors mailed a Confirmation Hearing Notice but received such notice returned marked “undeliverable as addressed,” “moved, left no forwarding address,” “forwarding order expired,” or similar reason, unless the Wind-Down Debtor has been informed in writing by such Entity, or are otherwise aware, of that Entity’s new address. For those parties receiving electronic service, filing on the docket and electronic service in accordance with past practice is deemed sufficient to satisfy such service and notice requirements.

39. Solely for purposes of lien recordation, the Notice of Effective Date will have the effect of an order of the Court, will constitute sufficient notice of the entry of this Confirmation Order to filing and recording officers, and will be a recordable instrument, notwithstanding any contrary provision of applicable nonbankruptcy law.

40. **Professional Compensation Earned Prior to Confirmation.** Professionals or other Entities asserting a Professional Fee Claim for services rendered prior to the Confirmation Date must File an application for final allowance of such Professional Fee Claim no later than forty-five (45) days after the Effective Date. The Plan Administrator shall direct the Wind-Down Debtor to pay the amount of the Allowed Professional Fee Claims owing to the Professionals in Cash to such Professionals, including from funds held in the Professional Fee Escrow Account, when such Professional Fee Claims are Allowed by entry of an order of the Court.

41. **Administrative Bar Dates.** Except as otherwise provided in the Plan, and except with respect to Administrative Claims that are Professional Fee Claims or subject to 11 U.S.C. § 503(b)(1)(D), requests for payment of Allowed Administrative Claims must be Filed and served on the Plan Administrator and/or Wind-Down Debtor no later than the applicable Administrative Claim Bar Date. Holders of Administrative Claims that are required to, but do not, File and serve a proof of claim requesting payment of such Administrative Claims by the applicable Administrative Claim Bar Date shall be forever barred, estopped, and enjoined from asserting such Administrative Claims against the Debtors, the Wind-Down Debtor or their estates or property, and such Administrative Claims shall be deemed satisfied, settled, and released as of the Effective Date and may be expunged from the claims register maintained in the Chapter 11 Cases.

42. **Section 1146 Exemption.** To the extent permitted by section 1146(a) of the Bankruptcy Code, any transfers (whether from a Debtor to the Wind-Down Debtor or to any other Person) of property under the Plan or pursuant to: (a) the issuance, distribution, transfer, or exchange of any debt, equity security, or other interest in the Debtors or the Wind-Down Debtor; (b) the Wind-Down Transactions; (c) the creation, modification, consolidation, termination, refinancing, and/or recording of any mortgage, deed of trust, or other security interest, or the

securing of additional indebtedness by such or other means; (d) the making, assignment, or recording of any lease or sublease; or (e) the making, delivery, or recording of any deed or other instrument of transfer under, in furtherance of, or in connection with, the Plan, including any deeds, bills of sale, assignments, or other instrument of transfer executed in connection with any transaction arising out of, contemplated by, or in any way related to the Plan, shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, real estate transfer tax, mortgage recording tax, Uniform Commercial Code filing or recording fee, regulatory filing or recording fee, or other similar tax or governmental assessment, and upon entry of the Confirmation Order, the appropriate state or local governmental officials or agents shall forgo the collection of any such tax or governmental assessment and accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax, recordation fee, or governmental assessment. All filing or recording officers (or any other Person with authority over any of the foregoing), wherever located and by whomever appointed, shall comply with the requirements of section 1146(c) of the Bankruptcy Code, shall forgo the collection of any such tax or governmental assessment, and shall accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

43. **Preservation of Causes of Action.** Except as otherwise provided in the Plan or this Confirmation Order, the Wind-Down Debtor 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, and the Wind-Down Debtor's rights to commence, prosecute, or settle such Causes of Action shall be preserved notwithstanding the occurrence of the Effective Date, other than the Causes of Action released by the Debtors pursuant to the releases and exculpations

contained in the Plan, including in Article VIII, or during the pendency of the Debtors' Chapter 11 Cases.

44. **Effectiveness of All Actions.** Except as set forth in the Plan, all actions authorized to be taken pursuant to the Plan shall be effective on, before, or after the Effective Date pursuant to this Confirmation Order, without further application to, or order of the Court, or further action by the Debtors, the Wind-Down Debtor, and/or the Plan Administrator and, as applicable, their respective directors, officers, members, or stockholders, and with the effect that such actions had been taken by unanimous action of such officers, directors, managers, members, or stockholders.

45. **Binding Effect.** On the date of and after entry of this Confirmation Order and subject to the occurrence of the Effective Date, the terms of the Plan, the Plan Supplement, and this Confirmation Order shall be immediately effective and enforceable and deemed binding upon the Debtors, the Wind-Down Debtor, any and all Holders of Claims or Interests (irrespective of whether such Holders of Claims or Interests are deemed to have accepted or rejected the Plan), the Purchasers and their affiliates, all Entities that are parties to or are subject to the settlements, compromises, releases, and injunctions described in the Plan, each Entity acquiring property under the Plan, and any and all non-Debtor parties to Executory Contracts and Unexpired Leases with the Debtors.

46. Pursuant to section 1141 of the Bankruptcy Code, subject to the occurrence of the Effective Date and subject to the terms of the Plan and this Confirmation Order, all prior orders entered in the Chapter 11 Cases, all documents and agreements executed by the Debtors as authorized and directed thereunder and all motions or requests for relief by the Debtors pending before this Court as of the Effective Date shall be binding upon and shall inure to the benefit of

the Debtors, the Wind-Down Debtor and the Plan Administrator and its respective successors and assigns.

47. The Plan, all documents and agreements executed by the Debtors in connection therewith, this Confirmation Order, and all prior orders of the Court in the Chapter 11 Cases shall be binding against and binding upon and shall not be subject to rejection, modification, or avoidance by any Chapter 7 or Chapter 11 trustee appointed in any of the Chapter 11 Cases or any Successor Cases (as defined in the Cash Collateral Order). All Claims and Interests shall be fixed, adjusted, or compromised, as applicable, pursuant to the Plan, regardless of whether any holder of a Claim or Interest has voted on the Plan.

48. **Claims Reconciliation Process.** The procedures and responsibilities for, and costs of, reconciling Disputed Claims shall be as set forth in the Plan or as otherwise ordered by the Court.

49. **Asset Sale Obligations.** Nothing in this Confirmation Order or the Plan shall modify any obligations under the Purchase Agreements or any related document.

50. **Professional Compensation and Reimbursement Claims.** From and after the Confirmation Date, the Debtors, the Wind-Down Debtor or the Plan Administrator, as the case may be, shall, in the ordinary course of business and without any further notice to or action, order, or approval of the Court, pay in Cash the reasonable and documented legal, professional, or other fees and expenses related to implementation of the Plan and Consummation incurred by the Debtors or the Wind-Down Debtor in accordance with the terms of the Plan, and as applicable, the Plan Administrator Agreement. Any requirement that Professionals comply with sections 327 through 331 and 1103 of the Bankruptcy Code or the Interim Compensation Order in seeking retention or compensation for services rendered after such date shall terminate, and the Debtors or Plan

Administrator and/or Wind-Down Debtor may employ and pay any Professional in the ordinary course of business without any further notice to or action, order, or approval of the Court. For the avoidance of doubt, the Debtors, the Wind-Down Debtor, or the Plan Administrator, as applicable, are authorized and directed to pay and/or reimburse the professional fees and expenses of the ABL Agent, as set forth in the Plan and the Cash Collateral Order, without further application, motion, or proof of claim, and the ABL Agent's professionals shall not be required to comply with the Professional Fee Claim bar date, any Administrative Claim Bar Date, or any other bar date set in this Order, the Plan, or these Chapter 11 Cases.

51. **Nonseverability of Plan Provisions upon Confirmation.** Notwithstanding the possible applicability of Bankruptcy Rules 3020(e), 6004(h), 6006(d), 7062, 9014, or otherwise, the terms and conditions of this Confirmation Order will be effective and enforceable immediately upon its entry. Each term and provision of the Plan, and the transactions related thereto as it heretofore may have been altered or interpreted by the Court is: (a) valid and enforceable pursuant to its terms; (b) integral to the Plan and may not be deleted or modified without the consent of the Debtors and the Purchasers consistent with the terms set forth herein; and (c) nonseverable and mutually dependent.

52. **Waiver or Estoppel.** Except as otherwise set forth in the Plan or this Confirmation Order, each Holder of a Claim or Interest shall be deemed to have waived any right to assert any argument, including the right to argue that its Claim or Interest should be Allowed in a certain amount, in a certain priority, Secured or not subordinated by virtue of an agreement made with the Debtors or their counsel, or any other Entity, if such agreement was not disclosed in the Plan, the Disclosure Statement, or papers Filed with the Court before the Confirmation Date.

53. **Authorization to Consummate.** The Debtors are authorized to consummate the Plan at any time after the entry of this Confirmation Order subject to satisfaction or waiver (by the required parties) of the conditions precedent to Consummation set forth in Article IX of the Plan.

54. **Substantial Consummation.** On the Effective Date, the Plan shall be deemed to be substantially consummated pursuant to sections 1101 and 1127(b) of the Bankruptcy Code.

55. **Injunctions and Automatic Stay.** Unless otherwise provided in the Plan or this 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 Court and extant on the Confirmation Date (excluding any injunctions or stays contained in the Plan or this Confirmation Order) shall remain in full force and effect. All injunctions or stays contained in the Plan or this Confirmation Order shall remain in full force and effect in accordance with their terms.

56. **Dissolution of the Committee.** On the Effective Date, the Committee shall dissolve automatically and the members thereof shall be released and discharged from all rights, duties, responsibilities, and liabilities arising from, or related to, the Chapter 11 Cases and under the Bankruptcy Code, except for the limited purposes of prosecuting requests for payment of Professional Fee Claims for services and reimbursement of expenses incurred by the Committee and its Professionals. The Wind-Down Debtor shall not be responsible for paying any fees or expenses incurred by the Committee Members or advisors to the Committee, each in such capacity, after the Effective Date except for the limited purposes identified above.

57. **Effect of Nonoccurrence of Conditions to the Effective Date.** If the Effective Date of the Plan does not occur, (a) the Plan shall be null and void in all respects other than as set forth herein or in the Plan, and (b) nothing contained in the Plan or the Disclosure Statement shall:

(i) constitute a waiver or release of any Claims by the Debtors, any Holders, or any other Entity; or (ii) prejudice in any manner the rights of the Debtors, any Holders, or any other Entity.

58. **Miscellaneous.** Nothing in this Confirmation Order shall be deemed to (a) grant or authorize liens on the Debtors' interests in property or (b) grant or authorize rights in the Debtors' interests in property to any party in a manner inconsistent with applicable law, including with respect to the terms of any contracts or leases.

59. **Reports.** After the Effective Date occurs, the Debtors shall have no obligation to File with the Court or serve on any parties reports that the Debtors were obligated to File under the Bankruptcy Code or a prior order of the Bankruptcy Court, including monthly operating reports, ordinary course professional reports, and monthly or quarterly reports for Professionals; *provided, however,* that the Debtors shall file the final monthly operating report (for the month in which the Effective Date occurs) and, thereafter, compliance with the U.S. Trustee's quarterly reporting requirements quarterly reports shall be the responsibility of the Wind-Down Debtor.

60. **Effect of Conflict Between Plan and Confirmation Order.** Except as set forth in the Plan and the Confirmation Order, to the extent that any provision of the Disclosure Statement, the Plan Supplement, or any other order (other than the Confirmation Order) referenced in the 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 the Plan, the Plan shall govern and control. In the event of an inconsistency between the Confirmation Order and the Plan, the Confirmation Order shall control.

61. **Retention of Jurisdiction.** The Court retains jurisdiction over the Chapter 11 Cases, all matters arising out of or related to the Chapter 11 Cases and the Plan, the matters set forth in Article XI of the Plan, and other applicable provisions of the Plan.

62. **Waiver of 14-Day Stay.** Notwithstanding any Bankruptcy Rule (including, without limitation, Bankruptcy Rules 3020(e), 6004(h), 6006(d), 7062, and 9014), this Confirmation Order is effective immediately upon entry and not subject to any stay.

63. **Final Order.** This Confirmation Order is a Final Order and the period in which an appeal must be filed will commence upon entry of this Confirmation Order.

Dated: April 26, 2021  
New York, New York

/S/ Shelley C. Chapman  
THE HONORABLE SHELLEY C. CHAPMAN  
UNITED STATES BANKRUPTCY JUDGE

**Exhibit A (to Order)**

**[Plan]**

**THIS PLAN IS NOT AN OFFER TO SELL ANY SECURITIES AND IS NOT SOLICITING AN OFFER TO BUY ANY SECURITIES.**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK**

**In re**

**CENTURY 21 DEPARTMENT STORES LLC,  
*et al.*,**

**Debtors.<sup>1</sup>**

**Chapter 11**

**Case No. 20-12097 (SCC)**

**(Jointly Administered)**

**DEBTORS' FIRST AMENDED JOINT PLAN OF LIQUIDATION PURSUANT TO  
CHAPTER 11 OF THE BANKRUPTCY CODE (WITH TECHNICAL MODIFICATIONS)**

Matthew A. Skrzynski  
**PROSKAUER ROSE LLP**  
Eleven Times Square  
New York, NY 10036  
Telephone: (212) 969-3000  
Facsimile: (212) 969-2900

Peter J. Young (admitted *pro hac vice*)  
**PROSKAUER ROSE LLP**  
2029 Century Park East, Suite 2400  
Los Angeles, CA 90067-3010  
Telephone: (310) 557-2900  
Facsimile: (310) 557-2193

Jeff J. Marwil (admitted *pro hac vice*)  
Jordan E. Sazant (admitted *pro hac vice*)  
Brooke H. Blackwell (admitted *pro hac vice*)  
**PROSKAUER ROSE LLP**  
70 West Madison, Suite 3800  
Chicago, IL 60602  
Telephone: (312) 962-3550  
Facsimile: (312) 962-3551

*Attorneys for Debtors  
and Debtors in Possession*

Dated: April 22, 2021

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, as applicable, are Century 21 Department Stores LLC (4073), L.I. 2000, Inc. (9619), C21 Department Stores Holdings LLC (8952), Giftco 21 LLC (0347), Century 21 Fulton LLC (4536), C21 Philadelphia LLC (2106), Century 21 Department Stores of New Jersey, L.L.C. (1705), Century 21 Gardens Of Jersey, LLC (9882), C21 Sawgrass Blue, LLC (8286), C21 GA Blue LLC (5776), and Century Paramus Realty LLC (5033). The Debtors' principal place of business is: 22 Cortlandt Street, 5th Floor, New York, NY 10007.

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## INTRODUCTION

Century 21 Department Stores LLC and its debtor affiliates, as debtors and debtors in possession, in the above-captioned Chapter 11 Cases propose this joint plan of liquidation pursuant to chapter 11 of the Bankruptcy Code. The Chapter 11 Cases have been consolidated for procedural purposes only and are being jointly administered pursuant to an order of the Court.

Holders of Claims and Interests should refer to the Disclosure Statement for a discussion of the Debtors' history, business, assets, results of operations, and historical financial information and projections, as well as a summary and description of this Plan and certain related matters. Each Debtor is a proponent of the Plan contained herein within the meaning of section 1129 of the Bankruptcy Code.

ALL HOLDERS OF CLAIMS AND INTERESTS, TO THE EXTENT APPLICABLE, ARE ENCOURAGED TO READ THE PLAN AND THE DISCLOSURE STATEMENT IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE 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 JPMorgan Chase Bank, N.A., solely in its capacities as Administrative Agent, Issuing Bank, and Swing Line Lender under the Prepetition Credit Agreement.
2. “**ABL Facility**” has the meaning ascribed to it in the Cash Collateral Order.
3. “**ABL Lenders**” means those banks, financial institutions, other lenders, and other “Secured Parties” (as defined in the Prepetition Credit Agreement) party to the Prepetition Credit Agreement from time to time.
4. “**ABL Parties**” means the ABL Agent and the ABL Lenders.
5. “**Administrative Claim**” means a Claim for the costs and expenses of administration of the Estates under 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 on or after the Petition Date of preserving the Estates and operating the business of the Debtors; and (b) Allowed Professional Fee Claims in the Chapter 11 Cases.
6. “**Administrative Claim Bar Dates**” means the deadline for filing a proof of claim requesting payment of an Administrative Claim, which shall be, as applicable, (a) 30 days after the Confirmation Date with respect to Claims that arose before the Confirmation Date; (b) 30 days after the Effective Date with respect to Claims that arose on or after the Confirmation Date; (c) the

deadline for filing requests for payment of Administrative Claims arising under section 503(b)(9) of the Bankruptcy Code as set forth in that certain *Order Establishing Deadline for Filing Proofs of Claim and Approving the Form and Manner of Notice Thereof* [Docket No. 204]; and (d) any other date(s) established by the Court by which such Claims must be Filed pursuant to Court order. For the avoidance of doubt, the Administrative Claim Bar Dates shall not apply to Professional Fee Claims.

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

8. “*Allowed*” means with respect to any Claim, except as otherwise provided in the Plan: (a) a Claim that is evidenced by a Proof of Claim Filed by the Bar Date (or for which Claim under the Plan, the Bankruptcy Code, or pursuant to a Final Order a Proof of Claim is not or shall not be required to be Filed); (b) a Claim that is listed in the Schedules as not contingent, not unliquidated, and not disputed, and for which no Proof of Claim, as applicable, has been timely Filed; or (c) a Claim Allowed pursuant to the Plan or a Final Order of the Court; *provided* that, with respect to a Claim described in clauses (a) and (b) above, such Claim shall be considered Allowed only if and to the extent that, with respect to such Claim, no objection to the allowance thereof has been interposed within the applicable period of time fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules, or the Court, or such an objection is so interposed and the Claim, as applicable, shall have been Allowed by a Final Order. Except as otherwise specified in the Plan or any Final Order, and except for any Claim that is Secured by property of a value in excess of the principal amount of such Claims, the amount of an Allowed Claim shall not include interest on such Claim from and after the Petition Date. For purposes of determining the amount of an Allowed Claim, there shall be deducted therefrom an amount equal to the amount of any Claim that the Debtors may hold against the Holder thereof, to the extent such Claim may be offset, recouped, or otherwise reduced under applicable law. Any Claim that has been or is hereafter listed in the Schedules as contingent, unliquidated, or disputed, and for which no Proof of Claim is or has been timely Filed, is not considered Allowed and shall be expunged without further action by the Debtors and without further notice to any party or action, approval, or order of the Court. Notwithstanding anything to the contrary herein, no Claim of any Entity subject to section 502(d) of the Bankruptcy Code shall be deemed Allowed unless and until such Entity pays in full the amount that it owes such Debtor or Wind-Down Debtor, as applicable. For the avoidance of doubt: (x) a Proof of Claim Filed after the Bar Date shall not be Allowed for any purposes whatsoever absent entry of a Final Order allowing such late-filed Claim; and (y) the Debtors may affirmatively determine to deem Unimpaired Claims Allowed to the same extent such Claims would be allowed under applicable non-bankruptcy law. “Allow” and “Allowing” shall have correlative meanings.

9. “*Avoidance Actions*” means any and all actual or potential Causes of Action to avoid a transfer of property or an obligation incurred by the Debtors pursuant to chapter five of the Bankruptcy Code or under similar or related state or federal statutes and common law, including fraudulent transfer laws.

10. “*Bankruptcy Code*” means title 11 of the United States Code, 11 U.S.C. §§ 101–1532, as now in effect or hereafter amended, and the rules and regulations promulgated thereunder.

11. “**Bankruptcy Rules**” means the Federal Rules of Bankruptcy Procedure, as applicable to the Chapter 11 Cases, promulgated under section 2075 of the Judicial Code and the general, local and chambers rules of the Court.

12. “**Bar Date**” means, collectively, the dates established by the Court by which Proofs of Claim must be Filed, other than Administrative Claims, Claims held by ABL Parties, and other Claims and Interests not required to be filed under the Bar Date Order, set in the Bar Date Order, as may be consensually extended by the Debtors in writing.

13. “**Bar Date Order**” means the *Order Establishing Deadline for Filing Proofs of Claim and Approving the Form and Manner of Notice Thereof* [Docket No. 204].

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

15. “**C21 Holdings**” means C21 Department Stores Holdings LLC.

16. “**C21 Stores**” means Century 21 Department Stores LLC, as may be renamed.

17. “**Cash**” means cash and cash equivalents, including bank deposits, checks, and other similar items in legal tender of the United States of America.

18. “**Cash Collateral Order**” means that certain *Final Order (I) Authorizing Use of Cash Collateral and Affording Adequate Protection; (II) Modifying Automatic Stay; and (III) Granting Related Relief* [Docket No. 633], as amended, supplemented, or otherwise modified from time to time.

19. “**Causes of Action**” means any actions, claims, cross claims, third-party claims, interests, damages, controversies, remedies, causes of action, debts, judgments, demands, rights, actions, suits, obligations, liabilities, accounts, defenses, offsets, powers, privileges, licenses, liens, indemnities, guaranties, and franchises of any kind or character whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, contingent or non-contingent, liquidated or unliquidated, secured or unsecured, assertable directly or derivatively, matured or unmatured, suspected or unsuspected, disputed or undisputed, 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 or otherwise. Causes of Action also include: (a) any rights of setoff, counterclaim, or recoupment and any claims under contracts or for breaches of duties imposed by law or in equity; (b) the right to object to or otherwise contest Claims or Interests; (c) claims pursuant to section 362 or Avoidance Actions; (d) any claims or defenses, including fraud, mistake, duress, and usury, and any other defenses set forth in section 558 of the Bankruptcy Code; and (e) any Avoidance Action. For the avoidance of doubt, Causes of Action shall not include any interests transferred to the Insurance Action Purchaser pursuant to the Participation Agreement.

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 Court.

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

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

23. “**Class**” means a class of Claims or Interests as set forth in Article III of the Plan in accordance with section 1122(a) of the Bankruptcy Code.

24. “**Closing Sales**” has the meaning ascribed to it in the *Final Order (a) Authorizing the Debtors to Assume the Store Closing Agreement, (b) Authorizing and Approving Store Closing Sales Free and Clear of All Liens, Claims, and Encumbrances, (c) Approving Dispute Resolution Procedures, (d) Authorizing Customary Bonuses to Employees of Closing Stores, and (e) Approving the Debtors’ Store Closing Plan* [Docket No. 103].

25. “**Collective Bargaining Agreements**” means, collectively, those certain agreements by and between the Debtors, on the one hand, and, as applicable, the UFCW Local 888, on the other hand, as the same may have been amended from time to time, and any other similar agreements of the Debtors with any labor union or labor organization, and any extension, modification, memorandum of understanding, memorandum of agreements, or related agreements.

26. “**Committee**” means the Official Committee of Unsecured Creditors appointed in the Chapter 11 Cases pursuant to section 1102(a) of the Bankruptcy Code on September 16, 2020 [Docket No. 56]; for the avoidance of doubt, the term Committee shall not include any of its individual members.

27. “**Confirmation**” means the Court’s entry of the Confirmation Order on the docket of the Chapter 11 Cases within the meaning of Bankruptcy Rules 5003 and 9021.

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

29. “**Confirmation Hearing**” means the hearing held by the Court to consider Confirmation of the Plan pursuant to sections 1128 and 1129 of the Bankruptcy Code.

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

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

32. “**Court**” means the United States Bankruptcy Court for the Southern District of New York having jurisdiction over the Chapter 11 Cases and, to the extent of the withdrawal of

reference under section 157 of the Judicial Code, the United States District Court for the Southern District of New York.

33. “**Debtors**” means, collectively: (a) C21 Stores; (b) L.I. 2000; (c) C21 Holdings; (d) Giftco 21 LLC; (e) Century 21 Fulton LLC; (f) C21 Philadelphia LLC; (g) Century 21 Department Stores of New Jersey, L.L.C.; (h) Century 21 Gardens Of Jersey, LLC; (i) C21 Sawgrass Blue, LLC; (j) C21 GA Blue LLC; and (k) Century Paramus Realty LLC.

34. “**Deferred Compensation Claims**” means all Claims of Deferred Compensation Participants arising from their participation in the Deferred Compensation Plan. For the avoidance of doubt, all Deferred Compensation Claims are General Unsecured Claims.

35. “**Deferred Compensation Participants**” means individuals who are or were participants in the Deferred Compensation Plan.

36. “**Deferred Compensation Plan**” means the Amended and Restated Century 21 Department Stores LLC Bonus Plan and all ancillary and related documents.

37. “**Disbursing Agent**” means the Plan Administrator or its designee.

38. “**Disclosure Statement**” means the *Disclosure Statement for the First Amended Joint Plan of Liquidation Pursuant to Chapter 11 of the Bankruptcy Code*, dated as of March 12, 2021, as may be amended, supplemented or modified from time to time, including all exhibits and schedules thereto and references therein that relate to the Plan, that is prepared and distributed in accordance with the Bankruptcy Code, the Bankruptcy Rules, and any other applicable law and approved by the Court pursuant to section 1125 of the Bankruptcy Code [Docket No. 769].

39. “**Disputed**” means, with respect to a Claim or Interest in the Debtors, the extent to which the allowance of such Claim or Interest is the subject of a timely objection, complaint, or request for estimation in accordance with the Plan, the Bankruptcy Code, the Bankruptcy Rules, or the Confirmation Order, or is otherwise not yet Allowed or is disputed in accordance with applicable law, which objection, request for estimation, or dispute has not been withdrawn with prejudice or determined by a Final Order.

40. “**Disputed Claims Reserve**” means the reserve account established under Article IV.E.2.

41. “**Distributable Cash**” means all Cash on hand on the Effective Date after funding the Professional Fee Escrow Account.

42. “**Distribution**” means any distribution made under this Plan to a Holder of an Allowed Claim or Interest.

43. “**Distribution Date**” means any date on which a Distribution is made or to be made to Holders of Allowed Claims or Interests under this Plan.

44. “**Distribution Record Date**” means the record date for purposes of determining which Holders of Allowed Claims or Allowed Interests are eligible to receive Distributions under the Plan, which date shall be the first day of the Confirmation Hearing, or such other date as is designated in a Final Order of the Court.

45. “**Effective Date**” means the date that is the first Business Day after the Confirmation Date on which (a) the conditions to the occurrence of the Effective Date have been satisfied or waived pursuant to Article IX.B. of the Plan, (b) no stay of the Confirmation Order is in effect, and (c) the Debtors declare the Plan effective. Any action to be taken on the Effective Date may be taken on or as soon as reasonably practicable thereafter.

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

47. “**Estate**” means, as to each Debtor, the estate created on the Petition Date for the Debtor in its Chapter 11 Case pursuant to section 541 of the Bankruptcy Code and all property (as defined in section 541 of the Bankruptcy Code) acquired by the Debtors after the Petition Date through the Effective Date.

48. “**Exculpated Party**” means collectively, and in each case solely in its capacity as such: (a) the Debtors; (b) the Committee and each of its members; (c) the ABL Parties; and (d) their respective current and, on and after the Petition Date, former directors, managers, officers, equity holders (regardless of whether such interests are held directly or indirectly), members, employees, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, each in their capacity as such.

49. “**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 or 1123 of the Bankruptcy Code.

50. “**Federal Judgment Rate**” means the federal judgment interest rate in effect as of the Petition Date calculated as set forth in section 1961 of the Judicial Code.

51. “**File**” or “**Filed**” means file or filed with the Court or its authorized designee in the Chapter 11 Cases, or, with respect to the filing of a Proof of Claim, with the Notice, Claims, and Balloting Agent.

52. “**Final Order**” means, as applicable, an order or judgment of the 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, petition for certiorari, or move for reargument, reconsideration, or rehearing has expired and no appeal, petition for certiorari, or motion for reargument, reconsideration, or rehearing has been timely taken or filed, or as to which any appeal, petition for certiorari, or motion for reargument, reconsideration, or rehearing 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; *provided, however*, that the possibility that a motion under Rule 60 of the Federal Rules of Civil Procedure or any comparable rule of the Bankruptcy Rules may be filed relating to such order shall not cause such order to not be a Final Order.

53. “**General Unsecured Claim**” means any Claim other than an Administrative Claim (including a Professional Fee Claim), a Prepetition Secured Claim, an Other Secured Claim, a Priority Tax Claim, an Other Priority Claim, or an Intercompany Claim.

54. “**General Unsecured Claims Recovery**” means any Cash in the Post Effective Date Reserve after (a) satisfying, in accordance with the Plan, all Allowed Administrative Claims, Allowed Priority Tax Claims, Allowed Other Secured Claims and Allowed Other Priority Claims, (b) funding the Disputed Reserve Account for any Disputed Administrative Claims, Disputed Priority Tax Claims, Disputed Other Secured Claims, and Disputed Allowed Other Priority Claims, and (c) paying and reserving for the Wind-Down Costs.

55. “**Gindi Releasers**” has the meaning ascribed to it in the Settlement Agreement.

56. “**Governmental Unit**” has the meaning set forth in section 101(27) of the Bankruptcy Code.

57. “**Holder**” means an Entity holding a Claim or Interest, as applicable.

58. “**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.

59. “**Intercompany Claim**” means any Claim held by a Debtor against another Debtor arising before the Petition Date.

60. “**Insurance Action Proceeds**” means Cash received by the Debtors or Wind-Down Debtor on account of Proceeds Sharing.

61. “**Insurance Action Purchaser**” means C21 Blue Insurance LLC in its capacity as purchaser of assets under the Participation Agreement.

62. “**Insurance Action Sale Order**” means the *Order Authorizing and Approving (a) Sale of Insurance Action Interest Free and Clear of Liens, Claims and Encumbrances and (b) Settlement with Gindi Parties* and all of its exhibits [Docket No. 392].

63. “**Intercompany Interest**” means an Interest in one Debtor held by another Debtor.

64. “**Interest**” means any equity security, as defined in section 101(16) of the Bankruptcy Code, in any Debtor.

65. “**Interim Compensation Order**” means the *Order Pursuant to 11 U.S.C. §§ 105(a) and 331 Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* [Docket No. 202], entered by the Court on October 29, 2020, as the same may be modified by a Court order approving the retention of a specific Professional or otherwise.

66. “**IP Sale Order**” means the *Order, Pursuant to Sections 105 and 363 of the Bankruptcy Code, (I) Authorizing the Sale of Certain Intellectual Property Free and Clear of Liens, Claims, Encumbrances, and Other Interests, and (II) Granting Related Relief* and exhibits thereto [Docket No. 297].

67. “**IP Purchase Agreement**” means the Intellectual Property Asset Purchase Agreement by and between Gindi C21 IP LLC, Debtor C21 Stores, and each of its affiliated Debtors, together with any exhibits thereto, annexed to the IP Sale Order as Exhibit 1.

68. “**IP Purchaser**” means Gindi C21 IP LLC in its capacity as purchaser of assets under the IP Purchase Agreement.

69. “**Judicial Code**” means title 28 of the United States Code, 28 U.S.C. §§ 1–4001, as now in effect or hereafter amended, and the rules and regulations promulgated thereunder.

70. “**L.I. 2000**” means L.I. 2000, Inc.

71. “**Lien**” means a lien as defined in section 101(37) of the Bankruptcy Code.

72. “**Notice, Claims, and Balloting Agent**” means Stretto, the trade name of Bankruptcy Management Solutions, Inc., and its subsidiaries, in its capacity as notice, claims, and balloting agent for the Debtors and any successor.

73. “**Other Priority Claim**” means any Claim entitled to priority in right of payment under section 507(a) of the Bankruptcy Code other than (a) Claims that have already been paid during the Chapter 11 Cases, (b) Administrative Claims, and (c) Priority Tax Claims.

74. “**Other Secured Claim**” means any Secured Claim that is not a Prepetition Secured Claim.

75. “**Oversight Committee**” has the meaning ascribed to it in the Plan Administrator Agreement.

76. “**Paid in Full**” means the indefeasible repayment in full in cash of all obligations (including principal, interest, fees, prepayment premiums, expenses, indemnities, reimbursement obligations in respect of drawings under any letters of credit and all other “Secured Obligations” (as defined in the Prepetition Credit Agreement), other than contingent indemnification obligations for which no claim has been asserted) under the ABL Facility, the cash collateralization of all treasury and cash management obligations, hedging obligations, and bank product obligations, and the cancelation, replacement, backing, or cash collateralization of letters of credit, in each case, in accordance with the terms of the applicable credit facility.

77. “**Participation Agreement**” means the Participation Agreement, dated as of December 10, 2020, by and between C21 Stores on behalf of itself and all of the other Debtors, and C21 Blue Insurance LLC, and all of its exhibits, annexed as Exhibit 1 to the Insurance Action Sale Order.

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

79. “**Petition Date**” means September 10, 2020, the date on which each of the Debtors commenced the Chapter 11 Cases.

80. “**Plan**” means this *Debtors’ First Amended Joint Plan of Liquidation Pursuant to Chapter 11 of the Bankruptcy Code (with Technical Modifications)*, as may be altered, amended, modified, or supplemented from time to time in accordance with Article X hereof, including the Plan Supplement (as modified, amended or supplemented from time to time), which is incorporated herein by reference and made part of the Plan as if set forth herein.

81. “**Plan Administrator**” means the Person or Entity, or any successor thereto, designated by the Debtor, with the consent of the Committee, who will be disclosed at or prior to the Confirmation Hearing, to have all powers and authorities set forth in Article IV.D. of this Plan.

82. “**Plan Administrator Agreement**” means the agreement, as may be modified or amended, contained in the Plan Supplement, by and between the Debtors and the Plan Administrator, governing the rights and duties of the Plan Administrator with respect to effectuating the Plan.

83. “**Plan Supplement**” means the compilation of documents and forms of documents, agreements, schedules, and exhibits to the Plan (as may be altered, amended, modified, or supplemented from time to time in accordance with the terms hereof and in accordance with the Bankruptcy Code and Bankruptcy Rules) to be Filed by the Debtors no later than five days before the Voting Deadline or such later date as may be approved by the Court on notice to parties in interest, including the following, as applicable: (a) Schedule of Assumed Executory Contracts and Unexpired Leases; (b) the identity and terms of compensation of the Plan Administrator; and (c) any other necessary documentation related to any Wind-Down Transactions.

84. “**Post Effective Date Reserve**” means any reserve established by the Plan Administrator in accordance with Article IV.E.1. hereof and funded from Distributable Cash, proceeds from the sale, disposition or other monetization of the assets of the Debtors or the Wind-Down Debtor, as applicable (including any Insurance Action Proceeds and residual amounts in the Disputed Claims Reserve and the Professional Fee Escrow Account) and any other Cash not required to be otherwise allocated under the Plan.

85. “**Prepetition Credit Agreement**” means that certain Credit Agreement, dated as of January 4, 2017, by and among Debtors C21 Stores and L.I. 2000, as borrowers, the other Debtors,

as guarantors, and JPMorgan Chase Bank, N.A., as administrative agent, and the lenders party thereto, as amended, modified, restated, or supplemented from time to time.

86. “**Prepetition Credit Documents**” means the Prepetition Credit Agreement and all other agreements, documents, and instruments related thereto, including any guaranty agreements, pledge and collateral agreements, intercreditor agreements, and other security agreements.

87. “**Prepetition Secured Claims**” means any Claim, other than in relation to undrawn letters of credit or maintenance of the Debtors’ cash management system, of an ABL Party arising under, derived from, secured by, or based on the Prepetition Credit Documents. For the avoidance of doubt, the Prepetition Secured Claims shall include contingent, unliquidated indemnification obligations.

88. “**Priority Tax Claim**” means any Claim of a Governmental Unit of the kind specified in section 507(a)(8) of the Bankruptcy Code.

89. “**Proceeds Sharing**” has the meaning ascribed to it in the Participation Agreement.

90. “**Pro Rata**” means the proportion that an Allowed Claim or Interest in a particular Class bears to the aggregate amount of Allowed Claims or Interests in that Class.

91. “**Professional**” means, prior to the Confirmation Date, an Entity retained pursuant to a Court order in accordance with sections 327, 363, or 1103 of the Bankruptcy Code and to be compensated for services rendered and expenses incurred pursuant to sections 327, 328, 329, 330, 331, or 363 of the Bankruptcy Code, and on or after the Confirmation Date, an Entity retained and compensated for services rendered and expenses incurred.

92. “**Professional Fee Claim**” means a Claim by a Professional seeking an approval by the Court of compensation for services rendered or reimbursement of expenses incurred through and including the Effective Date under sections 328, 330, 331, 363, 503(b)(2), 503(b)(3), 503(b)(4), or 503(b)(5) of the Bankruptcy Code.

93. “**Professional Fee Escrow Account**” means an interest-bearing escrow account maintained at the direction of the Plan Administrator to hold an amount of Cash equal to the Professional Fee Escrow Amount funded by the Debtors as soon as reasonably practicable after the Confirmation Date and no later than the Effective Date solely for the purpose of paying all Allowed Professional Fee Claims.

94. “**Professional Fee Escrow Amount**” means the total amount of unpaid Professional fees and expenses estimated pursuant to Article II.B.3. of the Plan and after taking into account any Cash that has been escrowed for a similar purpose.

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

96. “**Proof of Interest**” means a written proof of Interest Filed against any of the Debtors in the Chapter 11 Cases.

97. “**Purchase Agreements**” means, collectively, the Participation Agreement, the Settlement Agreement, and the IP Purchase Agreement, and all exhibits and ancillary documents thereto.

98. “**Purchasers**” means, collectively, the Insurance Action Purchaser and the IP Purchaser.

99. “**Reinstate**,” “**Reinstated**,” or “**Reinstatement**” means with respect to Claims and Interests, that the Claim or Interest shall be rendered unimpaired in accordance with section 1124 of the Bankruptcy Code.

100. “**Released Party**” means collectively, and in each case in its capacity as such: (a) the ABL Parties; (b) the Committee; (c) the Plan Administrator; (d) all Holders of Claims or Interests that vote to accept or are deemed to accept the Plan unless they affirmatively opt out of the releases provided by the Plan by checking the box on the applicable form indicating that they opt not to grant the releases provided in the Plan; (e) all Holders of Claims or Interests that abstain from voting on the Plan and that do not object to confirmation of the Plan, unless they affirmatively opt out of the releases provided by the Plan by checking the box on the applicable form indicating that they opt not to grant the releases provided in the Plan; and (f) with respect to each of the Debtors, the Wind-Down Debtor, and each of the foregoing Entities in clauses (a) through (e), such Entity and its current and former Affiliates, and such Entities’ and their current and former Affiliates’ current and former directors, managers, officers, equity holders (regardless of whether such interests are held directly or indirectly), predecessors, participants, successors, and assigns, subsidiaries, affiliates, managed accounts or funds, and each of their respective current and former equity holders, officers, directors, managers, principals, shareholders, members, management companies, fund advisors, employees, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals; *provided* that any Holder of a Claim or Interest that opts out of the releases shall not be a “Released Party.” Notwithstanding the foregoing, or anything herein to the contrary, in all events, a “Released Party” shall not include any party which owes any debt of any kind to the Debtors, other than those released pursuant to the terms of the Settlement Agreement.

101. “**Releasing Parties**” means, collectively, (a) the ABL Parties; (b) the Committee; (c) the Plan Administrator; (d) all Holders of Claims or Interests that vote to accept or are deemed to accept the Plan unless they affirmatively opt out of the releases provided by the Plan by checking the box on the applicable form indicating that they opt not to grant the releases provided in the Plan; (e) all Holders of Claims or Interests that abstain from voting on the Plan unless they affirmatively opt out of the releases provided by the Plan by checking the box on the applicable form indicating that they opt not to grant the releases provided in the Plan; (f) all Holders of Claims or Interests that vote to reject the Plan or are deemed to reject the Plan unless they affirmatively opt out of the releases provided by the Plan by checking the box on the applicable form indicating that they opt not to grant the releases provided in the Plan; and (g) with respect to each of the Debtors,

the Wind-Down Debtor, and each of the foregoing Entities in clauses (a) through (f), such Entity and its current and former Affiliates, and such Entities' and their current and former Affiliates' current and former directors, managers, officers, equity holders (regardless of whether such interests are held directly or indirectly), predecessors, successors, and assigns, subsidiaries, affiliates, managed accounts or funds, and each of their respective current and former equity holders, officers, directors, managers, principals, shareholders, members, management companies, fund advisors, employees, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, each in their capacity as such collectively.

102. “*Reserves*” means, collectively, the Post Effective Date Reserve, the Professional Fee Escrow Account, and the Disputed Claims Reserve.

103. “*Restructuring Expenses*” means the reasonable and documented fees and expenses as provided under the Cash Collateral Order and Prepetition Credit Agreement and not previously paid by, or on behalf of, the Debtors of Morgan, Lewis & Bockius LLP, as counsel to the ABL Agent.

104. “*Sale Orders*” means, collectively, the Insurance Action Sale Order and the IP Sale Order.

105. “*Sale Transactions*” means, collectively, those certain transactions between the Debtors and the Purchasers as evidenced by the Purchase Agreements and/or the Sale Orders.

106. “*Schedule of Assumed Executory Contracts and Unexpired Leases*” means the schedule of certain Executory Contracts and Unexpired Leases to be assumed (or assumed and assigned) by the Debtors pursuant to the Plan, as the same may be amended, modified, or supplemented from time to time by the Debtors.

107. “*Schedules*” means, collectively, the schedules of Executory Contracts and Unexpired Leases, the schedules of assets and liabilities, and statements of financial affairs Filed by the Debtors pursuant to section 521 of the Bankruptcy Code, as such schedules may be amended, modified, or supplemented from time to time.

108. “*Secured*” means when referring to a Claim: (a) secured by a Lien on property in which the applicable Estate has an interest, which Lien is valid, perfected, and enforceable pursuant to applicable law or by reason of a 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 such 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 pursuant to the Plan as a Secured Claim.

109. “*Securities Act*” means the Securities Act of 1933, 15 U.S.C. §§ 77a–77aa, as now in effect or hereafter amended, and the rules and regulations promulgated thereunder.

110. “*Security*” means a security as defined in section 2(a)(1) of the Securities Act.

111. “**Settlement Agreement**” means the Global Settlement Agreement, by and among (i) C21 Stores and its affiliated Debtors and debtors in possession, (ii) the Committee, and (iii) (a) Raymond Gindi, (b) Isaac A. Gindi, (c) Isaac S. Gindi, (d) Eddie Gindi, (e) Jack Gindi, (f) I.G. Gindi 2009 Generational Trust, (g) Raymond Gindi 2012 Generational Trust, (h) Eddie Gindi Generational Trust, (i) Isaac S. Gindi 2010 Gift Trust, (j) 10-12 Cortlandt Blue LLC, (k) 173 Bway Blue LLC, (l) 175-177 Bway Blue LLC, (m) Blue Millennium Realty LLC, (n) C21 BK Home LLC, (o) Strike Enterprises LLC, (p) 86 Blue LLC, (q) C21 Bay Ridge Blue LLC, (r) CCC Partners, (s) ASG Equities Secaucus LLC, (t) C21 SDC Blue LLC, (u) Secaucus Blue LLC, (v) ADC Blue LLC, (w) Century Rego Realty, and (x) C21 Property Management Partners, annexed as Exhibit 2 to the Insurance Action Sale Order.

112. “**U.S. Trustee**” means the United States Trustee for Region 2.

113. “**U.S. Trustee Fees**” means all fees due and payable pursuant to section 1930 of Title 28 of the United States Code.

114. “**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 or section 1123 of the Bankruptcy Code.

115. “**Unimpaired**” means, with respect to a Class of Claims or Interests, a Class of Claims or Interests that is unimpaired within the meaning of section 1124 of the Bankruptcy Code.

116. “**Voting Deadline**” means 8:00 p.m. (prevailing Eastern Time) on April 15, 2021.

117. “**Wind-Down**” means the wind-down and dissolution, or actions taken with respect thereto, of the Wind-Down Debtor and final administration of the Estates following the Effective Date as set forth in Article IV.F.

118. “**Wind-Down Debtor**” means C21 Stores, on or after the Effective Date.

119. “**Wind-Down Costs**” means all costs and expenses associated with the winding up of the Wind-Down Debtor and the storage of records and documents, including the reasonable and documented legal, professional, or other fees and expenses related to implementation of the Plan and Consummation incurred by the Plan Administrator and/or the Wind-Down Debtor.

120. “**Wind-Down Transactions**” means, collectively, all transactions or actions not inconsistent with the Sale Orders, as may be necessary or appropriate to effect the transactions described herein, including, as applicable, all documents required to be issued.

#### *B. Rules of Interpretation*

For purposes of this Plan: (1) 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;

(2) 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; (3) 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, restated, supplemented, or otherwise modified; (4) any reference to an Entity as a Holder of a Claim or Interest includes that Entity's successors and assigns; (5) unless otherwise specified, all references herein to "Articles" are references to Articles of the Plan or hereto; (6) unless otherwise specified, all references herein to exhibits are references to exhibits in the Plan Supplement; (7) unless otherwise specified, the words "herein," "hereof," and "hereto" refer to the Plan in its entirety rather than to a particular portion of the Plan; (8) subject to the provisions of any contract, certificate of incorporation, bylaw, instrument, release, or other agreement or document entered into in connection with the Plan, the rights and obligations arising pursuant to the Plan shall be governed by, and construed and enforced in accordance with, applicable federal law, including the Bankruptcy Code and the Bankruptcy Rules, or, if no rule of law or procedure is supplied by federal law (including the Bankruptcy Code and the Bankruptcy Rules) or otherwise specifically stated, the laws of the State of New York, without giving effect to the principles of conflict of laws; (9) captions and headings to Articles and sections or subsections thereto are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of the Plan; (10) unless otherwise specified herein, the rules of construction set forth in section 102 of the Bankruptcy Code shall apply; (11) all references to docket numbers of documents Filed in the Chapter 11 Cases are references to the docket numbers under the Court's CM/ECF system; (12) 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; (13) any effectuating provisions may be interpreted by the Wind-Down Debtor in such a manner that is consistent with the overall purpose and intent of the Plan all without further notice to or action, order, or approval of the Court or any other Entity, and such interpretation shall be conclusive; (14) any references herein to the Effective Date shall mean the Effective Date or as soon as reasonably practicable thereafter; (15) all references herein to consent, acceptance, or approval shall be deemed to include the requirement that such consent, acceptance, or approval be evidenced by a writing, which may be conveyed by counsel for the respective parties that have such consent, acceptance, or approval rights, including by electronic mail; and (16) any term used in capitalized form herein that is not otherwise defined but that is used in the Bankruptcy Code or the Bankruptcy Rules shall have the meaning assigned to that term in the Bankruptcy Code or the Bankruptcy Rules, as the case may be.

### *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. If the date on which a transaction may occur pursuant to the Plan shall occur on a day that is not a Business Day, then such transaction shall instead occur on the next succeeding Business Day. Any action to be taken on the Effective Date may be taken on or as soon as reasonably practicable after the Effective Date.

*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 the Plan, any agreements, documents, instruments, or contracts executed or entered into in connection with the Plan (except as otherwise set forth in those agreements, in which case the governing law of such agreement shall control); *provided, however*, that corporate or limited liability company governance matters relating to the Debtors or the Wind-Down Debtor, as applicable, not incorporated in New York shall be governed by the laws of the state of incorporation or formulation of the applicable Debtor or the Wind-Down Debtor, as applicable.

*E. Reference to Monetary Figures*

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

*F. Reference to the Debtors or the Wind-Down Debtor*

Except as otherwise specifically provided in the Plan to the contrary, references in the Plan to the Debtors or the Wind-Down Debtor shall mean the Debtors and the Wind-Down Debtor, as applicable, to the extent the context requires.

*G. Substantive Consolidation*

The Plan shall serve as a motion by the Debtors seeking entry of an order substantively consolidating all of the Estates of all of the Debtors into the single consolidated estate of C21 Stores for all purposes associated with Confirmation and Consummation of the Plan.

The entry of the Confirmation Order shall constitute approval by the Bankruptcy Court of the substantive consolidation of the Debtors and their respective Estates for all purposes relating to the Plan, including for purposes of voting, Confirmation and Distributions. If this substantive consolidation is approved, then for all purposes associated with the Confirmation and Consummation of the Plan, all assets and liabilities of the Debtors shall be treated as though they were merged into a single economic unit, and all guarantees by any Debtor of the obligations of any other Debtor, to the extent such exist, shall be considered eliminated so that any Claim and any guarantee thereof by any other Debtor, as well as any joint and several liability of any Debtor with respect to any other Debtor, shall be treated as one collective obligation of C21 Stores. Moreover, (a) no Distribution shall be made under the Plan on account of any Intercompany Claim or Intercompany Interest held by any one of the Debtors in any of the other Debtors except to the extent necessary to effect the substantive consolidation provided for herein, and (b) every Claim that is timely Filed or to be Filed in the Chapter 11 Cases of any of the Debtors shall be deemed Filed against the consolidated Estates and shall be one Claim against, and one obligation of, the Estates.

Notwithstanding any provision of the Plan to the contrary, any holder of multiple Allowed Claims against more than one Debtor that arise from the contractual, joint, joint and several, or several liability of such Debtors, the guaranty by one Debtor of another Debtor's obligation or other similar circumstances, shall be entitled to one Allowed Claim that, in the aggregate, does not exceed the amount of the underlying Claim giving rise to such multiple Claims. Claims against more than one of the Debtors arising from the same injury, damage, cause of action or common facts shall be Allowed only once as if such Claim were against a single Debtor.

All alleged defaults under any applicable agreement, including executory contracts and unexpired leases, with the Debtors arising from substantive consolidation under the Plan shall be deemed cured as of the Effective Date.

**ARTICLE II.  
ADMINISTRATIVE CLAIMS, PROFESSIONAL FEE  
CLAIMS, PRIORITY TAX CLAIMS, AND U.S.  
TRUSTEE FEES**

This Article II sets forth the Claims that are excluded from Classes of Claims and Interests set forth in Article III. In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims, Professional Fee 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 and Priority Tax Claims.*

Except as otherwise provided in this Article II.A. and except with respect to Administrative Claims that are Professional Fee Claims or subject to 11 U.S.C. § 503(b)(1)(D), a proof of claim requesting payment of Allowed Administrative Claims must be Filed and served on the Plan Administrator no later than the applicable Administrative Claim Bar Date. **Holders of Administrative Claims that are required to, but do not, File and serve a proof of claim requesting payment of such Administrative Claims by the applicable Administrative Claim Bar Date shall be forever barred, estopped, and enjoined from asserting such Administrative Claims against the Debtors or their property, and such Administrative Claims shall be deemed satisfied, settled, and released as of the Effective Date.** Objections to such requests, if any, must be Filed and served on the Plan Administrator and the requesting party.

Each Holder of an Allowed Administrative Claim, other than Professional Fee Claims, and Priority Tax Claims, and except to the extent that an Administrative Claim or Priority Tax Claim has already been satisfied during the Chapter 11 Cases or a Holder of an Administrative Claim or Priority Tax Claim and the applicable Debtor(s) or Plan Administrator agree to less favorable treatment, each Holder of an Allowed Administrative Claim or Priority Tax Claim shall receive, in full and final satisfaction, compromise, settlement, and release of and in exchange for its Claim, Cash equal to the amount of the unpaid portion of such Allowed Administrative Claim or Priority Tax Claim in accordance with the following:

1. if such Administrative Claim or Priority Tax Claim is Allowed on or prior to the Effective Date, no later than 30 days after the Effective Date or as soon as

reasonably practicable thereafter (or, if not then due, when such Allowed Administrative Claim or Priority Tax Claim is due or as soon as reasonably practicable thereafter), except for Professional Fee Claims (which are addressed in Article II.B.);

2. if such Administrative Claim or Priority Tax Claim is not Allowed as of the Effective Date, no later than 30 days after the date on which an order Allowing such Administrative Claim becomes a Final Order, or as soon as reasonably practicable thereafter;
3. if such Allowed Administrative Claim is based on liabilities incurred by the Debtors in the ordinary course of business after the Petition Date, in accordance with the terms and conditions of the particular transaction or course of business giving rise to such Allowed Administrative Claim, without any further action by the Holder of such Allowed Administrative Claim;
4. at such time and upon such terms as may be agreed upon by the Holder of such Allowed Administrative Claim and the Debtor(s) or the Plan Administrator, as applicable; or
5. at such time and upon such terms as set forth in a Final Order of the Court.

*B. Professional Fee Claims*

1. Final Fee Applications and Payment of Professional Fee Claims

All final requests for payment of Professional Fee Claims for services rendered and reimbursement of expenses incurred prior to the Effective Date must be Filed no later than 45 days after the Effective Date. The Court shall determine the Allowed amounts of such Professional Fee Claims after notice and a hearing in accordance with the procedures established by the Bankruptcy Code, Bankruptcy Rules, and prior Court orders. The Disbursing Agent shall pay the amount of the Allowed Professional Fee Claims owing to the Professionals in Cash to such Professionals, including from funds held in the Professional Fee Escrow Account when such Professional Fee Claims are Allowed by entry of an order of the Court.

2. Professional Fee Escrow Account

As soon as is reasonably practicable after the Confirmation Date and no later than the Effective Date, the Debtors shall fund the Professional Fee Escrow Account with Cash equal to the Professional Fee Escrow Amount. The Professional Fee Escrow Account shall be maintained in trust solely for the Professionals and for no other Entities until all Professional Fee Claims Allowed by the Court have been irrevocably paid in full to the Professionals pursuant to one or more Final Orders of the Court. No Liens, claims, or interests shall encumber the Professional Fee Escrow Account or Cash held in the Professional Fee Escrow Account in any way. Funds held in the Professional Fee Escrow Account shall not be considered property of the Estates of the Debtors or the Wind-Down Debtor.

The amount of Professional Fee Claims owing to the Professionals shall be paid in Cash to such Professionals by the Disbursing Agent from the funds held in the Professional Fee Escrow Account as soon as reasonably practicable after such Professional Fee Claims are Allowed by an order of the Court; *provided* that the Debtors' and the Wind-Down Debtor's obligations to pay Allowed Professional Fee Claims shall not be limited nor be deemed limited to funds held in the Professional Fee Escrow Account. To the extent that funds held in the Professional Fee Escrow Account are insufficient to satisfy the amount of Allowed Professional Fee Claims owing to the Professionals, such Professionals shall have an Allowed Administrative Claim for any such deficiency, which Allowed Administrative Claim shall be satisfied in accordance with Article II.A. of the Plan.

When all Allowed Professional Fee Claims have been irrevocably paid in full to the Professionals pursuant to one or more Final Orders of the Court, any remaining funds held in the Professional Fee Escrow Account shall promptly be transferred to the Post Effective Date Reserve and such funds shall be deemed Distributable Cash for all purposes hereunder.

### 3. Professional Fee Escrow Amount

The Professionals shall provide a reasonable and good-faith estimate of their fees and expenses incurred in rendering services to the Debtors' estates before and as of the Effective Date projected to be outstanding as of the Effective Date, and shall deliver such estimate to the Debtors no later than five days before the anticipated Effective Date; *provided, however*, that such estimate shall not be considered or deemed an admission or limitation with respect to the amount of the fees and expenses that are the subject of the Professional's final request for payment of Professional Fee Claims and such Professionals are not bound to any extent by the estimates. If a Professional does not provide an estimate, the Debtors may estimate the unpaid and unbilled fees and expenses of such Professional. The total aggregate amount so estimated as of the Effective Date shall be utilized by the Debtors to determine the amount to be funded to the Professional Fee Escrow Account.

### 4. Post-Confirmation Fees and Expenses

Except as otherwise specifically provided in the Plan, from the Confirmation Date through the Effective Date, the Debtors may, in the ordinary course of business and without any further notice to or action, order, or approval of the Court, pay (i) the Wind-Down Costs and (ii) such reasonable claims for compensation or reimbursement of expenses incurred by the Professionals of the Debtors. If the Debtors dispute the reasonableness of any such Professional's invoice, the Debtors or the affected Professional may submit such dispute to the Court for a determination of the reasonableness of any such invoice, and the disputed portion of such invoice shall not be paid until the dispute is resolved. From and after the Effective Date, the Plan Administrator or Wind-Down Debtor (as applicable) shall, in the ordinary course of business and without any further notice to or action, order, or approval of the Court, pay (i) the Wind-Down Costs and (ii) the reasonable claims for compensation or reimbursement of expenses incurred by the Professionals of the Debtors, the Wind-Down Debtor or the Plan Administrator as set forth in the Plan Administration Agreement.

In all cases, upon the Confirmation Date, any requirement that Professionals comply with sections 327 through 331 and 1103 of the Bankruptcy Code or the Interim Compensation Order in seeking retention or compensation for services rendered after such date shall terminate, and the Debtors or Plan Administrator and/or Wind-Down Debtor may employ and pay any Professional in the ordinary course of business without any further notice to or action, order, or approval of the Court. Notwithstanding anything in this section to the contrary, after the Effective Date, the provisions of the Plan Administrator Agreement relating to the compensation of the Plan Administrator and any professionals it retains shall govern such compensation.

*C. Prepetition Secured Claims*

On the Effective Date, Holders of Prepetition Secured Claims will be deemed Paid in Full and such payment shall constitute full and final satisfaction, compromise, settlement, and release of and, was made in exchange for, their Claims.

*D. Payment of Restructuring Expenses*

The Restructuring Expenses incurred, or estimated to be incurred, up to and including the Effective Date, shall be Paid in Full on the Effective Date or as reasonably practicable thereafter (to the extent not previously paid during the course of the Chapter 11 Cases) in accordance with, and subject to, the terms set forth herein and in the Cash Collateral Order, without any requirement to file a fee application with the Bankruptcy Court, or without any requirement for Bankruptcy Court review or approval. All Restructuring Expenses to be paid on the Effective Date shall be estimated prior to and as of the Effective Date and such estimates shall be delivered to the Debtors at least two (2) Business Days before the anticipated Effective Date; *provided, however*, that such estimates shall not be considered an admission or limitation with respect to such Restructuring Expenses. On the Effective Date, final invoices for all Restructuring Expenses incurred prior to and as of the Effective Date shall be submitted to the Debtors. In addition, the Debtors and the Wind-Down Debtor shall continue to pay pre- and post-Effective Date, when due and payable in the ordinary course, Restructuring Expenses related to implementation, consummation, and defense of the Plan, whether incurred before, on, or after the Effective Date.

*E. U.S. Trustee Fees*

All U.S. Trustee Fees due and payable before the Effective Date shall be paid by the Debtors. On and after the Effective Date, to the extent applicable, the Plan Administrator shall pay any and all such fees when due and payable, and shall File with the Court quarterly reports in a form reasonably acceptable to the U.S. Trustee. The Wind-Down Debtor shall remain obligated to pay quarterly fees to the U.S. Trustee until the earliest of the entry of a final decree in its Chapter 11 Case, the Chapter 11 Case is dismissed, or converted to a case under chapter 7 of the Bankruptcy Code.

**ARTICLE III.  
CLASSIFICATION AND TREATMENT OF CLAIMS  
AND INTERESTS**

*A. Treatment of Gindi Family Claims*

The releases issued under the Participation Agreement and Settlement Agreement are and shall remain in full force and effect. In accordance with the Settlement Agreement, the claims and interests of the Gindi Releasers, including (a) Raymond Gindi, (b) Isaac A. Gindi, (c) Isaac S. Gindi, (d) Eddie Gindi, (e) Jack Gindi, (f) I.G. Gindi 2009 Generational Trust, (g) Raymond Gindi 2012 Generational Trust, (h) Eddie Gindi Generational Trust, (i) Isaac S. Gindi 2010 Gift Trust, (j) 10-12 Cortlandt Blue LLC, (k) 173 Bway Blue LLC, (l) 175-177 Bway Blue LLC, (m) Blue Millennium Realty LLC, (n) C21 BK Home LLC, (o) Strike Enterprises LLC, (p) 86 Blue LLC, (q) C21 Bay Ridge Blue LLC, (r) CCC Partners, (s) ASG Equities Secaucus LLC, (t) C21 SDC Blue LLC, (u) Secaucus Blue LLC, (v) ADC Blue LLC, (w) Century Rego Realty, and (x) C21 Property Management Partners, have been fully and finally waived and released and, therefore, shall not be entitled to receive any recovery under this Plan. For the avoidance of doubt, if there is any inconsistency between the Plan and the Settlement Agreement, the Settlement Agreement shall control.

*B. Classification of Claims and Interests*

Except for the Claims addressed in Article II of the Plan, all Claims and Interests are classified in the Classes set forth in this Article III for all purposes, including voting, Confirmation, and Distributions pursuant to the Plan and in accordance with section 1122 and 1123(a)(1) of the Bankruptcy Code. A Claim or an Interest is classified in a particular Class only to the extent that such Claim or Interest qualifies within the description of that Class and is classified in other Classes to the extent that any portion of such Claim or Interest qualifies within the description of such other Classes. A Claim or an Interest also is classified in a particular Class for the purpose of receiving Distributions under the Plan only to the extent that such Claim or Interest is an Allowed Claim or Interest in that Class and has not been paid, released, or otherwise satisfied prior to the Effective Date.

The classification of Claims and Interests against the Debtors pursuant to the Plan is as set forth below.

<b>Class</b>	<b>Claim / Interest</b>	<b>Status</b>	<b>Voting Rights</b>
1	Other Secured Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
2	Other Priority Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
3	General Unsecured Claims	Impaired	Entitled to Vote
4	Intercompany Claims	Impaired	Not Entitled to Vote (Deemed to Reject)
5	Intercompany Interests	Impaired	Not Entitled to Vote (Deemed to Reject)

6	Interests in C21 Holdings and L.I. 2000	Impaired	Not Entitled to Vote (Deemed to Reject)
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C. *Treatment of Claims and Interests*

Subject to Article VI hereof, each Holder of an Allowed Claim or Interest, as applicable, shall receive under the Plan the treatment described below in full and final satisfaction, compromise, settlement, and release of, and in exchange for, such Holder’s Allowed Claim or Allowed Interest, except to the extent different treatment is agreed to by the Debtors or Plan Administrator and the Holder of any such Allowed Claim or Allowed Interest, as applicable. Unless otherwise indicated, the Holder of an Allowed Claim or Allowed Interest, as applicable, shall receive such treatment on the later of the Effective Date and the date such Holder’s Claim or Interest becomes an Allowed Claim or Allowed Interest or as soon as reasonably practicable thereafter.

1. Class 1 - Other Secured Claims

- (a) *Classification:* Class 1 consists of all Other Secured Claims.
- (b) *Treatment:* Except to the extent that a Holder of an Allowed Other Secured Agreement and the Debtors or Plan Administrator agree to other treatment, each Holder of an Allowed Other Secured Claim shall receive on the Effective Date or as soon thereafter as reasonably practicable in full and final satisfaction, compromise, settlement, and release of and in exchange for such Allowed Other Secured Claim, at the option of the Plan Administrator:
  - (i) payment in full in Cash of such Holder’s Allowed Other Secured Claim;
  - (ii) the collateral securing such Holder’s Allowed Other Secured Claim; or
  - (iii) such other treatment rendering such Holder’s Allowed Other Secured Claim Unimpaired.
- (c) *Voting:* Class 1 is Unimpaired under the Plan. Holders of Other Secured Claims are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Such Holders are not entitled to vote to accept or reject the Plan.

2. Class 2 - Other Priority Claims

- (a) *Classification:* Class 2 consists of all Other Priority Claims.
- (b) *Treatment:* Except to the extent that a Holder of an Allowed Other Priority Claim and the Debtors or Plan Administrator agree to other treatment, on the

Effective Date or as soon thereafter as reasonably practicable, in full and final satisfaction, compromise, settlement, and release of and in exchange for such Allowed Other Priority Claim, each Holder of an Allowed Other Priority Claim shall receive payment in full in Cash of the unpaid portion of its Other Priority Claim on the later of the Effective Date and the date such Other Priority Claim becomes an Allowed Other Priority Claim. Allowed Other Priority Claims shall be paid from the Post Effective Date Reserve.

- (c) *Voting:* Class 2 is Unimpaired under the Plan. Holders of Other Priority Claims are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Such Holders are not entitled to vote to accept or reject the Plan.

3. Class 3 - General Unsecured Claims

- (a) *Classification:* Class 3 consists of all General Unsecured Claims.
- (b) *Treatment:* On the Effective Date, or as soon as reasonably practicable, except to the extent that a Holder of an Allowed General Unsecured Claim and the Debtors or Plan Administrator agree to other treatment, in full and final satisfaction, compromise, settlement, and release of and in exchange for each Allowed General Unsecured Claim, each Holder of an Allowed General Unsecured Claim shall receive a Pro Rata share of the General Unsecured Claims Recovery. For the avoidance of doubt, if the Holder of an Allowed General Unsecured Claim opts out of the releases provided for in this Plan, it shall still receive a Pro Rata share of the General Unsecured Claims Recovery.
- (c) *Voting:* Class 3 is Impaired under the Plan. Holders of General Unsecured Claims are entitled to vote to accept or reject the Plan.

4. Class 4 - Intercompany Claims

- (a) *Classification:* Class 4 consists of all Intercompany Claims.
- (b) *Treatment:* Each Allowed Intercompany Claim, unless otherwise provided for under the Plan, shall be canceled, released, and extinguished as of the Effective Date, and will be of no further force or effect, and that no Distributions shall be made on account of any such Intercompany Claims.
- (c) *Voting:* Class 4 is Impaired under the Plan. Holders of Intercompany Claims are deemed to have rejected the Plan under section 1126(g) of the Bankruptcy Code. Such Holders are not entitled to vote to accept or reject the Plan.

5. Class 5 - Intercompany Interests

- (a) *Classification:* Class 5 consists of all Intercompany Interests.
- (b) *Treatment:* Intercompany Interests shall be canceled, released, and extinguished as of the Effective Date, and will be of no further force or effect, and Holders of Intercompany Interests will not receive any Distribution on account of such Intercompany Interests.
- (c) *Voting:* Class 5 is Impaired under the Plan. Holders of Intercompany Interests are deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Such Holders are not entitled to vote to accept or reject the Plan.

6. Class 6 - Interests in C21 Holdings and L.I. 2000

- (a) *Classification:* Class 6 consists of all Interests in C21 Holdings and L.I. 2000.
- (b) *Treatment:* Each Allowed Interest in C21 Holdings and L.I. 2000 shall be canceled, released, and extinguished, and will be of no further force or effect and no Holder of Interests in C21 Holdings and L.I. 2000 shall be entitled to any recovery or Distribution under the Plan on account of such Interests.
- (c) *Voting:* Class 6 is Impaired under the Plan. Holders of Interests in C21 Holdings and L.I. 2000 are deemed to have rejected the Plan under section 1126(g) of the Bankruptcy Code. Such Holders are not entitled to vote to accept or reject the Plan.

D. *Special Provision Governing Unimpaired Claims*

Except as otherwise provided in the Plan, nothing under the Plan shall affect the Debtors' rights with respect to any Claims that are Unimpaired, including all rights with respect to legal and equitable defenses to or setoffs or recoupments against any such Claims that are Unimpaired. Unless otherwise Allowed, Claims that are Unimpaired shall remain Disputed Claims under the Plan.

E. *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 the Plan by at least one Impaired Class of Claims. The Debtors, with the consent of the Committee, shall seek Confirmation of the Plan pursuant to section 1129(b) of the Bankruptcy Code with respect to any rejecting Class of Claims or Interests. The Debtors reserve the right to modify the Plan in accordance with Article X of the Plan to the extent, if any, that Confirmation pursuant to section 1129(b) of the Bankruptcy Code requires modification, including by modifying the treatment applicable to a Class of Claims or Interests to render such Class of

Claims or Interests Unimpaired to the extent permitted by the Bankruptcy Code and the Bankruptcy Rules.

*F. 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 the 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. Pursuant to section 510 of the Bankruptcy Code, the Debtors and the Wind-Down Debtor reserve the right to reclassify any Allowed Claim or Interest in accordance with any contractual, legal, or equitable subordination relating thereto.

*G. Elimination of Vacant Classes; Presumed Acceptance by Non-Voting Classes*

Any Class of Claims or Interests that does not have a Holder of an Allowed Claim or Allowed Interest or a Claim or Interest temporarily Allowed by the Court in an amount greater than zero as of the date of the Confirmation Hearing shall be considered vacant and deemed eliminated from the Plan for purposes of voting to accept or reject the Plan and for purposes of determining acceptance or rejection of the Plan by such Class pursuant to section 1129(a)(8) of the Bankruptcy Code.

If a Class contains Claims or Interests eligible to vote and no Holders of Claims or Interests eligible to vote in such Class vote to accept or reject the Plan, the Holders of such Claims or Interests in such Class shall be deemed to have accepted the Plan.

*H. Controversy Concerning Impairment*

If a controversy arises as to whether any Claims or Interests, or any Class of Claims or Interests, are Impaired, the Court shall, after notice and a hearing, determine such controversy on or before the Confirmation Date.

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

*A. Debtors' Existence*

From and after the Effective Date, the Wind-Down Debtor will continue in existence for the purpose of winding up the Debtors' affairs as expeditiously as practicable. Upon the Effective Date, all transactions and applicable matters contemplated under the Plan will be deemed authorized by the Wind-Down Debtor without any requirement of further action by the Wind-Down Debtor. On and after the Effective Date, the Debtors' remaining assets will be administered and managed by the Plan Administrator in accordance with the Plan.

*B. Sources of Consideration for Plan Distributions*

The Plan Administrator will fund Distributions under the Plan with Cash held on the Effective Date by or for the benefit of the Debtors or Wind-Down Debtor, and the proceeds of any non-Cash or contingent assets held by the Wind-Down Debtor, including Insurance Action Proceeds, if any. Notwithstanding anything to the contrary in the Plan, on the Effective Date, any Cause of Action not settled, released, enjoined or exculpated under Article VIII of the Plan or during the pendency of these Chapter 11 Cases on or prior to the Effective Date shall vest in the Wind-Down Debtor and shall be subject to administration by the Plan Administrator.

*C. Wind-Down Debtor; Vesting of Estate Assets*

At least one Debtor, C21 Stores, shall continue in existence after the Effective Date as the Wind-Down Debtor, which will be managed by the Plan Administrator for purposes of (1) winding down any remaining elements of the Debtors' business and affairs as expeditiously as reasonably possible and liquidating any assets held by the Wind-Down Debtor after the Effective Date, (2) performing obligations under the Purchase Agreements, (3) resolving any Disputed Claims, (4) making Distributions on account of Allowed Claims, (5) filing appropriate tax returns, and (6) administering the Plan in an efficacious manner. The Wind-Down Debtor shall be deemed to be substituted as the party in lieu of the Debtors in all matters, including (1) motions, contested matters, and adversary proceedings pending in the Court, and (2) all matters pending in any courts, tribunals, forums, or administrative proceedings outside of the Court, in each case without the need or requirement for the Plan Administrator to file motions or substitutions of parties or counsel in each such matter.

On the Effective Date, any Estate non-Cash assets remaining shall vest in the Wind-Down Debtor for the purpose of liquidating the Estates and Consummating the Plan. Such assets shall be held free and clear of all liens, claims, and interests of Holders of Claims and Interests, except as otherwise provided in the Plan. Any Distributions to be made under the Plan from such assets shall be made by the Disbursing Agent. The Wind-Down Debtor and the Plan Administrator shall be deemed to be fully bound by the terms of the Plan and the Confirmation Order.

*D. Plan Administrator*

The Plan Administrator shall act for the Wind-Down Debtor in the same fiduciary capacity as applicable to a board of managers and officers, subject to the provisions hereof (and all certificates of formation, membership agreements, and related documents are deemed amended by the Plan to permit and authorize the same). On the Effective Date, the authority, power, and incumbency of the persons acting as directors, managers, and officers of the Wind-Down Debtor shall be deemed to have resigned, solely in their capacities as such, and the Plan Administrator shall be appointed as the sole manager and sole officer of the Wind-Down Debtor and shall succeed to the powers of the Wind-Down Debtor's directors, managers, and officers. From and after the Effective Date, the Plan Administrator shall be the sole representative of, and shall act for, the Wind-Down Debtor. For the avoidance of doubt, the foregoing shall not limit the authority of the Wind-Down Debtor or the Plan Administrator, as applicable, to continue the employment of any former director, manager, or officer.

The powers of the Plan Administrator shall include any and all powers and authority to implement the Plan and to make Distributions thereunder and Wind-Down the business and affairs of the Debtors and the Wind-Down Debtor, as applicable, including: (1) liquidating, receiving, holding, investing, supervising, and protecting the assets of the Wind-Down Debtor; (2) except to the extent Claims have been previously Allowed, control and effectuate the Claims reconciliation process in accordance with the terms of the Plan, including to object to, seek to subordinate, estimate, compromise or settle any and all Claims against the Debtors or their Estates; (3) taking all steps to execute all instruments and documents necessary to effectuate the Distributions to be made under the Plan; (4) making Distributions as contemplated under the Plan; (5) establishing and maintaining bank accounts in the name of the Wind-Down Debtor and creating and maintaining reserves (including, but not limited to, Disputed Claims Reserve); (6) preparing, filing, and prosecuting any necessary filings or pleadings to carry out the duties of the Plan Administrator as described in the Plan; (7) employing, retaining, terminating, or replacing professionals to represent it with respect to its responsibilities or otherwise effectuating the Plan to the extent necessary; (8) incurring and paying all reasonable fees, expenses, debts, charges, and liabilities of the Wind-Down Debtor, including the reasonable fees and expenses of professionals and consultants retained by the Plan Administrator; (9) maintaining the books and records and accounts of the Wind-Down Debtor; (10) administering and paying taxes of the Debtors and the Wind-Down Debtor, as applicable, including filing tax returns; (11) representing the interests of the Debtors and the Wind-Down Debtor, as applicable, before any taxing authority in all matters, including any action, suit, proceeding or audit; (12) complying with all financial reporting requirements under the Bankruptcy Code, Bankruptcy Rules, United States Trustee Guidelines, or any other applicable authority; and (13) exercising such other powers as may be vested in it pursuant to order of the Court or pursuant to the Plan, or as the Plan Administrator reasonably deems to be necessary and proper to carry out the provisions of the Plan.

1. Appointment of the Plan Administrator

The Plan Administrator shall be appointed by the Debtors, with the consent of the Committee. The Plan Administrator shall retain and have all the rights, powers, and duties necessary to carry out his or her responsibilities under this Plan as set forth in the Plan, the Confirmation Order and the Plan Administrator Agreement.

The succession of the Plan Administrator shall be governed by the terms of the Plan Administrator Agreement.

2. Retention of Professionals

The Plan Administrator shall have the right to retain the services of attorneys, accountants, and other professionals that, in the discretion of the Plan Administrator, are necessary to assist the Plan Administrator in the performance of his or her duties; *provided* that, in the event that the Plan Administrator determines to engage a tax preparer other than Berdon LLP, the Plan Administrator shall consult with the Debtors' Interest Holders on the Plan Administrator's selection of such alternative tax preparer. The reasonable fees and expenses of such professionals shall be paid by

the Wind-Down Debtor, upon the monthly submission of statements to the Plan Administrator. The payment of the reasonable fees and expenses of the Plan Administrator's retained professionals shall be made in the ordinary course of business and shall not be subject to the approval of the Court.

3. Compensation of the Plan Administrator

The Plan Administrator's compensation, on a post-Effective Date basis, shall be as described in the Plan Supplement.

4. Proceeds

Upon the Wind-Down Debtor's receipt of Cash proceeds from the sale, disposition or other monetization of the assets of the Debtors or the Wind-Down Debtor, as applicable, including, without limitation, Insurance Action Proceeds, if any, the Plan Administrator will promptly transfer such proceeds into the Post Effective Date Reserve.

*E. Establishment of Reserves*

1. Post Effective Date Reserve

The Plan Administrator shall establish and fund a Post Effective Date Reserve with the Distributable Cash. The Post Effective Date Reserve shall be used by the Plan Administrator solely to satisfy (a) the Distributions set forth herein (net of the Wind-Down Costs) and (b) the Wind-Down Costs. The Plan Administrator may reserve specific amounts from the Post Effective Date Reserve for specific purposes in accordance with its business judgment and the Plan. In no event shall the Plan Administrator be required or permitted to use its personal funds or assets for such purposes.

2. Disputed Claims Reserve

As soon as practicable after the Effective Date, the Plan Administrator shall establish the Disputed Claims Reserve, which shall be funded on each Distribution Date from Distributable Cash in an amount equal to the Distributions that would have been made to Holders of Disputed Claims (other than Professional Fee Claims), if such Claims were Allowed in their full amounts or such lower amount as to which the Holder of such Claim has agreed in writing or, in the case where any such Claim is unliquidated and/or contingent, the greater of (i) \$1, (ii) an amount that the Debtors or Plan Administrator have determined to reserve, if the Debtors or Plan Administrator have made such determination, (iii) an amount to which the Holder and the Debtors or Wind-Down Debtor, as applicable, have agreed in writing, and (iv) such other amount as is reserved by order of the Court made upon motion of the Holder of such Claim. The Plan Administrator shall remove funds from the Disputed Claims Reserve as any applicable Disputed Claims are resolved, which funds shall be either Distributed to such Holders of now-Allowed Claims to the extent Allowed as provided in this Plan or transferred into the Post Effective Date Reserve to the extent such Disputed Claims are disallowed.

F. *Wind-Down*

On and after the Effective Date, the Plan Administrator will be authorized to implement the Plan and any applicable orders of the Court, and the Plan Administrator shall have the power and authority to take any action necessary to Wind-Down and dissolve the Estates.

The Plan Administrator shall take such actions as the Plan Administrator may determine to be necessary or desirable to carry out the purposes of the Plan. Except to the extent necessary to complete the Wind-Down of any remaining assets or operations from and after the Effective Date, the Debtors (1) for all purposes shall be deemed to have withdrawn their business operations from any state in which the Debtors were previously conducting, or are registered or licensed to conduct, their business operations, and shall not be required to file any document, pay any sum, or take any other action in order to effectuate such withdrawal, (2) shall be deemed to have cancelled pursuant to this Plan all Interests, and (3) shall not be liable in any manner to any taxing authority for franchise, business, license, or similar taxes accruing on or after the Effective Date.

The filing of the final monthly report (for the month in which the Effective Date occurs) and all subsequent quarterly reports shall be the responsibility of the Plan Administrator.

G. *Plan Administrator Exculpation, Indemnification, Reliance, and Liability Limitation*

In addition to other protections granted to the Plan Administrator under the Plan Administrator Agreement, the Wind-Down Debtor shall indemnify and hold harmless (i) the Plan Administrator (in his or her capacity as such and as sole officer, director and/or manager of the Wind-Down Debtor and representative of its Estate), and (ii) Professionals (collectively, the “*Indemnified Parties*”), from and against and with respect to any and all liabilities, losses, damages, claims, costs and expenses, including but not limited to costs and expenses of investigating, analyzing and responding to claims, and attorneys’ fees arising out of or due to their actions or omissions, or consequences of such actions or omissions, other than acts or omissions resulting from such Indemnified Party’s gross negligence, fraud or willful misconduct as determined by Final Order of a court of competent jurisdiction, with respect to the Debtors or the implementation or administration of the Plan or the Plan Administrator Agreement. To the extent an Indemnified Party asserts a claim for indemnification as provided above, the legal fees and related costs incurred by counsel to such Indemnified Party, the Wind-Down Debtor and/or Plan Administrator in monitoring and participating in the defense of such claims giving rise to the asserted right of indemnification shall be advanced by the Wind-Down Debtor (and such Indemnified Party undertakes to repay such amounts if it ultimately shall be determined through a Final Order that such Indemnified Party is not entitled to be indemnified therefore). The indemnification provisions of the Plan or the Plan Administrator Agreement shall remain available to and be binding upon any former Plan Administrator or the estate of any decedent Plan Administrator and shall survive the termination of the Plan Administrator Agreement.

Neither the Plan Administrator nor any Professionals, agents, or representatives of the Plan Administrator, each in its capacity as such, nor the Oversight Committee and its members (in their capacity and such) (collectively, the “*Wind-Down Exculpated Parties*”) shall be liable for any losses, claims, damages, liabilities, obligations, settlements, proceedings, suits, judgments, causes

of action, litigation, actions, investigations (whether civil or administrative and whether sounding in tort, contract or otherwise), penalties, costs, and expenses, including reasonable fees and disbursements incurred, caused by, relating to, based upon, or arising out of (directly or indirectly) the Wind-Down Exculpated Party's execution, delivery, and acceptance of or the performance or nonperformance of its powers, duties, and obligations under this Agreement, the Plan, the Confirmation Order, any other order of the Bankruptcy Court or applicable law or as may arise by reason of any action, omission or error of a Wind-Down Exculpated Party, and Persons dealing or having any relationship with the Wind-Down Debtor and/or its Estate shall have recourse only to the Wind-Down Debtor's assets and shall look only to the Wind-Down Debtor's assets to satisfy any liability or other obligations incurred in carrying out the terms of the Plan and this Agreement, and the Wind-Down Exculpated Parties shall not have any personal obligation to satisfy any such liability; provided, however, that the foregoing limitations shall not apply to any acts or omissions ultimately and finally determined by a final and non-appealable order of a court of competent jurisdiction to be the direct result of such Wind-Down Exculpated Party's gross negligence, fraud or willful misconduct. None of the Wind-Down Exculpated Parties is deemed to be responsible for any other Wind-Down Exculpated Party's actions or inactions. The Wind-Down Exculpated Parties may, in connection with the performance of their functions hereunder and under the Plan, and in their sole and absolute discretion, consult with Professionals 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 Professionals or any order of the Court. Notwithstanding such authority, such Wind-Down Exculpated Parties shall not be under any obligation to consult with any Professionals and their determination not to do so shall not result in the imposition of liability, unless such determination is based upon gross negligence, fraud or willful misconduct as determined by a final and non-appealable order of a court of competent jurisdiction; *provided*, that in no event will any such person be liable for punitive, exemplary, consequential, or special damages under any circumstances. Any action taken or omitted to be taken by the Wind-Down Exculpated Parties after the Effective Date on the advice of counsel or with the approval of the Court will conclusively be deemed not to constitute gross negligence, fraud or willful misconduct. The foregoing indemnification and exculpation with respect to any Wind-Down Exculpated Party shall survive the termination of such Wind-Down Exculpated Party from the capacity for which it was deemed indemnified and exculpated and the termination or modification of this Agreement. The organizational documents of the Wind-Down Debtor shall provide, to the extent necessary, for the exculpation of the Plan Administrator to the fullest extent permitted by applicable law.

The Plan Administrator and the Oversight Committee (the "**Reliance Parties**" and each, a "**Reliance Party**") may absolutely rely, and shall be fully protected in acting or refraining from acting if it relies upon any resolution, statement, certificate, instrument, opinion, report, notice, request, consent, order or other instrument or document that each of them, as applicable, has no reasonable belief to be other than genuine and to have been signed or presented other than by the proper party or parties or, in the case of facsimile transmissions, to have been sent other than by the proper party or parties, in each case without obligation to satisfy itself that the same was given in good faith and without responsibility for errors in delivery, transmission or receipt. In the absence of gross negligence, fraud or willful misconduct in respect of the Reliance Parties' duties as found by a final and non-appealable court of competent jurisdiction, or material breach of this Agreement, each of them, as applicable, may rely as to the truth of statements and correctness of the facts and opinions expressed therein and shall be fully protected personally in acting (or, if

applicable, not acting) thereon. The Reliance Parties may consult with counsel and other professionals with respect to matters the Reliance Parties reasonably believe to be in their area of expertise, and any opinion of counsel shall be full and complete authorization and protection in respect of any action taken or not taken by a Reliance Party. A Reliance Party shall be entitled to rely upon the advice of such professionals in acting or failing to act, and shall not be liable for any act taken or not taken in reliance thereon. The Reliance Parties shall have the right at any time to seek and rely upon instructions from the Bankruptcy Court concerning this Agreement, the Plan or any other document executed in connection therewith, and the Reliance Parties shall be entitled to rely upon such instructions in acting or failing to act and shall not be liable for any act taken or not taken in reliance thereon.

*H. Deferred Compensation Plan*

On the Effective Date, the Deferred Compensation Plan shall terminate. The termination of the Deferred Compensation Plan and the payment of the Deferred Compensation Claims are intended to comply with Section 409A of the Internal Revenue Code of 1986, as amended and Treas. Reg. Section 1.409A-3(j)(4)(ix)(A) thereunder.

*I. Tax Returns*

After the Effective Date, the Plan Administrator shall complete and file all final or otherwise required federal, state, and local tax returns for each of the Debtors, and, pursuant to section 505(b) of the Bankruptcy Code, may request an expedited determination of any unpaid tax liability of such Debtor or its Estate for any tax incurred during the administration of such Debtor's Chapter 11 Case, as determined under applicable tax laws.

*J. Dissolution of the Debtors and the Wind-Down Debtor*

On or after the Effective Date, each Debtor other than Debtor C21 Stores shall be deemed dissolved without further order of the Court or action by the Plan Administrator, including the filing of any documents with the secretary of state for the state in which such dissolved Debtor(s) was formed or any other jurisdiction, unless the Plan Administrator has determined in good faith that dissolution of one or more Debtors should be delayed to facilitate the Wind-Down and files a notice on the docket of such determination within seven (7) business days of the Effective Date. With respect to Debtor C21 Stores, the Plan Administrator may File a certification with the Court that all Distributions have been made, all of its duties under the Plan have been completed and, therein, request entry of a final decree closing the last of the Chapter 11 Cases, upon entry of which the Wind-Down Debtor shall be deemed to be dissolved without any further action by the Wind-Down Debtor, including the filing of any documents with the secretary of state for the state in which the Wind-Down Debtor was formed or any other jurisdiction. The Plan Administrator is authorized to take all necessary or appropriate actions to dissolve the Wind-Down Debtor in, and withdraw the Wind-Down Debtor from, applicable states.

*K. Cancellation of Securities and Agreements*

Upon the Effective Date: (a) the obligations of the Debtors under the Prepetition Credit Documents and any other certificate, Security, share, note, bond, indenture, purchase right, option, warrant, or other instrument or document directly or indirectly evidencing or creating any indebtedness or obligation of or ownership interest in the Debtors giving rise to any Claim or Interest shall be cancelled solely as to the Debtors and their affiliates, and the Wind-Down Debtor shall not have any continuing obligations thereunder; and (b) the obligations of the Debtors and their affiliates pursuant, relating, or pertaining to any agreements, indentures, certificates of designation, bylaws, or certificate or articles of incorporation or similar documents governing the shares, certificates, notes, bonds, indentures, purchase rights, options, warrants, or other instruments or documents evidencing or creating any indebtedness or obligation of or ownership interest in the Debtors shall be released.

*L. Corporate Action*

Upon the Effective Date, all actions contemplated under the Plan, regardless of whether taken before, on or after the Effective Date, shall be deemed authorized and approved in all respects. All matters provided for in the Plan or deemed necessary or desirable by the Debtors before, on, or after the Effective Date involving the corporate structure of the Debtors or the Wind-Down Debtor, and any corporate action required by the Debtors or the Wind-Down Debtor in connection with the Plan or corporate structure of the Debtors or Wind-Down Debtor shall be deemed to have occurred and shall be in effect on the Effective Date, without any requirement of further action by the security holders, directors, managers, or officers of the Debtors or the Wind-Down Debtor. Before, on, or after the Effective Date, the appropriate officers of the Debtors or the Wind-Down Debtor, as applicable, shall be authorized to issue, execute, and deliver the agreements, documents, Securities, and instruments contemplated under the Plan (or necessary or desirable to effect the transactions contemplated under the Plan) in the name of and on behalf of the Wind-Down Debtor. The authorizations and approvals contemplated by this Article IV.L. shall be effective notwithstanding any requirements under non-bankruptcy law.

*M. Effectuating Documents; Further Transactions*

On and after the Effective Date, the Plan Administrator is authorized to and may issue, execute, deliver, file, or record such contracts, Securities, 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 the Plan in the name of and on behalf of the Wind-Down Debtor, without the need for any approvals, authorization, or consents except for those expressly required pursuant to the Plan.

*N. Section 1146 Exemption*

To the extent permitted by section 1146(a) of the Bankruptcy Code, any transfers (whether from a Debtor to the Wind-Down Debtor or to any other Person) of property under the Plan or pursuant to: (a) the issuance, distribution, transfer, or exchange of any debt, equity security, or other interest in the Debtors or the Wind-Down Debtor; (b) the Wind-Down Transactions; (c) the

creation, modification, consolidation, termination, refinancing, and/or recording of any mortgage, deed of trust, or other security interest, or the securing of additional indebtedness by such or other means; (d) the making, assignment, or recording of any lease or sublease; or (e) the making, delivery, or recording of any deed or other instrument of transfer under, in furtherance of, or in connection with, the Plan, including any deeds, bills of sale, assignments, or other instrument of transfer executed in connection with any transaction arising out of, contemplated by, or in any way related to the Plan, shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, real estate transfer tax, mortgage recording tax, Uniform Commercial Code filing or recording fee, regulatory filing or recording fee, or other similar tax or governmental assessment, and upon entry of the Confirmation Order, the appropriate state or local governmental officials or agents shall forgo the collection of any such tax or governmental assessment and accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax, recordation fee, or governmental assessment. All filing or recording officers (or any other Person with authority over any of the foregoing), wherever located and by whomever appointed, shall comply with the requirements of section 1146(c) of the Bankruptcy Code, shall forgo the collection of any such tax or governmental assessment, and shall accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

*O. Preservation of Causes of Action*

In accordance with section 1123(b) of the Bankruptcy Code, but subject to Article VIII hereof, the Wind-Down Debtor 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, and the Wind-Down Debtor's rights to commence, prosecute, or settle such Causes of Action shall be preserved notwithstanding the occurrence of the Effective Date, other than the Causes of Action released by the Debtors pursuant to the releases and exculpations contained in the Plan, including in Article VIII, or during the pendency of the Debtors' Chapter 11 Cases.

The Wind-Down Debtor may pursue such Causes of Action, as appropriate, in accordance with the best interests of the Wind-Down Debtor. **No Entity may rely on the absence of a specific reference in the Plan, the Plan Supplement, or the Disclosure Statement to any Cause of Action against it as any indication that the Debtors or the Wind-Down Debtor, as applicable, will not pursue any and all available Causes of Action against it. The Debtors or the Wind-Down Debtor, as applicable, expressly reserve all rights to prosecute any and all Causes of Action against any Entity, except as otherwise expressly provided in the Plan, including Article VIII of the Plan, or as expressly released during the pendency of the Debtors' Chapter 11 Cases.** Unless any Causes of Action against an Entity are expressly waived, relinquished, exculpated, released, compromised, or settled in the Plan or a Court order, the Wind-Down Debtor expressly reserve all Causes of Action, for later adjudication, and, therefore, no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable, or otherwise), or laches, shall apply to such Causes of Action upon, after, or as a consequence of the Confirmation or Consummation.

The Wind-Down Debtor reserves and shall retain such Causes of Action notwithstanding the rejection or repudiation of any Executory Contract or Unexpired Lease during the Chapter 11

Cases or pursuant to the Plan. In accordance with section 1123(b)(3) of the Bankruptcy Code, any Causes of Action that a Debtor may hold against any Entity shall vest in the Wind-Down Debtor, except as otherwise expressly provided in the Plan, including Article VIII of the Plan, or as expressly released during the pendency of the Debtors' Chapter 11 Cases. The Wind-Down Debtor, through its authorized agents or representatives, shall retain and may exclusively enforce any and all such Causes of Action. The Wind-Down Debtor shall have the exclusive right, authority, and discretion to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise, release, withdraw, or litigate to judgment any such Causes of Action and to decline to do any of the foregoing without the consent or approval of any third party or further notice to or action, order, or approval of the Court.

*P. Closing the Chapter 11 Cases*

Upon the occurrence of the Effective Date, all of the Chapter 11 Cases, except for the Chapter 11 Case of Debtor C21 Stores, shall be deemed closed, and all contested matters relating to each of the Debtors, including objections to Claims, shall be administered and heard in the Chapter 11 Case of C21 Stores; *provided, however*, such closure of a Debtor's case shall not be deemed to occur if the Plan Administrator determines in good faith that closure of one or more Debtors should be delayed to facilitate the Wind-Down and files a notice on the docket of such determination within seven (7) business days of the Effective Date.

When all Disputed Claims have become Allowed or disallowed and all remaining Cash has been distributed in accordance with the Plan, the Plan Administrator shall seek authority from the Court to close the Chapter 11 Case of C21 Stores in accordance with the Bankruptcy Code and the Bankruptcy Rules.

**ARTICLE V.  
TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

*A. Assumption (or Assumption and Assignment) and Rejection of Executory Contracts and Unexpired Leases*

On the Effective Date, except as otherwise provided herein, each Executory Contract and Unexpired Lease not previously rejected, assumed, or assumed and assigned, including any employee benefit plans, severance plans, and other Executory Contracts under which employee obligations arise, shall be deemed automatically rejected pursuant to sections 365 and 1123 of the Bankruptcy Code, unless such Executory Contract or Unexpired Lease: (a) is specifically described in the Plan as to be assumed in connection with confirmation of the Plan, is specifically scheduled to be assumed or assumed and assigned pursuant to the Plan or the Plan Supplement, or otherwise is specifically described in the Plan to not be rejected; (b) is subject to a pending motion to assume such Unexpired Lease or Executory Contract as of the Effective Date; (c) is to be assumed by the Debtors or assumed by the Debtors and assigned to another third party, as applicable, in connection with any sale transaction; or (d) is a contract, instrument, release, indenture, or other agreement or document entered into in connection with the Plan. Entry of the Confirmation Order by the Court shall constitute approval of such assumptions, assignments, and rejections, including the

assumption of the Executory Contracts or Unexpired Leases as provided in the Plan Supplement, pursuant to sections 365(a) and 1123 of the Bankruptcy Code.

*B. Indemnification Obligations*

Subject to the occurrence of the Effective Date, the obligations of the Debtors as of the Effective Date to indemnify, defend, reimburse, or limit the liability of the current and former directors, managers, officers, employees, attorneys, other professionals and agents of the Debtors, and such current and former directors', managers', and officers' respective Affiliates, respectively, against any Claims or Causes of Action under any indemnification provisions or applicable law, shall survive Confirmation, shall be assumed by the Debtors on behalf of the applicable Debtor and assigned to the Wind-Down Debtor which shall be deemed to have assumed the obligation, and will remain in effect after the Effective Date if such indemnification, defense, reimbursement, or limitation is owed in connection with an event occurring before the Effective Date; *provided* that, notwithstanding anything herein to the contrary, the Wind-Down Debtor's obligation to fund, satisfy and pay such indemnification obligations shall be limited to the extent of coverage available under any insurance policy assumed by the Debtors and assigned to the Wind-Down Debtor, including any directors and officers insurance policies. For the avoidance of doubt, neither the Debtors nor the Estates shall have any obligation to reimburse such indemnity claims or expenses.

*C. Collective Bargaining Agreements*

To the extent any Collective Bargaining Agreement has not already been assumed, terminated, or otherwise expired, such Collective Bargaining Agreements shall terminate according to their terms as of or after the Effective Date. Such terminations shall not constitute a rejection of any Collective Bargaining Agreement or implicate section 1113 of the Bankruptcy Code. The Plan Administrator is authorized to take any action that it deems necessary or appropriate to terminate any Collective Bargaining Agreement. For the avoidance of doubt and notwithstanding the foregoing, to the extent section 1113 is applicable, the termination of the Collective Bargaining Agreements shall be deemed to satisfy such provisions.

*D. Claims Based on Rejection of Executory Contracts or Unexpired Leases*

Unless otherwise provided by a Final Order of the Court, all Proofs of Claim with respect to Claims arising from the rejection of Executory Contracts or Unexpired Leases, pursuant to the Plan or the Confirmation Order, if any, must be Filed with the Court within 30 days after the later of (1) the date of entry of an order of the Court (including the Confirmation Order) approving such rejection, (2) the effective date of such rejection, or (3) the Effective Date. **Any Claims arising from the rejection of an Executory Contract or Unexpired Lease not Filed with the Court within such time will be automatically disallowed, forever barred from assertion, and shall not be enforceable against the Debtors or the Wind-Down Debtor, the Estates, or their property without the need for any objection by the Wind-Down Debtor or further notice to, or action, order, or approval of the Court or any other Entity, and any Claim arising out of the rejection of the Executory Contract or Unexpired Lease shall be deemed fully satisfied and released, notwithstanding anything in the Schedules or a Proof of Claim to the contrary.** All Allowed Claims arising from the rejection of the Debtors' Executory Contracts or Unexpired

Leases shall be classified as Unsecured Claims.

*E. Cure of Defaults for Executory Contracts and Unexpired Leases Assumed (or Assumed and Assigned)*

Any monetary defaults under each Executory Contract and Unexpired Lease to be assumed (or assumed and assigned) pursuant to the Plan 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 limitation 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 Wind-Down Debtor 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 (or assumption and assignment), 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 (or assumption and assignment). At least ten days prior to the Confirmation Hearing, the Debtors shall provide for notices of proposed assumption (or assumption and assignment) and proposed cure amounts to be sent to applicable third parties and for procedures for objecting thereto and resolution of disputes by the Court. Any objection by a counterparty to an Executory Contract or Unexpired Lease to a proposed assumption (or assumption and assignment) or related cure amount must be Filed, served, and actually received by the Debtors at least three days prior to the Confirmation Hearing. Any counterparty to an Executory Contract or Unexpired Lease that fails to object timely to the proposed assumption (or assumption and assignment) or cure amount will be deemed to have assented to such assumption (or assumption and assignment) or cure amount.

Assumption (or assumption and assignment) of any Executory Contract or Unexpired Lease pursuant to the 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 prior to the effective date of assumption (or assumption and assignment). **Any Proofs of Claim Filed with respect to an Executory Contract or Unexpired Lease that has been assumed (or assumed and assigned) shall be deemed disallowed and expunged, without further notice to or action, order, or approval of the Court.**

*F. Preexisting Obligations to the Debtors Under Executory Contracts and Unexpired Leases.*

Rejection of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise shall not constitute a termination of preexisting obligations owed to the Debtors or the Wind-Down Debtor, as applicable, under such Executory Contracts or Unexpired Leases. In particular, notwithstanding any non-bankruptcy law to the contrary, the Wind-Down Debtor expressly reserve and do not waive any right to receive, or any continuing obligation of a counterparty to provide, warranties or continued maintenance obligations on goods previously purchased by the Debtors contracting from non-Debtor counterparties to rejected Executory Contracts or Unexpired Leases.

*G. Modifications, Amendments, Supplements, Restatements, or Other Agreements*

Unless otherwise provided in the 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 the 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.

*H. Reservation of Rights*

Neither the exclusion nor inclusion of any Executory Contract or Unexpired Lease on the Schedule of Assumed Executory Contract and Unexpired Leases, nor anything contained in the 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 any of the Wind-Down Debtor has 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 Wind-Down Debtor, as applicable, shall have 30 days following entry of a Final Order resolving such dispute to alter its treatment of such contract or lease under the Plan.

*I. Nonoccurrence of Effective Date*

In the event that the Effective Date does not occur, the Court shall retain jurisdiction with respect to any request to extend the deadline for assuming or rejecting Unexpired Leases pursuant to section 365(d)(4) of the Bankruptcy Code.

**ARTICLE VI.  
PROVISIONS GOVERNING DISTRIBUTIONS**

*A. Timing and Calculation of Amounts to Be Distributed*

1. General

In the event that any payment or act under the 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 or Disputed Interests, Distributions on account of any such Disputed Claims or Disputed Interests shall be made pursuant to the provisions set forth in Article VII hereof. Except as otherwise provided in the Plan, Holders of Claims or Interests shall not be entitled to interest, dividends, or accruals on the

Distributions provided for in the Plan, regardless of whether such Distributions are delivered on or at any time after the Effective Date.

2. Distributions for Non-General Unsecured Claims

With respect to all Claims and Interests that are not General Unsecured Claims, unless otherwise provided in the Plan, on the Effective Date (or if a Claim is not an Allowed Claim or Allowed Interest on the Effective Date, on the date that such Claim or Interest becomes an Allowed Claim or Allowed Interest, or as soon as reasonably practicable thereafter), or as soon as is reasonably practicable thereafter, each Holder of an Allowed Claim or Allowed Interest (as applicable) shall receive the full amount of the Distributions that the Plan provides for Allowed Claims or Allowed Interests (as applicable).

3. Distributions for General Unsecured Claims

Each Holder of an Allowed General Unsecured Claim shall receive one or more Distributions equal to its Pro Rata share of the General Unsecured Creditor Claims Recovery as Cash in the Post Effective Date Reserve becomes available, net of actual and reserved-for expenses, as soon as reasonably practicable on a date that is determined by the Plan Administrator in its reasonable discretion. The Plan Administrator, in its discretion, shall direct the Disbursing Agent to make periodic Distributions of Distributable Cash from the Post Effective Date Reserve to the holders of General Unsecured Claims at any time after the Effective Date.

*B. Disbursing Agent*

Distributions under the Plan shall be made by the Disbursing Agent, which, for the avoidance of doubt, shall be the Plan Administrator until and unless the Plan Administrator in its discretion appoints a designee, which designation may be revoked by the Plan Administrator. The Disbursing Agent shall not be required to give any bond or surety or other security for the performance of its duties.

*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 the Plan; (b) make all Distributions contemplated hereby; (c) employ professionals to represent it with respect to its responsibilities; and (d) exercise such other powers as may be vested in the Disbursing Agent by order of the Court, pursuant to the 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 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 and out-of-pocket expense reimbursement claims (including reasonable attorney fees and expenses) made by the Disbursing Agent shall be paid in Cash from the Post Effective Date Reserve.

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

1. Record Date for Distribution.

On the Distribution Record Date, the Claims Register shall be closed and any party responsible for making Distributions shall instead be authorized and entitled to recognize only those record holders listed on the Claims Register as of the close of business on the Distribution Record Date.

2. Delivery of Distributions

Except as otherwise provided herein, the Plan Administrator shall direct Distributions to Holders of Allowed Claims and Allowed Interests as provided for herein at the address for each such Holder as indicated on the Debtors' records as of the date of any such Distribution; *provided, however,* that the manner of such Distributions shall be determined at the discretion of the Plan Administrator; *provided further, however,* that the address for each Holder of an Allowed Claim shall be deemed to be the address set forth in any Proof of Claim Filed by that Holder.

3. Minimum Distributions

Notwithstanding any other provision of the Plan, the Disbursing Agent will not be required to make Distributions of Cash less than \$100 in value; *provided, however,* the Plan Administrator shall reserve for any Distribution of less than \$100 in value until such time as the Plan Administrator determines to cause the issuance of the final Distribution and close the Wind-Down Debtor's case, and in the event after considering such reserve the final Distribution is still less than \$100, such Claim shall then be expunged, settled and enjoined pursuant to Article VIII and its Holder is forever barred pursuant to Article VIII from asserting that Claims against the Debtors or their property.

4. Undeliverable Distributions and Unclaimed Property

If any distribution to a Holder of an Allowed Claim is unclaimed or returned as undeliverable, such unclaimed property shall be held by the Plan Administrator for a period of thirty days. Once the distribution to a Holder of an Allowed Claims becomes unclaimed property, the Plan Administrator shall, subject to the limitations set forth herein, (i) hold such unclaimed property solely for the benefit of such holder or holders who have failed to claim such unclaimed property, and (ii) release the unclaimed property and deliver to the holder entitled thereto upon presentation of proper proof by such holder of its entitlement thereto.

After the expiration of thirty days, the holder of an Allowed Claim entitled to such unclaimed property shall cease to be entitled thereto and shall be entitled to no further distributions under the Plan, and such Allowed Claim shall be deemed disallowed and expunged in its entirety

and the funds shall be redistributed to the other holders of Allowed Claims in accordance with the terms of this Plan and Confirmation Order. Such funds shall not be subject to the escheat laws of any state.

Nothing contained in this Plan, or the Confirmation Order shall require the Plan Administrator to attempt to locate any holder of an Allowed Claim.

*E. Compliance with Tax Requirements*

In connection with the Plan, to the extent applicable, the Debtors or the Wind-Down Debtor, as applicable, shall comply with all tax withholding and reporting requirements imposed on them by any Governmental Unit, and all Distributions pursuant to the Plan shall be subject to such withholding and reporting requirements. Notwithstanding any provision in the 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 the 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 they believe are reasonable and appropriate. The Debtors and Wind-Down Debtor, as applicable, reserve the right to allocate all Distributions made under the Plan in compliance with applicable wage garnishments, alimony, child support, and other spousal awards, liens, and encumbrances.

*F. Allocations*

Distributions with respect to 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. No Postpetition Interest on Prepetition Claims.*

Unless otherwise specifically provided for in the Cash Collateral Order, the Plan or the Confirmation Order, or required by applicable bankruptcy and non-bankruptcy law, postpetition interest shall not accrue or be paid on any prepetition Claims against the Debtors, and no Holder of a prepetition Claim against the Debtors shall be entitled to interest accruing on or after the Petition Date on any such prepetition Claim.

*H. Foreign Currency Exchange Rate*

Except as otherwise provided in a Court order, as of the Effective Date, any Claim asserted in currency other than U.S. dollars shall be automatically deemed converted to the equivalent U.S. dollar value using the exchange rate for the applicable currency as published in *The Wall Street Journal*, National Edition, on the Effective Date.

*I. Setoffs and Recoupment*

Except as expressly provided in this Plan, the Wind-Down Debtor may, pursuant to section 553 of the Bankruptcy Code, set off and/or recoup against any Plan Distributions to be made on account of any Allowed Claim, any and all claims, rights, and Causes of Action that the Wind-Down Debtor may hold against the Holder of such Allowed Claim to the extent such setoff or recoupment is either (1) agreed in amount among the Wind-Down Debtor and Holder of Allowed Claim or (2) otherwise adjudicated by the Court or another court of competent jurisdiction; *provided, however*, that neither the failure to effectuate a setoff or recoupment nor the allowance of any Claim hereunder shall constitute a waiver or release by the Wind-Down Debtor or its successor of any and all claims, rights, and Causes of Action that such Wind-Down Debtor or its successor may possess against the applicable Holder. In no event shall any Holder of Claims against, or Interests in, the Debtors be entitled to recoup any such Claim or Interest against any claim, right, or Cause of Action of the Debtors or the Wind-Down Debtor, as applicable, unless such Holder actually has performed such recoupment and provided notice thereof in writing to the Debtors in accordance with Article XII.G. of the Plan on or before the Effective Date, notwithstanding any indication in any Proof of Claim or otherwise that such Holder asserts, has, or intends to preserve any right of recoupment.

*J. Claims Paid or Payable by Third Parties*

1. Claims Paid by Third Parties

The Debtors or the Wind-Down Debtor, as applicable, shall reduce in full 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 Court, to the extent that the Holder of such Claim receives payment in full on account of such Claim from a party that is not a Debtor or the Wind-Down Debtor. Subject to the last sentence of this paragraph, to the extent a Holder of a Claim receives a Distribution on account of such Claim and receives payment from a party that is not a Debtor or the Wind-Down Debtor on account of such Claim, such Holder shall, within two weeks of receipt thereof, repay or return the Distribution to the applicable Debtor or the Wind-Down Debtor, to the extent the Holder's total recovery on account of such Claim from the third party and under the Plan exceeds the amount of such Claim as of the date of any such Distribution under the Plan. The failure of such Holder to timely repay or return such Distribution shall result in the Holder owing the applicable Debtor or the Wind-Down Debtor annualized interest at the Federal Judgment Rate on such amount owed for each Business Day after the two-week grace period specified above until the amount is repaid.

2. Claims Payable by Third Parties

No Distributions under the 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 Court.

3. Applicability of Insurance Policies

Except as otherwise provided in the Plan, Distributions to Holders of Allowed Claims shall be in accordance with the provisions of any applicable insurance policy. Nothing contained in the 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 Wind-Down Debtor or the Plan Administrator, as applicable, shall have and retain any and all rights and defenses such Debtor had with respect to any Claim or Interest immediately before the Effective Date.

*B. Claims Administration Authority*

Except as otherwise specifically provided in the Plan, after the Effective Date, the Plan Administrator shall have the authority: (1) to File, withdraw, or litigate to judgment objections to Claims or Interests; (2) to settle or compromise any Disputed Claim without any further notice to or action, order, or approval by the Court; 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 Court.

*C. Estimation of Claims*

After the Effective Date, the Wind-Down Debtor or the Plan Administrator, as applicable, may (but are not required to) at any time request that the Court estimate any 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 Court has ruled on any such objection, and the 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 the 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 Court. In the event that the 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 the Plan (including for purposes of Distributions), and the Wind-Down Debtor or Plan Administrator may elect to pursue any supplemental proceedings to object to any ultimate Distribution on such Claim or Interest.

*D. 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 the Plan), may be adjusted or expunged (including on the Claims Register, to the extent applicable) by the Wind-Down Debtor without a Claims objection having to be Filed and without any further notice to or action, order or approval of the Court.

*E. Time to File Objections to Claims*

Any objections to Claims shall be Filed at any time or such other period as may be specifically fixed by a Final Order of the Court for objecting to such claims.

*F. Disallowance of Claims*

All Claims Filed on account of an indemnification obligation to a director, officer, or employee shall be deemed satisfied and expunged from the Claims Register as of the Effective Date to the extent such indemnification obligation is assumed (or honored or reaffirmed, as the case may be) pursuant to the Plan, without any further notice to or action, order, or approval of the Court.

**Except as provided herein or otherwise agreed, any and all Proofs of Claim Filed after the 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 Court, and Holders of such Claims may not receive any Distributions on account of such Claims, unless on or before the Confirmation Hearing such late Claim has been deemed timely Filed by a Final Order.**

*G. Amendments to Claims*

On or after the applicable Bar Date, a Claim may not be Filed or amended without the prior authorization of the Court or the Wind-Down Debtor. Absent such authorization, any new or amended Claim Filed shall be deemed disallowed in full and expunged without any further action.

*H. 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 the Plan shall be made on account of such Claim or portion thereof unless and until such Disputed Claim becomes an Allowed Claim.

*I. Distributions after Allowance*

To the extent that a Disputed Claim ultimately becomes an Allowed Claim or Allowed Interest, Distributions (if any) shall be made to the Holder of such Allowed Claim or Allowed Interest (as applicable) from the Disputed Claims Reserve in accordance with the provisions of the Plan. As soon as practicable after the date that the order or judgment of the Court Allowing any Disputed Claim or Disputed Interest becomes a Final Order, the Disbursing Agent shall provide to

the Holder of such Claim or Interest the Distribution (if any) to which such Holder is entitled under the Plan as of the Effective Date, without any interest, dividends, or accruals to be paid on account of such Claim or Interest unless required under applicable bankruptcy law.

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

*A. Settlement, Compromise, and Release of Claims and Interests*

As discussed in detail in the Disclosure Statement and as otherwise provided herein, pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the classification, Distributions, releases, and other benefits provided under the Plan, on the Effective Date, the provisions of the Plan shall constitute a good-faith compromise and settlement of all Claims, Interests, Causes of Action, and controversies released, settled, compromised, or otherwise resolved pursuant to the Plan. The Plan shall be deemed a motion to approve the good-faith compromise and settlement of all such Claims, Interests, Causes of Action, and controversies pursuant to Bankruptcy Rule 9019, and the entry of the Confirmation Order shall constitute the Court's approval of such compromise and settlement under section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, as well as a finding by the Court that such settlement and compromise is fair, equitable, reasonable, and in the best interests of the Debtors and their Estates. Subject to Article VI hereof, all Distributions made to Holders of Allowed Claims and Allowed Interests (as applicable) in any Class are intended to be and shall be final.

*B. Release of Liens*

**Except as otherwise provided in the Plan, the Plan Supplement, or any contract, instrument, release, or other agreement or document created pursuant to the Plan, on the Effective Date and concurrently with the applicable Distributions made pursuant to the 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 and required to be satisfied pursuant to the Plan, all mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Estates shall be fully released, settled, compromised, and satisfied, 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 automatically to the applicable Debtor and its successors and assigns. Any Holder of such Secured Claim (and the applicable agents for such Holder) shall be authorized and directed to release any collateral or other property of any Debtor (including any cash collateral and possessory collateral) held by such Holder (and the applicable agents for such Holder), and to take such actions as may be reasonably requested by the Wind-Down Debtor to evidence the release of such Lien, including the execution, delivery, and filing or recording of such releases. The presentation or filing of the Confirmation Order to or with any federal, state, provincial, or local agency or department shall constitute good and sufficient evidence of, but shall not be required to effect, the termination of such Liens.**

**C. Releases by the Debtors**

Effective as of the Effective Date, for good and valuable consideration, the adequacy of which is hereby confirmed, each Released Party is deemed released by each and all of the Debtors, the Wind-Down Debtor, and their Estates, in each case on behalf of themselves and their respective successors, assigns, and representatives, and any and all other Entities who may purport to assert any Cause of Action, directly or derivatively, by, through, for, or because of the foregoing Entities, from any and all Claims, obligations, rights, suits, damages, Causes of Action, remedies, and liabilities whatsoever, including any Avoidance Actions and any derivative claims, asserted or assertable on behalf of any of the Debtors, the Wind-Down Debtor, or their Estates, as applicable, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, that the Debtors, the Wind-Down Debtor, or their Estates or affiliates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any Claim against, or Interest in, a Debtor or other Entity, based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors or the Wind-Down Debtor, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the Debtors' in- or out-of-court restructuring efforts, intercompany transactions, the Prepetition Credit Documents, the Wind-Down Transactions, the sales and marketing processes, the Sale Transactions, the Closing Sales, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, filing, or consummation of the Disclosure Statement, the Plan (including, for the avoidance of doubt, the Plan Supplement), or any contract, instrument, release, or other agreement or document created or entered into in connection with the Disclosure Statement, or the Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the Distribution of property under the Plan or any other related agreement, or upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date except for any act or omission that constitutes fraud, gross negligence or willful misconduct as determined by a Final Order of a court of competent jurisdiction; *provided* that any right to enforce the Plan and Confirmation Order is not so released. Without limiting the foregoing, neither the Debtors nor the Wind-Down Debtor, as applicable, shall pursue any claims against the Released Parties other than those incurred in the ordinary course of business. Nothing herein shall limit the liability of attorneys to their respective clients pursuant to Rule 1.8(h) of the New York Rules of Professional Conduct.

Entry of the Confirmation Order shall constitute the Court's approval, pursuant to Bankruptcy Rule 9019, of the releases described in this Article VIII.C. by the Debtors, which includes by reference each of the related provisions and definitions contained in this Plan, and further, shall constitute the Court's finding that each release described in this Article VIII.C. is: (1) in exchange for the good and valuable consideration provided by the Released Parties, (2) a good-faith settlement and compromise of such Claims; (3) in the best interests of the Debtors and all Holders of Claims and Interests; (4) fair, equitable, and reasonable; (5) given and made after due notice and opportunity for hearing; and (6) a bar to any of the

Debtors or Wind-Down Debtor or their respective Estates asserting any claim, Cause of Action, or liability related thereto, of any kind whatsoever, against any of the Released Parties or their property.

*D. Third-Party Release*

Effective as of the Effective Date, in exchange for good and valuable consideration, including the obligations of the Debtors under the Plan and the contributions of the Released Parties to facilitate and implement the Plan, to the fullest extent permissible under applicable law, as such law may be extended or integrated after the Effective Date, each of the Releasing Parties shall be deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever, released each Debtor, Wind-Down Debtor, and Released Party from any and all Claims, interests, obligations, rights, suits, damages, Causes of Action, remedies, and liabilities whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, including any derivative claims, asserted or assertable on behalf of any of the Debtors, the Wind-Down Debtor, or their Estates, that such Entity would have been legally entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors or the Wind-Down Debtor, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the Debtors' in- or out-of-court restructuring efforts, intercompany transactions, the Prepetition Credit Documents, the Wind-Down Transactions, the sales and marketing processes, the Sale Transactions, the Closing Sales, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, filing, or consummation of the Disclosure Statement, the Plan (including, for the avoidance of doubt, the Plan Supplement), or any transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the Disclosure Statement, or the Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the Distribution of property under the Plan or any other related agreement, or upon any other related act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date except for any act or omission that constitutes fraud, gross negligence or willful misconduct as determined by a Final Order of a court of competent jurisdiction; *provided* that any right to enforce the Plan and Confirmation Order is not so released. For the avoidance of doubt, a creditor that opts out of the releases provided in the Plan by checking the box on the applicable form indicating that they opt not to grant the releases provided in the Plan is not a Released Party nor a Releasing Party. Nothing herein shall limit the liability of attorneys to their respective clients pursuant to Rule 1.8(h) of the New York Rules of Professional Conduct.

Entry of the Confirmation Order shall constitute the Court's approval, pursuant to Bankruptcy Rule 9019, of the releases described in this Article VIII.D., which includes by reference each of the related provisions and definitions contained in this Plan, and further, shall constitute the Court's finding that each release described in this Article VIII.D. is: (1) in exchange for the good and valuable consideration provided by the Released Parties, (2) a

good-faith settlement and compromise of such Claims; (3) in the best interests of the Debtors and all Holders of Claims and Interests; (4) fair, equitable, and reasonable; (5) given and made after due notice and opportunity for hearing; and (6) an absolute and complete bar to any of the Debtors or Wind-Down Debtor or their respective Estates conveying direct or derivative standing to any person or entity to pursue any claim, cause of action or liability against any Released Party, or asserting any claim, cause of action, or liability related thereto, of any kind whatsoever, against any of the Released Parties or their property.

*E. Exculpation*

Notwithstanding anything herein to the contrary, the Exculpated Parties shall neither have nor incur, and each Exculpated Party is exculpated from, any liability for any postpetition act or omission in connection with, relating to, or arising out of, the Chapter 11 Cases, consummation of the Sale Transactions, the formulation, preparation, dissemination, negotiation, filing, or consummation of the Disclosure Statement, the Plan, or any Wind-Down Transaction, contract, instrument, release or other agreement or document created or entered into in connection with the Disclosure Statement or the Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the Distribution of property under the Plan or any other related agreement (whether or not such Distribution occurs following the Effective Date), negotiations regarding or concerning any of the foregoing, or the administration of the Plan or property to be distributed hereunder, except for actions determined by Final Order to have constituted actual fraud, gross negligence, or willful misconduct but in all respects such Entities shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan. The Exculpated Parties have, and upon completion of the Plan shall be deemed to have, participated in good faith and in compliance with the applicable laws with regard to the solicitation of votes and Distribution of consideration pursuant to the 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 the Plan or such Distributions made pursuant to the Plan. Nothing herein shall limit the liability of attorneys to their respective clients pursuant to Rule 1.8(h) of the New York Rules of Professional Conduct.

*F. Injunction*

Except as otherwise expressly provided in the Plan or for obligations issued or required to be paid pursuant to the Plan or the Confirmation Order, all Entities who have held, hold, or may hold Claims or Interests that have been released, satisfied, or are subject to exculpation are permanently enjoined, from and after the Effective Date, from taking any of the following actions against, as applicable, the Debtors, the Wind-Down Debtor, the Exculpated Parties, or the Released Parties: (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 the estates of such Entities on account of or in connection with or with respect to any such Claims or Interests; (4) asserting any right of setoff, subrogation, or recoupment of any kind against any obligation due from such Entities or against the property of such Entities on account of or in connection with or with respect to any such Claims or Interests unless such Holder has Filed a motion requesting the right to perform such setoff on or before the Effective Date, and notwithstanding an indication of a Claim or Interest or otherwise that such Holder asserts, has, or intends to preserve any right of setoff pursuant to applicable law or otherwise; and (5) 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 the Plan.

Upon entry of the Confirmation Order, all Holders of Claims and Interests and their respective current and former employees, agents, officers, directors, principals, and direct and indirect affiliates shall be enjoined from taking any actions to interfere with the implementation or Consummation of the Plan. Each Holder of an Allowed Claim or Allowed Interest, as applicable, by accepting, or being eligible to accept, Distributions under or Reinstatement of such Claim or Interest, as applicable, pursuant to the Plan, shall be deemed to have consented to the injunction provisions set forth in this Article VIII.F. of the Plan.

Notwithstanding anything herein to the contrary, and for the avoidance of doubt, for creditors who opt out of the releases provided in the Plan by checking the box on the applicable form, this Plan and the injunction provided for in this Section shall not apply to enjoin any Cause of Action against any non-Debtor.

*G. Protections against Discriminatory Treatment.*

To the extent provided by section 525 of the Bankruptcy Code and the Supremacy Clause of the U.S. Constitution, all Entities, including Governmental Units, shall not discriminate against the Wind-Down Debtor or deny, revoke, suspend, or refuse to renew a license, permit, charter, franchise, or other similar grant to, condition such a grant to, discriminate with respect to such a grant against, the Wind-Down Debtor, or another Entity with whom the Wind-Down Debtor have been associated, solely because each Debtor has been a debtor under chapter 11 of the Bankruptcy Code, has been insolvent before the commencement of the Chapter 11 Cases (or during the Chapter 11 Cases but before the Debtors are granted or denied a release), or has not paid a debt that is dischargeable in the Chapter 11 Cases.

*H. Document Retention.*

On and after the Effective Date, the Wind-Down Debtor, or the Plan Administrator, as applicable, may maintain or dispose of documents in its discretion.

*I. Reimbursement or Contribution.*

If the Court disallows a Claim for reimbursement or contribution of an Entity pursuant to section 502(e)(1)(B) of the Bankruptcy Code, then to the extent that such Claim is contingent as

of the time of allowance or disallowance, such Claim shall be forever disallowed and expunged notwithstanding section 502(j) of the Bankruptcy Code, unless prior to the Confirmation Date: (1) such Claim has been adjudicated as non-contingent or (2) the relevant Holder of a Claim has Filed a non-contingent Proof of Claim on account of such Claim and a Final Order has been entered prior to the Confirmation Date determining such Claim as no longer contingent.

*J. Term of Injunctions or Stays*

Unless otherwise provided in the 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 Court, and extant on the Confirmation Date (excluding any injunctions or stays contained in the Plan or the Confirmation Order), shall remain in full force and effect until the Effective Date. All injunctions or stays contained in the Plan or the Confirmation Order shall remain in full force and effect in accordance with their terms.

**ARTICLE IX.  
CONDITIONS PRECEDENT TO CONSUMMATION OF THE PLAN**

*A. Conditions Precedent*

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

1. the Court shall have entered the Confirmation Order;
2. the Debtors shall have obtained all authorizations, consents, regulatory approvals, rulings, or documents that are necessary to implement and effectuate the Plan;
3. the Reserves shall have been established and funded as set forth herein; and
4. the Debtors shall have implemented all transactions contemplated herein, in a manner consistent in all respects with the Plan, pursuant to documentation acceptable to the Debtors in their discretion.

*B. Waiver of Conditions*

The conditions to Consummation set forth in Article IX.A. may be waived by the Debtors, in consultation with Committee, without notice, leave, or order of the Court or any formal action other than proceeding to confirm or consummate the Plan.

*C. Substantial Consummation*

“Substantial Consummation” of the Plan, as defined in 11 U.S.C. §§ 1101 and 1127, shall be deemed to occur on the Effective Date.

*D. Effect of Nonoccurrence of the Confirmation Date or Effective Date.*

If the Confirmation or Consummation of the Plan does not occur, (1) the Plan shall be null and void in all respects other than as set forth herein, and (2) nothing contained in the Plan or the Disclosure Statement shall: (a) constitute a waiver or release of any Claims by the Debtors, any Holders, or any other Entity; or (b) prejudice in any manner the rights of the Debtors, any Holders, or any other Entity.

**ARTICLE X.  
MODIFICATION, REVOCATION, OR  
WITHDRAWAL OF THE PLAN**

*A. Modification and Amendments*

Except as otherwise specifically provided in the Plan, the Debtors reserve the right to modify the Plan, whether such modification is material or immaterial, and seek Confirmation consistent with the Bankruptcy Code and, as appropriate, not re-solicit votes on such modified Plan. 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 the Plan), the Debtors expressly reserve their respective rights to revoke or withdraw, to alter, amend or modify the Plan with respect to such Debtor, one or more times, before or after Confirmation, and, to the extent necessary, may initiate proceedings in the Court to so alter, amend or modify the Plan, or remedy any defect or omission or reconcile any inconsistencies in the Plan, the Disclosure Statement or the Confirmation Order, in such matters as may be necessary to carry out the purposes and intent of the Plan.

*B. Effect of Confirmation on Modifications*

Entry of a Confirmation Order shall mean that all modifications or amendments to the 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 reserve the right to revoke or withdraw the Plan before the Confirmation Date and to file subsequent plans of reorganization. If the Debtors revoke or withdraw the Plan then: (1) the Plan shall be null and void in all respects; (2) any settlement or compromise embodied in the Plan (including the fixing or limiting to an amount certain of the Claims or Interests or Class of Claims or Interests), assumption (or assumption and assignment) or rejection of Executory Contracts or Unexpired Leases effected by the Plan, and any document or agreement executed pursuant to the Plan, shall be deemed null and void; and (3) nothing contained in the Plan shall: (a) constitute a waiver or release of any Claims or Interests; or (b) prejudice in any manner the rights of 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 Court shall retain exclusive jurisdiction over all matters arising out of, or related to, the Chapter 11 Cases and the 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 accrued Professional Fee Claims) authorized pursuant to the Bankruptcy Code or the 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 Wind-Down Debtor amending, modifying or supplementing, after the Effective Date, pursuant to Article V, the Executory Contracts and Unexpired Leases to be assumed (or 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 and Interests are accomplished pursuant to the provisions of the 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 the Plan and all contracts, instruments, releases, indentures, and other agreements or documents created in connection with the 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. resolve any cases, controversies, suits, disputes, or Causes of Action that may arise in connection with Consummation, including interpretation or enforcement of the Plan or any Entity's obligations incurred in connection with the Plan;

10. 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 the Plan;

11. 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;

12. 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.J.1.;

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

14. determine any other matters that may arise in connection with or relate to the Plan, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, indenture, or other agreement or document created in connection with the Plan or the Disclosure Statement;

15. enter an order or Final Decree concluding or closing any of the Chapter 11 Cases;

16. adjudicate any and all disputes arising from or relating to Distributions under the Plan;

17. consider any modifications of the Plan, to cure any defect or omission or to reconcile any inconsistency in any Court order, including the Confirmation Order;

18. determine requests for the payment of Claims entitled to priority pursuant to section 507 of the Bankruptcy Code;

19. hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of the Plan or the Confirmation Order, including disputes arising under agreements, documents, or instruments executed in connection with the Plan;

20. hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of the Wind-Down Transactions, whether they occur before, on or after the Effective Date;

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 settlements, exculpations, injunctions, and releases granted in connection with and under the Plan, including under Article VIII;
23. hear and determine all disputes related to the Sale Transactions;
24. adjudicate all Retained Causes of Action;
25. interpret and enforce all orders previously entered by the Court; and
26. hear any other matter not inconsistent with the Bankruptcy Code.

**ARTICLE XII.  
MISCELLANEOUS  
PROVISIONS**

*A. Immediate Binding Effect*

Notwithstanding Bankruptcy Rules 3020(e), 6004(h), or 7062 or otherwise, upon the occurrence of the Effective Date, the terms of the Plan and the Plan Supplement shall be immediately effective and enforceable and deemed binding upon the Debtors, the Wind-Down Debtor, and any and all Holders of Claims or Interests (irrespective of whether their Claims or Interests are deemed to have accepted the Plan), all Entities that are parties to or are subject to the settlements, compromises, releases, and injunctions described in the Plan, each Entity acquiring property under the 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, and on or after the Effective Date, the Plan Administrator and Wind-Down Debtor, as applicable, may File with the Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan. The Debtors or Wind-Down Debtor, as applicable, and all Holders receiving Distributions pursuant to the 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 the Plan.

*C. Payment of Statutory Fees.*

All fees and applicable interest payable pursuant to section 1930(a) of the Judicial Code and 31 U.S.C. § 3717, as applicable, as determined by the Court at a hearing pursuant to section 1128 of the Bankruptcy Code, shall be paid by the Plan Administrator for each quarter (including any fraction thereof) until the Chapter 11 Cases are converted, dismissed, or closed, whichever occurs first.

*D. Statutory Committee and Cessation of Fee and Expense Payment*

On the Effective Date, the Committee shall dissolve automatically and the members thereof shall be released and discharged from all rights, duties, responsibilities, and liabilities arising from, or related to, the Chapter 11 Cases and under the Bankruptcy Code, except for the limited purpose of prosecuting requests for payment of Professional Fee Claims for services and reimbursement of expenses incurred by the Committee and its Professionals. The Wind-Down Debtor shall no longer be responsible for paying any fees or expenses incurred by the members of or advisors to the Committee after the Effective Date except as provided in the prior sentence.

*E. Reservation of Rights*

Except as expressly set forth in the Plan, the Plan shall have no force or effect unless the 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 the Plan, any statement or provision contained in the Plan or the taking of any action by any Debtor with respect to the 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 unless and until the Effective Date has occurred.

*F. Successors and Assigns*

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

*G. Notices*

To be effective, all notices, requests and demands to or upon the Debtors shall be in writing (including by facsimile transmission). Unless otherwise expressly provided herein, shall be deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed to the following:

<p><u>The Debtors:</u></p> <p>Brian Cashman                  Berkeley Research Group                  99 High Street, Suite 2700                  Boston, MA 02110                  E-mail address: <a href="mailto:bcashman@thinkbrg.com">bcashman@thinkbrg.com</a></p>	<p><u>Counsel for the Committee:</u></p> <p>Jeffrey L. Cohen, Esq.                  Lowenstein Sandler LLP                  1251 Avenue of the Americas                  New York, NY 10020                  E-mail address: <a href="mailto:jcohen@lowenstein.com">jcohen@lowenstein.com</a></p> <p>Brent Weisenberg, Esq.                  Lowenstein Sandler LLP                  One Lowenstein Drive                  Roseland, NJ 07068</p>
<p><u>with copies (which shall not constitute notice) to counsel for the Debtors:</u></p>	

<p>Matthew A. Skrzynski Proskauer Rose LLP Eleven Times Square New York, New York 10036 E-mail address: <a href="mailto:mskrzynski@proskauer.com">mskrzynski@proskauer.com</a></p> <p>-and-</p> <p>Peter J. Young Proskauer Rose LLP 2029 Century Park East, Suite 2400 Los Angeles, CA 90067-3010 E-mail address: <a href="mailto:pyoung@proskauer.com">pyoung@proskauer.com</a></p> <p>-and-</p> <p>Jeff J. Marwil Proskauer Rose LLP 70 West Madison, Suite 3800 Chicago, IL 60602 E-mail address: <a href="mailto:jmarwil@proskauer.com">jmarwil@proskauer.com</a></p>	<p>E-mail address: <a href="mailto:bweisenberg@lowenstein.com">bweisenberg@lowenstein.com</a></p>
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After the Effective Date, the Wind-Down Debtor may notify Entities that, in order to continue to receive documents pursuant to Bankruptcy Rule 2002, such Entity must File a renewed request to receive documents pursuant to Bankruptcy Rule 2002. After the Effective Date, the Wind-Down Debtor is authorized to limit the list of Entities receiving documents pursuant to Bankruptcy Rule 2002 to those Entities who have Filed such renewed requests.

#### *H. Entire Agreement*

Except as otherwise indicated, the 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 the Plan.

#### *I. Exhibits*

All exhibits and documents included in the Plan Supplement are incorporated into and are a part of the Plan as if set forth in full in the 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 Notice, Claims, and Balloting Agent at [cases.stretto.com/Century21](http://cases.stretto.com/Century21) or the Court's website at [www.nysb.uscourts.gov](http://www.nysb.uscourts.gov). To the extent any exhibit or document is inconsistent with the terms of the Plan, unless otherwise ordered by the Court, the non-exhibit or non-document portion of the Plan shall control.

*J. Non-Severability of Plan Provisions*

The provisions of the Plan, including its release, injunction, exculpation, and compromise provisions, are mutually dependent and non-severable. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the 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 the Plan and may not be deleted or modified without the consent of the Debtors consistent with the terms set forth herein; and (3) non-severable and mutually dependent.

*K. Votes Solicited in Good Faith*

Upon entry of the Confirmation Order, the Debtors will be deemed to have solicited votes on the Plan in good faith and in compliance with the Bankruptcy Code, and pursuant to section 1125(e) of the Bankruptcy Code, the Debtors and each of their respective affiliates, agents, representatives, members, principals, shareholders, officers, directors, employees, advisors, and attorneys will be deemed to have participated in good faith and in compliance with the Bankruptcy Code in the offer, issuance, sale, and purchase of Securities offered and sold under the Plan and any previous plan and, therefore, no such parties will have any liability for the violation of any applicable law, rule, or regulation governing the solicitation of votes on the Plan or the offer, issuance, sale, or purchase of the Securities offered and sold under the Plan or any previous plan.

*L. Waiver or Estoppel*

Each Holder of a Claim or an Interest shall be deemed to have waived any right to assert any argument, including the right to argue that its Claim or Interest should be Allowed in a certain amount, in a certain priority, Secured or not subordinated by virtue of an agreement made with the Debtors or their counsel, or any other Entity, if such agreement was not disclosed in the Plan, the Disclosure Statement, or papers Filed with the Court before the Confirmation Date.

*M. Conflicts*

Except as set forth in the 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 the 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 the Plan, the Plan shall govern and control. In the event of an inconsistency between the Confirmation Order and the Plan, the Confirmation Order shall control.

*[Remainder of page intentionally left blank]*

Century 21 Department Stores LLC and its affiliates

By: /s/ Brian M. Cashman  
Name: Brian M. Cashman  
Title: Chief Restructuring Officer

COUNSEL:

Matthew A. Skrzynski  
**PROSKAUER ROSE LLP**  
Eleven Times Square  
New York, New York 10036  
Telephone: (212) 969-3000  
Facsimile: (212) 969-2900

Jeff J. Marwil (admitted *pro hac vice*)  
Brooke H. Blackwell (admitted *pro hac vice*)  
**PROSKAUER ROSE LLP**  
70 West Madison, Suite 3800  
Chicago, IL 60602  
Telephone: (312) 962-3550  
Facsimile: (312) 962-3551

Peter J. Young (admitted *pro hac vice*)  
**PROSKAUER ROSE LLP**  
2029 Century Park East, Suite 2400  
Los Angeles, CA 90067-3010  
Telephone: (310) 557-2900  
Facsimile: (310) 557-2193

**Exhibit B (to Order)**

**[Plan Administrator Agreement]**

## PLAN ADMINISTRATOR AGREEMENT

This Plan Administrator Agreement (this “*Agreement*”) is made this [●] day of April, 2021, by and among Century 21 Department Stores LLC (the “*Wind-Down Debtor*”); L.I. 2000, Inc.; C21 Department Stores Holdings LLC; Giftco 21 LLC; Century 21 Fulton LLC; C21 Philadelphia LLC; Century 21 Department Stores of New Jersey, L.L.C.; Century 21 Gardens of Jersey, LLC; C21 Sawgrass Blue, LLC; C21 GA Blue LLC; and Century Paramus Realty, LLC (collectively with the Wind-Down Debtor, the “*Debtors*” or “*Liquidating Debtors*,” as applicable), and Alan D. Halperin, Esq. (the “*Plan Administrator*”), in accordance with the *Debtors’ First Amended Joint Plan of Liquidation Pursuant to Chapter 11 of the Bankruptcy Code*, as the same may from time to time be amended or modified in accordance with the terms thereof (the “*Plan*”).<sup>1</sup>

### RECITALS

**WHEREAS**, on the Petition Date, the Debtors each filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code in the Bankruptcy Court;

**WHEREAS**, the Plan contemplates that a Plan Administrator will be appointed as of the Effective Date to administer the Plan in accordance with the terms of the Plan and this Agreement and to take such other actions as may be authorized under the Plan and this Agreement;

**WHEREAS**, the Plan provides that the Plan Administrator will, among other things, retain, preserve, and distribute certain assets of the Liquidating Debtors for the benefit of the Holders of Allowed Claims in accordance with their respective priorities under the Bankruptcy Code (the “*Beneficiaries*”);

**WHEREAS**, the Plan was confirmed by the Bankruptcy Court on [●] [●], 2021 and became effective on [●] [●], 2021 (the “*Effective Date*”);

**WHEREAS**, in accordance with the Plan and Confirmation Order, each of the Chapter 11 Cases except for the C21 Store Chapter 11 Case were deemed closed;

**WHEREAS**, this Agreement is entered into in accordance with, and to facilitate the implementation and execution of, the Plan; and

**WHEREAS**, Alan D. Halperin, Esq. has been selected by the Debtors, with the consent of the Committee, and has agreed to serve as the Plan Administrator in accordance with this Agreement and the Plan.

**NOW, THEREFORE**, in consideration of the foregoing and the covenants and agreements set forth herein, as well as the relevant provisions of the Plan, the parties hereto agree as follows:

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<sup>1</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Plan.

ARTICLE I

**ACCEPTANCE AND APPOINTMENT; FIDUCIARY STATUS**

**Section 1.1 Acceptance and Appointment.** Alan D. Halperin, Esq. hereby (a) accepts appointment as the Plan Administrator as of the Effective Date and (b) agrees to observe and perform all duties and obligations imposed upon the Plan Administrator under the Plan, this Agreement, orders of the Bankruptcy Court, and applicable law, in each case, on and after the Effective Date. Other than the duties and obligations of the Plan Administrator specifically set forth in this Agreement, the Plan, or the Confirmation Order, the Plan Administrator shall have no duties or obligations of any kind or nature with respect to his or her position as such.

**Section 1.2 Fiduciary.** On and after the Effective Date, the Plan Administrator shall be the sole officer, director, and manager, as applicable, of the Liquidating Debtors and the exclusive representative of the Estate of the Wind-Down Debtor. The Plan Administrator shall perform its obligations consistent with the Plan, this Agreement and applicable orders of the Bankruptcy Court.

ARTICLE II

**GENERAL POWERS, RIGHTS AND OBLIGATIONS OF THE PLAN ADMINISTRATOR**

**Section 2.1 General Powers.** On and after the Effective Date, subject in each instance to the terms and conditions of the Plan, the Confirmation Order and any further order of the Bankruptcy Court, the Plan Administrator shall have the following rights, powers, duties and responsibilities:

(a) Except as otherwise provided in the Plan, the Confirmation Order or in this Agreement, the Plan Administrator shall control and exercise authority over the assets vested in the Wind-Down Debtor pursuant to the Plan, over the acquisition, management and disposition thereof and over the management and conduct of the affairs of the Wind-Down Debtor, provided, however, that notwithstanding anything in this Agreement to the contrary, the powers and authority of the Plan Administrator shall in all respects be subject to the terms of the Plan and Confirmation Order. The Plan Administrator shall execute all agreements and other documents on behalf of the Wind-Down Debtor with the signature “as Plan Administrator of the wind-down estate of Century 21 Department Stores LLC.”

(b) The Plan Administrator shall have complete control over the day-to-day decisions and operations of the Wind-Down Debtor except as specifically provided for in the Plan or this Agreement. To the extent the Oversight Committee and Plan Administrator disagree regarding a proposed action by, or course of conduct for, the Wind-Down Debtor that is expressly subject to the reasonable consent of the Oversight Committee (such consent not to be unreasonably withheld) as specifically provided under the Plan or this Agreement, the matter shall be brought via motion before the Bankruptcy Court for determination. The party seeking such Bankruptcy Court determination shall certify that the parties met and conferred (or the moving party

unsuccessfully pursued a meet and confer) regarding such proposed action or course of conduct in good faith and were unable to reach resolution. The Bankruptcy Court shall retain jurisdiction regarding any such dispute and shall decide such dispute by applying a “business judgment” standard to the Plan Administrator’s proposed action or course of conduct.

(c) In connection with the management of the Wind-Down Debtor and implementation of the Plan on behalf of the Liquidating Debtors and the Beneficiaries, the duties and powers of the Plan Administrator shall include any and all powers and authority to implement the Plan and to make Distributions thereunder and Wind-Down the business and affairs of the Debtors and the Wind-Down Debtor, all without the need for Court approval (unless otherwise indicated), as applicable, including:

(i) liquidating, receiving, holding, investing, supervising, and protecting the assets of the Wind-Down Debtor;

(ii) except to the extent Claims have been previously Allowed, control and effectuate the Claims reconciliation process in accordance with the terms of the Plan, including to object to, seek to subordinate, estimate, compromise or settle any and all Claims against the Debtors or their Estates;

(iii) taking all steps to execute all instruments and documents necessary to effectuate the Distributions to be made under the Plan;

(iv) making Distributions as contemplated under the Plan;

(v) establishing and maintaining bank accounts in the name of the Wind-Down Debtor and create and maintain reserves (including, but not limited to, Disputed Claims Reserve);

(vi) prepare, file, and prosecute any necessary filings or pleadings to carry out the duties of the Plan Administrator as described in the Plan and herein;

(vii) employing, retaining, terminating, or replacing professionals to represent it with respect to its responsibilities or otherwise effectuating the Plan to the extent necessary;

(viii) incurring and paying all reasonable fees, expenses, debts, charges, and liabilities of the Wind-Down Debtor, including the reasonable fees and expenses of professionals and consultants retained by the Plan Administrator;

(ix) maintain the books and records and accounts of the Wind-Down Debtor;

(x) administering and paying taxes of the Debtors and the Wind-Down Debtor, as applicable, including filing tax returns;

(xi) representing the interests of the Debtors and the Wind-Down Debtor, as applicable, before any taxing authority in all matters, including any action, suit, proceeding or audit;

(xii) complying with all financial reporting requirements under the Bankruptcy Code, Bankruptcy Rules, United States Trustee Guidelines, or any other applicable authority; and

(xiii) exercising such other powers as may be vested in it pursuant to order of the Court or pursuant to the Plan, or as the Plan Administrator reasonably deems to be necessary and proper to carry out the provisions of the Plan.

(d) All Cash or other property held or collected by the Wind-Down Debtor shall be used solely for the purposes contemplated by the Plan and this Agreement.

(e) The Plan Administrator shall not authorize the Wind-Down Debtor to enter into or engage in any trade or business or use or dispose of any assets of the Liquidating Debtors in furtherance of any trade or business except to the extent reasonably necessary to, and consistent with, the purpose of the Plan and for the benefit of the Beneficiaries, and the extent necessary, approval of the Bankruptcy Court.

(f) When all Disputed Claims have become Allowed or disallowed and all remaining Cash has been distributed in accordance with the Plan, the Plan Administrator shall seek authority from the Bankruptcy Court to close any remaining Chapter 11 Cases of the Debtors in accordance with the Bankruptcy Code and the Bankruptcy Rules.

**Section 2.2 Retention of Attorneys and Other Professionals by Plan Administrator.**

The Plan Administrator shall have the right to retain the services of attorneys, accountants, consultants and other professionals (collectively, the “*Professionals*”) that, in the discretion of the Plan Administrator, are necessary to assist the Plan Administrator in the performance of his or her duties, including any professional employed by the Debtors or Committee in the Chapter 11 Cases; provided that, in the event that the Plan Administrator determines to engage a tax preparer other than Berdon LLP, the Plan Administrator shall consult with the Debtors’ Interest Holders on the Plan Administrator’s selection of such alternative tax preparer. The reasonable fees and expenses of such professionals shall be paid by the Wind-Down Debtor upon the monthly submission of statements to the Plan Administrator. The payment of the reasonable fees and expenses of the Plan Administrator’s retained Professionals shall be made in the ordinary course of business subject to Section 4.12(c) of this Agreement and shall not be subject to the approval of the Bankruptcy Court. Effective as of the Effective Date, Lowenstein Sandler LLP shall be counsel to the Plan Administrator.

**Section 2.3 Privileges.** On and after the Effective Date, all of the Debtors’ privileges and work product, including but not limited to any attorney-client privilege or work-product privilege attaching to any documents or communications (whether written or oral), related to Causes of Action, shall continue and be maintained by the Plan Administrator. The Plan Administrator, on behalf of the Debtors, shall have exclusive authority to waive or not waive the Debtors’ and Liquidating Debtors’ privileges in its sole discretion. The Plan Administrator’s

receipt of such information shall not waive any privileges and such privileges are fully preserved. The Plan Administrator (on behalf of the Liquidating Debtors) and the individual directors, officers or members/managers of the Debtors shall remain in control of all of their respective privileges, and the Plan Administrator (on behalf of the Liquidating Debtors), and the individual directors, officers or members/managers of the Debtors, each as applicable, retain the right to waive their own privileges prospectively (but for the avoidance of doubt not in their capacities as directors, officers or members/managers of the Debtors). Nothing herein shall preclude the Oversight Committee from obtaining information reasonably necessary to perform its obligations set forth in the Plan or this Agreement, nor shall the Oversight Committee's receipt of privileged information from the Plan Administrator be deemed to waive any privilege otherwise applicable and belonging to the Plan Administrator and/or the Liquidating Debtors.

### ARTICLE III

#### THE OVERSIGHT COMMITTEE

**Section 3.1 Formation and Membership of the Oversight Committee.** An oversight committee (the "*Oversight Committee*") shall be formed as of the Effective Date to oversee certain actions of the Plan Administrator as set forth in and pursuant to the terms of this Agreement and shall be comprised of initially four (4) members designated by the Committee that are Holders of General Unsecured Claims and willing to serve on the Oversight Committee. Upon the death or resignation of a member of the Oversight Committee or removal for good cause shown (pursuant to Section 4.3 hereof), the remaining members of the Oversight Committee may, but shall not be required to fill the applicable vacancy on the Oversight Committee with a new member that is a Holder of a General Unsecured Claim, subject to the reasonable consent of the Plan Administrator, which consent shall not be unreasonably withheld.

**Section 3.2 Term of Service.** Upon the earlier to occur of (a) the completion of all the Plan Administrator's duties, responsibilities and obligations under the Plan and this Agreement, and (b) dissolution of all of the Wind-Down Debtor in accordance with the Plan, the Oversight Committee shall be automatically disbanded and its members shall have no further duties, responsibilities and obligations in connection with the Chapter 11 Cases or the Plan and its implementation.

**Section 3.3 Reporting to the Oversight Committee.** After the Effective Date, and until the Oversight Committee is disbanded, the Plan Administrator shall provide the Oversight Committee with a copy of each quarterly operating report that it files with the Bankruptcy Court on behalf of the Wind-Down Debtor. Nothing herein shall preclude the Oversight Committee from reasonably requesting additional information from the Plan Administrator in the exercise of the Oversight Committee's duties under the Plan or this Agreement.

**Section 3.4 Fiduciary.** The members of the Oversight Committee shall act in a fiduciary capacity on behalf of the interests of all Beneficiaries.

**Section 3.5 No Compensation.** Members of the Oversight Committee shall receive no compensation from the Wind-Down Debtor or the Plan Administrator on account of their

membership on the Oversight Committee except for reimbursement of their reasonable and documented out of pocket expenses (which, for the avoidance of doubt, shall not include the fees or expenses of any professionals retained individually by any member of the Oversight Committee).

## ARTICLE IV

### **TERM OF SERVICE, RESIGNATION AND REMOVAL OF THE PLAN ADMINISTRATOR; APPOINTMENT OF SUCCESSOR; STANDARD OF CARE; COMPENSATION OF PLAN ADMINISTRATOR AND PROFESSIONALS**

**Section 4.1 Term of Service.** The Plan Administrator shall serve until the earliest of (a) the completion of all the Plan Administrator's duties, responsibilities and obligations under the Plan and this Agreement, (b) dissolution of the Wind-Down Debtor in accordance with the Plan, (c) the Plan Administrator's death, incapacitation, resignation, or removal for cause, and (d) the closing of all the Chapter 11 Cases.

**Section 4.2 Resignation of the Plan Administrator.** The Plan Administrator may resign by giving not less than thirty (30) days' prior written notice to the Oversight Committee or, if the Oversight Committee has been disbanded, counsel to the Plan Administrator. Such resignation, which shall be applicable to the Plan Administrator in its capacity as such, shall become effective upon the appointment of a successor Plan Administrator in accordance with Section 4.4(a) hereof.

**Section 4.3 Removal of Plan Administrator or Oversight Committee Member for Good Cause.** The Oversight Committee may seek to remove the Plan Administrator, and the Plan Administrator may seek to remove a member of the Oversight Committee, in each case, only for good cause shown upon not less than thirty (30) days' prior notice by filing a motion with the Bankruptcy Court seeking such removal. For purposes of this provision, good cause means only:

(a) theft, dishonesty, fraud or willful misconduct, including intentional falsification of any records;

(b) gross negligence or material failure in the performance of any material duties under the Plan, which is (i) repeated or continued after written notice of, and a reasonable opportunity to cure, such gross negligence or material failure, and (ii) injurious to the Liquidating Debtors and/or the Beneficiaries; or

(c) the arrest, indictment or conviction (including any plea of guilty or no contest) for any felony or other crime involving dishonesty or moral turpitude.

For the avoidance of doubt, during the pendency of any dispute before the Bankruptcy Court regarding removal of the Plan Administrator and any appeals therefrom, the Plan Administrator shall (i) continue to discharge the rights, obligations, and duties of the Plan Administrator set forth in the Plan and this Agreement, and (ii) continue to receive payment of reasonable fees and expenses accrued prior to removal, subject to the terms of the Plan and this Agreement. During

the pendency of any dispute before the Bankruptcy Court regarding removal of a member of the Oversight Committee and any appeals therefrom, such member of the Oversight Committee shall continue to discharge its rights, obligations, and duties set forth in the Plan and this Agreement.

**Section 4.4 Continuity; Appointing of a Successor Plan Administrator.**

(a) The death, incapacity, dissolution, resignation, or removal of the Plan Administrator for good cause shall not operate to terminate any agency or employment created by this Agreement or invalidate any action theretofore taken by the Plan Administrator. In the event of a vacancy by reason of death, incapacity, dissolution, resignation or removal of the Plan Administrator for good cause or prospective vacancy by reason of resignation or removal for good cause, the Oversight Committee shall appoint a successor Plan Administrator by unanimous vote. If the Oversight Committee shall have been disbanded or no successor Plan Administrator shall have been appointed within 30 days of the occurrence or effectiveness, as applicable, of the prior Plan Administrator's death, incapacity, dissolution, resignation or removal, then counsel to the Plan Administrator shall appoint a successor Plan Administrator, provided that, if counsel for the Plan Administrator fails to so appoint a successor Plan Administrator within 30 days thereafter, the Bankruptcy Court, upon the motion of any party-in-interest, including any Beneficiary, shall appoint a successor Plan Administrator.

(b) A successor Plan Administrator, without any further act, shall (a) become vested with all the rights, powers, and duties of the Plan Administrator and (b) become the sole officer, director and/or manager of the Wind-Down Debtor; provided, however, that no Plan Administrator shall be liable for the acts or omissions of any prior or later Plan Administrator. Every successor Plan Administrator appointed hereunder shall execute, acknowledge, and deliver to the Oversight Committee and file with the Bankruptcy Court an instrument accepting such appointment subject to the terms and provisions of the Plan and this Agreement.

**Section 4.5 Standard of Care.** None of the Plan Administrator, members of the Oversight Committee, their respective affiliates and agents, Professionals or any of their respective officers, directors and employees to the fullest extent permitted by applicable law, shall be personally liable to any Entity for actions taken under or pursuant to this Agreement or the Plan, except to the extent that its, his or her own acts constitutes gross negligence, fraud or willful misconduct.

**Section 4.6 Indemnification.** The Wind-Down Debtor shall indemnify and hold harmless (i) the Plan Administrator (in his or her capacity as such and as sole officer, director and/or manager of the Wind-Down Debtor and representative of its Estate), and (ii) Professionals (collectively, the "*Indemnified Parties*"), from and against and with respect to any and all liabilities, losses, damages, claims, costs and expenses, including but not limited to costs and expenses of investigating, analyzing and responding to claims, and attorneys' fees arising out of or due to their actions or omissions, or consequences of such actions or omissions, other than acts or omissions resulting from such Indemnified Party's gross negligence, fraud or willful misconduct, with respect to the Liquidating Debtors or the implementation or administration of the Plan or this Agreement. To the extent an Indemnified Party asserts a claim for indemnification

as provided above, the legal fees and related costs incurred by counsel to such Indemnified Party, the Wind-Down Debtor and/or Plan Administrator in monitoring and participating in the defense of such claims giving rise to the asserted right of indemnification shall be advanced by the Wind-Down Debtor (and such Indemnified Party undertakes to repay such amounts if it ultimately shall be determined through a Final Order that such Indemnified Party is not entitled to be indemnified therefore). The indemnification provisions of the Plan or this Agreement shall remain available to and be binding upon any former Plan Administrator or the estate of any decedent Plan Administrator and shall survive the termination of this Agreement.

**Section 4.7 Exculpation.** Neither the Plan Administrator nor any Professionals, agents, or representatives of the Plan Administrator, each in its capacity as such, nor the Oversight Committee and its members (in their capacity and such) (collectively, the “*Exculpated Parties*”) shall be liable for any losses, claims, damages, liabilities, obligations, settlements, proceedings, suits, judgments, causes of action, litigation, actions, investigations (whether civil or administrative and whether sounding in tort, contract or otherwise), penalties, costs, and expenses, including reasonable fees and disbursements incurred, caused by, relating to, based upon, or arising out of (directly or indirectly) the Exculpated Party’s execution, delivery, and acceptance of or the performance or nonperformance of its powers, duties, and obligations under this Agreement, the Plan, the Confirmation Order, any other order of the Bankruptcy Court or applicable law or as may arise by reason of any action, omission or error of an Exculpated Party, and Persons dealing or having any relationship with the Wind-Down Debtor and/or its Estate shall have recourse only to the Wind-Down Debtor’s assets and shall look only to the Wind-Down Debtor’s assets to satisfy any liability or other obligations incurred in carrying out the terms of the Plan and this Agreement, and the Exculpated Parties shall not have any personal obligation to satisfy any such liability; provided, however, that the foregoing limitations shall not apply to any acts or omissions ultimately and finally determined by a final and non-appealable order of a court of competent jurisdiction to be the direct result of such Exculpated Party’s gross negligence, fraud or willful misconduct. None of the Exculpated Parties is deemed to be responsible for any other Exculpated Party’s actions or inactions. The Exculpated Parties may, in connection with the performance of their functions hereunder and under the Plan, and in their sole and absolute discretion, consult with Professionals 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 Professionals or any order of the Court. Notwithstanding such authority, such Exculpated Parties shall not be under any obligation to consult with any Professionals and their determination not to do so shall not result in the imposition of liability, unless such determination is based upon gross negligence, fraud or willful misconduct as determined by a final and non-appealable order of a court of competent jurisdiction; *provided*, that in no event will any such person be liable for punitive, exemplary, consequential, or special damages under any circumstances. Any action taken or omitted to be taken by the Exculpated Parties after the Effective Date on the advice of counsel or with the approval of the Court will conclusively be deemed not to constitute gross negligence, fraud or willful misconduct. The foregoing indemnification and exculpation with respect to any Exculpated Party shall survive the termination of such Exculpated Party from the capacity for which it was deemed indemnified and exculpated and the termination or modification of this Agreement. The organizational documents of the Wind-Down Debtor shall provide, to the extent necessary, for the exculpation of the Plan Administrator to the fullest extent permitted by applicable law.

**Section 4.8 Insurance.** The Plan Administrator is authorized (but not required) to obtain and pay all reasonably necessary insurance coverage for itself, its agents, representatives, and employees or independent contractors, and the Wind-Down Debtor, and the Oversight Committee and its members, in connection with the Chapter 11 Cases and the Wind-Down of the Wind-Down Debtor, including, but not limited to, coverage with respect to (i) any property that is or may in the future become the property of the Wind-Down Debtor and (ii) the liabilities, duties and obligations of the Plan Administrator and the Oversight Committee and their respective agents, representatives, employees, independent contractors or members under this Agreement (in the form of an errors and omissions policy or otherwise), which insurance coverage may remain in effect for a reasonable period of time as determined by the Plan Administrator after the termination of this Agreement.

**Section 4.9 Burden of Proof.** In any proceeding brought by the Wind-Down Debtor, any member of the Oversight Committee (whether current or former), or any other Person who is bound by this Agreement challenging any action, determination or failure to act of the Plan Administrator or the Oversight Committee in the Plan Administrator's or Oversight Committee's discharge of its respective duties under this Agreement, the Person bringing or prosecuting such proceeding shall have the burden of proving that such determination, action or failure to act constituted gross negligence, fraud or willful misconduct. Notwithstanding anything to the contrary in this Agreement or any duty otherwise existing at law or equity, each determination, action or failure to act of the Plan Administrator or the Oversight Committee in the discharge of its respective duties under this Agreement is, to the extent consistent with this Agreement, hereby deemed to not constitute a breach of this Agreement or any duty hereunder or existing at law, in equity or otherwise.

**Section 4.10 Reliance by the Plan Administrator.** The Plan Administrator and the Oversight Committee (the "**Reliance Parties**" and each, a "**Reliance Party**") may absolutely rely, and shall be fully protected in acting or refraining from acting if it relies upon any resolution, statement, certificate, instrument, opinion, report, notice, request, consent, order or other instrument or document that each of them, as applicable, has no reasonable belief to be other than genuine and to have been signed or presented other than by the proper party or parties or, in the case of facsimile transmissions, to have been sent other than by the proper party or parties, in each case without obligation to satisfy itself that the same was given in good faith and without responsibility for errors in delivery, transmission or receipt. In the absence of gross negligence, fraud or willful misconduct in respect of the Reliance Parties' duties as found by a final and non-appealable court of competent jurisdiction, or material breach of this Agreement, each of them, as applicable, may rely as to the truth of statements and correctness of the facts and opinions expressed therein and shall be fully protected personally in acting (or, if applicable, not acting) thereon. The Reliance Parties may consult with counsel and other professionals with respect to matters the Reliance Parties reasonably believe to be in their area of expertise, and any opinion of counsel shall be full and complete authorization and protection in respect of any action taken or not taken by a Reliance Party. A Reliance Party shall be entitled to rely upon the advice of such professionals in acting or failing to act, and shall not be liable for any act taken or not taken in reliance thereon. The Reliance Parties shall have the right at any time to seek and rely upon instructions from the Bankruptcy Court concerning this Agreement, the Plan or any other document executed in connection therewith, and the Reliance Parties shall be entitled to rely upon

such instructions in acting or failing to act and shall not be liable for any act taken or not taken in reliance thereon.

**Section 4.11 Reliance by Entities Dealing with the Plan Administrator.** In the absence of actual knowledge to the contrary, any Entity dealing with the Wind-Down Debtor shall be entitled to rely on the authority of the Plan Administrator to act on behalf of the Wind-Down Debtor, and shall have no obligation to inquire into the existence of such authority. Each party who is bound by this Agreement hereby waives, to the fullest extent permitted by law, any and all defenses or other remedies that may be available against such Entity to contest, negate or disaffirm any action of the Plan Administrator in connection with any such dealing. Each and every certificate, document or other instrument executed on behalf of the Wind-Down Debtor by the Plan Administrator or its representative shall be conclusive evidence in favor of any and every Entity relying thereon or claiming thereunder that (a) at the time of the execution and delivery of such certificate, document or instrument, this Agreement was in full force and effect, (b) the Entity executing and delivering such certificate, document or instrument was duly authorized and empowered to do so for and on behalf of the Wind-Down Debtor and (c) such certificate, document or instrument was duly executed and delivered in accordance with the terms and provisions of this Agreement and is binding upon the Wind-Down Debtor.

**Section 4.12 Compensation of Plan Administrator and Professionals.**

(a) The Plan Administrator shall receive fair and reasonable compensation for its services based upon his or her regular hourly rate,<sup>2</sup> which are subject to adjustment from time to time, plus reimbursement of all reasonable and documented costs and expenses. The Plan Administrator shall notify the Oversight Committee of any increases in his or her hourly rate. The Plan Administrator's compensation structure may be modified by agreement between the Plan Administrator and the Oversight Committee.

(b) All Professionals retained by the Wind-Down Debtor shall be entitled to reasonable compensation for services rendered and reimbursement of expenses reasonably incurred in rendering such services.

(c) The payment of the fees and expenses of the Plan Administrator and Professionals retained by the Wind-Down Debtor shall be made in the ordinary course of business and, unless otherwise required by an order of the Bankruptcy Court, shall not be subject to the approval of the Bankruptcy Court, but such payment shall be subject to the following procedures:

(i) All Professionals retained by the Plan Administrator shall deliver their invoices or fee statements (which invoices and/or fee statements shall be reasonably detailed (but may include redactions for privilege) and, with respect to attorney fee statements, shall not be provided in summary fashion) on a monthly basis via electronic mail to the Plan Administrator before payment of such invoices or fee statements shall be approved.

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<sup>2</sup> The Plan Administrator's current hourly rate is \$640 and hourly rates of the others lawyers in his firm (Halperin Battaglia Benzija, LLP) range from \$290 to \$640.

(ii) The Plan Administrator shall deliver reasonably detailed monthly invoices or fee statements via electronic mail to the Oversight Committee c/o Lowenstein Sandler LLP, Attn: Brent Weisenberg ([bweisenberg@lowenstein.com](mailto:bweisenberg@lowenstein.com)), One Lowenstein Drive, Roseland, NJ 07068.

(iii) The Plan Administrator and the Oversight Committee, as applicable, shall have 14 days from the date of delivery of any invoice or fee statement to provide written notice of an objection to the invoice or fee statement to the Professional or Plan Administrator, as applicable, seeking compensation and/or reimbursement of expenses.

(iv) For an objection to an invoice or fee statement to be valid, it shall set forth in reasonable detail the specific fees objected to and the basis for the objection, and be sent via electronic mail to the Plan Administrator or the Professional (with a copy to the Plan Administrator), as applicable. The uncontested portion of each invoice or fee statement shall be deemed approved and shall be paid within 20 days after its original delivery to the Plan Administrator.

(v) Any objection to an invoice or fee statement that remains unresolved 15 days after it is made in writing may be submitted for resolution to the Bankruptcy Court (via motion on notice to the Plan Administrator) by the party seeking payment.

## ARTICLE V

### TERMINATION

**Section 5.1 Termination.** This Agreement shall terminate upon the dissolution of the Wind-Down Debtor and the entry of an order by the Bankruptcy Court closing the Chapter 11 Cases. All provisions of this Agreement that expressly survive by their terms shall remain in effect in accordance with their terms. All of the protective provisions contained in Article IV of this Agreement shall survive the termination of this Agreement and the death, dissolution, resignation or removal, as may be applicable, of the Plan Administrator, the Indemnified Parties, the reliance Parties and shall inure to the benefit of their respective heirs and assigns.

**Section 5.2 Obligations of the Plan Administrator Upon Termination.** Upon or as soon as practicable after termination of this Agreement, the Plan Administrator shall (solely at the expense of the Wind-Down Debtor) (i) file a certificate or other document with the Bankruptcy Court stating that the assets of the Liquidating Debtors have been exhausted and final distributions of Cash have been made under the Plan; and (ii) be deemed to have resigned as the sole officer, director and/or manager, as applicable, of the Wind-Down Debtor. Upon the filing of certificate(s) described in clause (i) of the preceding sentence, the relevant Debtors and/or Liquidating Debtors shall be deemed dissolved for all purposes without the necessity for any other or further actions to be taken by or on behalf of the Liquidating Debtors or payments to be made in connection therewith.

**Section 5.3 Books and Records.** The Plan Administrator shall be free, in his or her discretion to abandon, destroy or otherwise dispose of any books and records of the Debtors and/or Liquidating Debtors that the Plan Administrator deems not necessary for the continued

administration of the Plan or Wind-Down of the Liquidating Debtors, or required to be retained under applicable law, without the need for any order of the Bankruptcy Court, and shall have no liability for same.

**Section 5.4 No Other Duties or Obligations.** The Plan Administrator shall have no duties or obligations under law or otherwise except as set forth in this Agreement and pursuant to the Plan. Except as otherwise specifically provided herein, after the termination of this Agreement pursuant to Section 4.1 hereof, the Plan Administrator shall have no further duties or obligations hereunder and pursuant to the Plan.

## ARTICLE VI

### DISTRIBUTIONS

**Section 6.1 Distributions Under the Plan.** Distributions shall be made in accordance with the Plan *provided* that any party entitled to receive any property or Distribution under the Plan shall, upon request, deliver to the Plan Administrator or such other Person designated by the Plan Administrator, Form W-9 or, if the payee is a foreign Person, an applicable Form W-8, unless such Person is exempt under the internal revenue code and so notifies the Plan Administrator. If such request is made by the Plan Administrator or such other Person designated by the Plan Administrator and the Claim Holder fails to comply within ninety (90) days after not less than two (2) requests have been made, the amount of such distribution shall irrevocably revert to the applicable Wind-Down Debtor and any Claim in respect of such distribution shall be expunged without need of further order of the Court and the Holder thereof shall be forever barred from asserting such Claim against any Debtor and their respective assets and property. The Plan Administrator may, but need not, file a pleading with the Court to expunge such claims for failure to comply with such requests. If such information is requested, the request shall be sent to the address provided in proofs of claim submitted or, if no such form has been provided, to the last known address for such entity provided by the Debtors to the Plan Administrator.

## ARTICLE VII

### MISCELLANEOUS PROVISIONS

**Section 7.1 Descriptive Headings.** The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

**Section 7.2 Cooperation and Access to Information.** Prior to the Effective Date, the Debtors shall designate one or more representatives to assist with transitioning access to books, records, electronic data, and other forms of information of the Debtors to the Plan Administrator to enable the Plan Administrator to perform its tasks and duties under this Agreement and the Plan (the "***Retained Information***"). After the Effective Date, the representative(s) designated by the Debtors will provide assistance to the Plan Administrator as necessary on an agreed upon consulting basis. In connection with this engagement, upon reasonable request, the Plan Administrator shall have complete and full access to all company information that the Plan

Administrator deems appropriate. It is understood that the Plan Administrator (a) is relying solely upon the information supplied by the Debtors and their representatives without assuming any responsibility for independent investigation or verification thereof, and (b) shall have the absolute and unconditional right to rely on the information provided by the Debtors and their representatives and shall incur any liability by relying on such information.

**Section 7.3 Amendment and Waiver.** This Agreement may be amended or modified by the Plan Administrator as necessary to implement the provisions of the Plan and to facilitate the orderly and effective liquidation of the Liquidating Debtors' remaining assets and maximize the value thereof, provided that any such amendments or modifications shall not impair the rights of any Holder of Allowed General Unsecured Claims or the Oversight Committee.

**Section 7.4 Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to the rules of conflict of laws of the State of New York or any other jurisdiction.

**Section 7.5 Counterparts; Effectiveness.** This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same agreement. This Agreement shall become effective when each party hereto shall have received counterparts thereof signed by all the other parties hereto. Executed copies of this Agreement may be delivered by facsimile, electronic mail, PDF or other electronic means.

**Section 7.6 Severability; Validity.** If any provision of this Agreement or the application thereof to any Entity or circumstance is held invalid or unenforceable, the remainder of this Agreement, and the application of such provision to other Entities or circumstances, shall not be affected thereby, and to such end, the provisions of this Agreement are agreed to be severable.

**Section 7.7 Notices.** Any notice or other communication hereunder shall be deemed given upon (a) confirmation of receipt of a facsimile transmission, (b) confirmed delivery by a standard overnight carrier or when delivered by hand, or (c) the expiration of five (5) Business Days after the date mailed by registered or certified mail (postage prepaid, return receipt requested), addressed to the respective parties at the following addresses (or such other address for a party as shall be specified by like notice), and in all instances shall include a concurrent copy via e-mail to the e-mail addresses set forth below:

<p><u>If to the Plan Administrator, to:</u></p> <p>Halperin Battaglia Benzija, LLP  Attn: Alan D. Halperin, Esq.  40 Wall Street - 37th Floor  New York, NY 10005  Tel: (212) 765-9100  Email: <a href="mailto:ahalperin@halperinlaw.net">ahalperin@halperinlaw.net</a></p>	<p><u>If to the Debtors or the Liquidating Debtors, to:</u></p> <p>Century 21 Department Stores LLC  Attn: Norman Veit  22 Cortlandt Street, 5th Floor,  New York, NY 10007  Email: <a href="mailto:nveit@c21stores.com">nveit@c21stores.com</a></p>
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<p><u>With a copy (which shall not constitute notice) to:</u></p> <p>Lowenstein Sandler LLP                  Attn: Jeffrey Cohen                  1251 Avenue of the Americas, 17th Floor                  New York, NY 10020                  Email: <a href="mailto:jcohen@lowenstein.com">jcohen@lowenstein.com</a></p> <p>Lowenstein Sandler LLP                  Attn: Brent Weisenberg                  One Lowenstein Drive                  Roseland, NJ 07068                  Email: <a href="mailto:bweisenberg@lowenstein.com">bweisenberg@lowenstein.com</a></p>	

**Section 7.8 Change of Address.** Any entity may change the address at which it is to receive notices under this Agreement by furnishing written notice to the parties listed in Section 7.7 of this Agreement in the manner set forth therein. Such change of address shall be effective ten (10) Business Days after service of such notice.

**Section 7.9 Relationship to Plan.** The principal purpose of this Agreement is to aid in the implementation of the Plan and, therefore, this Agreement incorporates and is subject to the provisions of the Plan and Confirmation Order. To that end, the Plan Administrator shall have full power and authority to take any action consistent with the purpose and provisions of the Plan and Confirmation Order, whether or not such action is specified in this Agreement. In the event that the provisions of this Agreement are found to be inconsistent with the provisions of the Plan or Confirmation Order, the provisions of the Plan and Confirmation Order control; provided, however, that, pursuant to Section 7.3 of this Agreement, provisions of this Agreement adopted by amendment following substantial consummation (as such term is used in section 1127(b) of the Bankruptcy Code) shall control over provisions of the Plan.

**Section 7.10 Meaning of Terms.** Except where the context otherwise requires, words importing the masculine gender include the feminine and the neuter, if appropriate, and words importing the singular number include the plural number and vice versa.

**Section 7.11 Retention of Jurisdiction.** As provided in Article XI of the Plan, the Bankruptcy Court shall retain jurisdiction over the Liquidating Debtors to the fullest extent permitted by law, including, but not limited to, for the purpose of interpreting and implementing the provisions of this Agreement.

**Section 7.12 Assignment.** Neither this Agreement nor any of the rights, duties or obligations of any of the parties hereto may be assigned without Bankruptcy Court approval.

**Section 7.13 Successors and Assigns; No Third Party Beneficiaries.** This Agreement shall be binding on and shall inure to the benefit of each of the parties and their respective successors and assigns, except as otherwise provided herein. No party may assign, transfer, hypothecate or otherwise convey its respective rights, benefits, obligations or duties hereunder without the prior express written consent of the other parties. Any such purported assignment, transfer, hypothecation or other conveyance by any party without the prior express written consent of the other parties shall be null and void and of no force or effect. The terms and provisions of this Agreement are for the purpose of defining the relative rights and obligations of the parties with respect to the transactions contemplated hereby and no Entity shall be a third party beneficiary of any of the terms and provisions of this Agreement unless specifically set forth in this Agreement.

**Section 7.14 Effective Date.** This Agreement shall become effective on the Effective Date.

*[Remainder of page intentionally left blank]*

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

CENTURY 21 DEPARTMENT STORES LLC;  
L.I. 2000, INC.;  
C21 DEPARTMENT STORES HOLDINGS LLC;  
GIFTCO 21 LLC;  
CENTURY 21 FULTON LLC;  
C21 PHILADELPHIA LLC;  
CENTURY 21 DEPARTMENT STORES OF NEW  
JERSEY, L.L.C.;  
CENTURY 21 GARDENS OF JERSEY, LLC;  
C21 SAWGRASS BLUE, LLC;  
C21 GA BLUE LLC; AND  
CENTURY PARAMUS REALTY, LLC

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

ALAN D. HALPERIN, ESQ. AS PLAN  
ADMINISTRATOR OF THE WIND-DOWN ESTATE  
OF CENTURY 21 DEPARTMENT STORES LLC

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_