

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS

In re: )  
 ) Case No. 02 B 02474  
K MART CORPORATION, )  
 ) Chapter 11  
Debtor. ) Hon. Susan Pierson Sonderby

**FOURTH AMENDED AND RESTATED CASE MANAGEMENT ORDER**

Upon the Motion of Kmart Corporation ("Kmart") to amend that Third Amended and Restated Order pursuant to 11 U.S.C. §§ 102 and 105(a), Bankruptcy Rules 2002(m) and 9007, and Local Rules 104, 400 and 402 establishing Omnibus Hearing Dates and certain Notice, Case Management and Administrative Procedures (the "Third Case Management Orders"), and it appearing to the Court that (i) it has jurisdiction over the matters raised in the Motion pursuant to 28 U.S.C. §§ 157 and 1334; (ii) this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); (iii) the relief requested in the Motion is in the best interests of Kmart and its creditors; (iv) proper and adequate notice of the Motion and the hearing thereon has been given and that no other or further notice is necessary; and (v) upon the record herein, after due deliberation thereon, the relief should be granted as set forth below and it is hereby ordered that,

**Omnibus Hearing Dates.**

1. The Court shall conduct the following omnibus hearings in these cases (the "Omnibus Hearing(s)"):

July 11, 2006 at 10:00 a.m. (Central Time); and  
October 17, 2006 at 10:00 a.m. (Central Time).

2. In addition to the Omnibus Hearings, the Court shall conduct the following hearings (“Claims Hearing(s)”) at which Kmart or any creditor may present a motion concerning the allowance or disallowance of a claim, or discovery on a claim, or a distribution on a claim (the foregoing being “Claim Matters”):

May 24, 2006 at 11:00 a.m. (Central Time); and

August 30, 2006 at 11:00 a.m. (Central Time).

3. Omnibus Hearing Dates and Claims Hearing Dates will occur thereafter as may be scheduled by the Court.

4. All matters except for Claim Matters requiring a hearing in these cases shall be set for an Omnibus Hearing unless alternative hearing dates are approved by the Court for good cause shown. Claims Matters may be set for either an Omnibus Hearing or a Claim Hearing. Any motion noticed for a Claims Hearing date that does not concern a Claim Matter shall be reset for the next Omnibus Hearing.

**Notice Procedures.**

5. Every filing made with the Court in these cases (“Filings”) shall be subject to the notice procedures described herein. All Filings shall be filed with the Court in accordance with the Local Rules (as amended effective June 1, 2003). All Filings shall be served on any entity with a particularized pecuniary/economic interest in the subject of the specific Filing. All motions, pleadings, or other Filings seeking affirmative relief (“Motions”) shall also be served upon the list maintained by Kmart of parties requesting service of all pleadings (the “2002 Service List”, which Kmart’s Chicago Counsel shall make available upon request) and on the following parties (the “Core Parties”):

Wilmer Cutler & Pickering  
Attn. Andrew Goldman  
399 Park Ave.  
New York, NY 10022  
Facsimile No. 212-230-8888  
Email: andrew.goldman@wilmer.com

Barack Ferrazzano Kirschbaum Perlman &  
Nagelberg LLP  
Attn. William Barrett  
333 West Wacker Dr., Suite 2700  
Chicago, IL 60606  
Facsimile No. 312-984-3150  
Email: William.barrett@bfkpn.com  
(this firm is "Kmart's Chicago counsel" as used in  
this Order)

Office of the United States Trustee  
Attn. Kathryn Gleason  
227 West Monroe, Suite 3350  
Chicago, IL 60606  
Facsimile No. 312-886-5794  
Email Kathryn.M.Gleason@usdoj.gov

Otterbourg Steindler Houston & Rosen P.C.  
Attn. Glenn B. Rice, Scott L. Hazan, Jennifer S. Feeney  
230 Park Avenue, 29<sup>th</sup> Fl.  
New York, NY 10169  
Facsimile No. 212-558-5700  
Email: grice@oshr.com  
Email: jfeeney@oshr.com

6. All Filings, complaints and other pleadings filed as part of the commencement of any adversary proceeding shall be served on the Core Parties and on any parties required to be served under any applicable Bankruptcy Rule or Local Rule, in the manner provided by the Bankruptcy Rules that govern adversary proceedings. Subsequent pleadings filed in any adversary proceeding shall be served on parties to the adversary proceeding in the manner provided by the Bankruptcy Rules that govern adversary proceedings.

7. Notice of other matters for which the Bankruptcy Rules specifically require notice to all parties-in-interest shall be served on all creditors and equity security holders of Kmart and parties-in-interest except as otherwise authorized by this Court. Nothing in this Order obviates any other notice or other requirements set forth in the Bankruptcy Rules, the Local Rules or the Bankruptcy Code.

8. Parties who file notices of appearance and who desire to be added to the 2002 Service List should make a written request to that effect to Kmart's Chicago counsel.

### Responses to Motions.

9. For any Motion (other than a motion under Bankruptcy Rules 7012 or 7056 in an adversary proceeding or contested matter (a "Dispositive Motion")), the objection deadline shall be (a) the seventh (7<sup>th</sup>) calendar date before the Applicable Hearing Date if the Motion is filed and served at least twenty (20) days prior to the Applicable Hearing Date ("Twenty-Day Filings"); (b) the fifth (5<sup>th</sup>) calendar date before the Applicable Hearing Date if the Motion is filed and served less than twenty (20) but at least fourteen (14) days prior to the Applicable Hearing Date ("Fourteen Day Filings"); or (c) otherwise as ordered by the Court. Response dates for Dispositive Motions shall be set by agreement of the parties or by the Court at the hearing at which the motion is first presented.

10. The relief requested in any Motion may be granted without a hearing if no objection is timely filed.

11. In the event that a Filing is a reply (a "Reply") to an objection to a Twenty Day Filing, such Reply shall be filed and served so as to be received by the Court, Kmart and affected parties by Noon (Central Time) on the second business day prior to the Applicable Hearing Date. In the event that a Filing is a Reply to an objection to a Fourteen Day Filing, such Reply shall be filed and served so as to be received by the Court, Kmart and affected parties by Noon (Central Time) on the business day prior to the Applicable Hearing Date. In the event that a Filing is an omnibus reply (an "Omnibus Reply") to multiple objections, such Omnibus Reply shall be filed and served so as to be received by the Court, Kmart and affected parties by Noon (Central Time) on the business day prior to the Applicable Hearing Date.

**Method of service.**

12. Unless otherwise specified herein, all Motions, including any motion concerning a claim matter, shall be served along with a notice of motion by regular and electronic mail on the parties specified in the "notice procedures" section of this order. Any Motion for which the Applicable Hearing Date is less than twenty (20) days from the day on which the Motion is filed shall also be served by overnight mail on the Core Parties and on any party with a particular or pecuniary interest in the subject of the Motion.

13. All objections or responses to or statements in support of Filings as well as any replies thereto (collectively "Responses") need only be served on counsel who served such Filings, the Core Parties, and on chambers, provided that all such Responses shall be served so as to be actually received by such parties by the applicable objection deadline.

14. If any person makes any Filing in contravention of this Order by, among other things, failing to comply with the notice provisions of this Order or any applicable Rule or setting a hearing on such Filing for a date and time other than an Omnibus Hearing or, if applicable, a Claim Hearing, without an order from this Court authorizing such hearing for cause, Kmart shall notify the person of the error in the Filing and shall set the Filing for the next applicable Omnibus Hearing or Claim Hearing, as applicable.

**Hearings.**

15. Evidentiary hearings on Contested Matters (as defined in Bankruptcy Rule 9014) shall be held at the times set by the Court by separate order, except that evidence may be offered in any hearing set as an emergency hearing in accordance with the Local Rules.

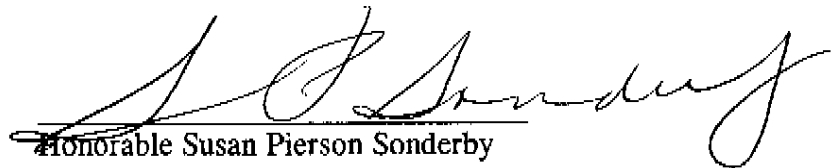
Nothing shall preclude any party from presenting proffers in connection with uncontested matters, or agreeing with an opposing party to present proffers in any contested matter in lieu of the direct testimony of any witness or otherwise stipulating to facts or documentary evidence.

16. The initial hearing on any omnibus objection to claims (including general unsecured claims, cure claims, or administrative claims) (a "Claim Objection") shall be a status hearing only, provided that Kmart may seek at such hearing relief as to any claim that was subject to the objection and for which the claimant made no timely response. At any status conference on a Claim Objection, Kmart or the respondent may request an evidentiary hearing on the Claim Objection, which shall be set by the Court for an off-omnibus date.

17. The Court may conduct case status conferences pursuant to 11 U.S.C. § 105 to review these matters from time to time with representatives of Kmart, the United States Trustee, and the Clerk of the Bankruptcy Court.

Chicago, Illinois

April 25, 2006

  
Honorable Susan Pierson Sonderby  
UNITED STATES BANKRUPTCY JUDGE