

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

In re: ) Case No. 02-B02474  
 ) (Jointly Administered)  
KMART CORPORATION, et al. ) Chapter 11  
 ) Chief Judge Susan Pierson Sonderby  
 )  
Debtors. )

**NOTICE OF REJECTION**

**1. ORDER APPROVING REJECTION OF LEASES.**

PLEASE TAKE NOTICE that on May 10, 2002 the United States Bankruptcy Court for the Northern District of Illinois entered an Order (A) Establishing Bidding Procedures in Connection with the Sale of Certain Leases Including, without limitation, Termination Fee Provisions, (B) Approving the Form and Manner of Notice of Sale, (C) Approving Forms of Purchase Agreement and Termination Agreement, (D) Setting a Hearing Date to Consider Approval of the Sale, and (E) Granting Related Relief (the "Procedures Order"), authorizing the above-captioned debtors and debtors-in-possession (collectively, the "Debtors") to hold an auction for the purchase of certain leases and reject certain leases described in the Procedures Order (the "Leases"). Pursuant to the Procedures Order, please take notice that the Debtors are rejecting the leases described on Exhibit A attached hereto (the "Rejected Leases").

**2. LEASE REJECTION DATE**

PLEASE TAKE FURTHER NOTICE that, under the terms of the Procedures Order, the rejection of the Leases shall become effective on June 29, 2002 (the "Effective Date"), the tenth day following the date of delivery of this written notice.

**3. DEADLINE TO FILE PROOFS OF CLAIM**

PLEASE TAKE FURTHER NOTICE that the holder of any claim arising from the rejection of a Rejected Lease shall have until the later of thirty days from the Effective Date or the bar date for filing claims established in these cases to file a proof of claim for damages arising from such rejection with the Debtors' claims agent. Any claims not timely filed shall be forever barred.



Dated: June 19, 2002

KMART CORPORATION, et al.



John Wm. Butler, Jr. (ARDC No. 06209373)

J. Eric Ivester (ARDC No. 06215581)

Mark A. McDermott (ARDC No. 06209460)

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Attorneys for the Debtors



**Exhibit A  
Rejected Leases**

| Store | City                   | State |
|-------|------------------------|-------|
| 3049  | Fort Dodge             | IA    |
| 3069  | Flint                  | MI    |
| 3099  | Atlanta                | GA    |
| 3107  | Beloit                 | WI    |
| 3114  | Pine Bluff             | AR    |
| 3139  | Essexville             | MI    |
| 3181  | Niles Township         | MI    |
| 3236  | Topeka                 | KS    |
| 3248  | South Bend             | IN    |
| 3261  | Columbus               | OH    |
| 3290  | Columbus               | OH    |
| 3294  | Greensboro             | NC    |
| 3297  | Nashville              | TN    |
| 3309  | Decatur                | IL    |
| 3349  | Fort Wayne             | IN    |
| 3362  | Compton (Ground Lease) | CA    |
| 3421  | Benton Harbor          | MI    |
| 3446  | Ashland                | KY    |
| 3452  | El Paso                | TX    |
| 3465  | Forestville            | MD    |
| 3496  | Battle Creek           | MI    |
| 3497  | Houston                | TX    |
| 3508  | Edwardsville           | IL    |
| 3509  | Randallstown           | MD    |
| 3519  | Midland                | TX    |
| 3533  | Monona                 | WI    |
| 3548  | Brigham City           | UT    |
| 3564  | Clearfield             | PA    |
| 3565  | Sacramento             | CA    |
| 3603  | New Port Richey        | FL    |
| 3611  | Chandler               | AZ    |
| 3622  | Billings               | MT    |
| 3626  | Punta Gorda            | FL    |
| 3629  | Stockbridge            | GA    |
| 3636  | Colleyville            | TX    |
| 3637  | Indianapolis           | IN    |
| 3647  | Houston                | TX    |
| 3658  | Kernersville           | NC    |
| 3673  | Smyrna                 | GA    |
| 3674  | Lawrenceville          | GA    |
| 3687  | Cleveland              | OH    |
| 3690  | San Antonio            | TX    |
| 3702  | Kennesaw               | GA    |
| 3753  | Lexington              | VA    |
| 3756  | Hamilton               | OH    |
| 3762  | Marianna               | FL    |
| 3770  | La Place               | LA    |
| 3782  | Springfield            | TN    |
| 3799  | Laurel                 | MD    |
| 3806  | Midlothian             | VA    |
| 3809  | Houston                | TX    |
| 3813  | Newton                 | KS    |
| 3843  | Indington              | MI    |



**Exhibit A**  
**Rejected Leases**

| Store | City                    | State |
|-------|-------------------------|-------|
| 3844  | Houston                 | TX    |
| 3849  | Huntsville              | AL    |
| 3863  | Houston                 | TX    |
| 3867  | Perry                   | GA    |
| 3872  | Pascagoula              | MS    |
| 3892  | Louisville              | CO    |
| 3900  | Vicksburg               | MS    |
| 3904  | Sugarland               | TX    |
| 3906  | Port St. Lucie          | FL    |
| 3915  | Fresno                  | CA    |
| 3930  | Fairfield               | AL    |
| 3936  | Sulpher                 | LA    |
| 3937  | Valley Stream           | NY    |
| 3940  | Decatur                 | GA    |
| 3947  | Brunswick               | GA    |
| 3948  | San Antonio             | TX    |
| 3950  | Three Rivers            | MI    |
| 3965  | Greenville              | SC    |
| 3974  | Fresno                  | CA    |
| 3986  | Crescent City           | CA    |
| 4077  | Lexington               | KY    |
| 4139  | Dallas                  | TX    |
| 4249  | Elkhart                 | IN    |
| 4256  | Lansing                 | MI    |
| 4374  | Wausau                  | WI    |
| 4434  | Clinton                 | IA    |
| 4480  | Renton                  | WA    |
| 4703  | North Adams             | MA    |
| 4738  | Charleston              | SC    |
| 4750  | Farmington              | UT    |
| 4755  | Sunnyside               | WA    |
| 4759  | Lafayette               | GA    |
| 4775  | San Angelo              | TX    |
| 4778  | Ponca City              | OK    |
| 4788  | Dunkirk                 | NY    |
| 4792  | Sandy                   | UT    |
| 4801  | Mattoon                 | IL    |
| 4811  | Moorpark (Ground Lease) | CA    |
| 4811  | Moorpark (S/LB)         | CA    |
| 4823  | Woodridge               | IL    |
| 4829  | Fountain Valley         | CA    |
| 4836  | Ozark                   | AL    |
| 4843  | West Palmdale           | CA    |
| 4853  | Laurel                  | MS    |
| 4879  | Burley                  | ID    |
| 4885  | Addison                 | TX    |
| 4901  | Charlotte               | NC    |
| 4904  | New Victoria            | TX    |
| 4926  | Pearland                | TX    |
| 4930  | Hattiesburg             | MS    |
| 4950  | Winston-Salem           | NC    |
| 4954  | New Philadelphia        | OH    |
| 4958  | Humble                  | TX    |



**Exhibit A  
Rejected Leases**

| Store # | City                 | State |
|---------|----------------------|-------|
| 4991    | Maple Heights        | OH    |
| 7015    | Clovis               | NM    |
| 7052    | Biloxi               | MS    |
| 7082    | Fountain             | CO    |
| 7136    | Lynchburg            | VA    |
| 7190    | Bowling Green        | OH    |
| 7191    | Fond Du Lac          | WI    |
| 7212    | Marshfield           | WI    |
| 7240    | La Vale              | MD    |
| 7244    | Centralia            | IL    |
| 7248    | Garland              | TX    |
| 7256    | Richmond             | VA    |
| 7261    | Des Moines           | IA    |
| 7263    | Naranja              | FL    |
| 7280    | South Williamson     | KY    |
| 7286    | Carrollton           | TX    |
| 7305    | Rockford             | IL    |
| 7314    | Plainview            | TX    |
| 7315    | Spokane              | WA    |
| 7336    | Felham (Parcel A)    | AL    |
| 7336    | Felham (Parcel B)    | AL    |
| 7337    | Otsego               | MI    |
| 7350    | Lafayette            | LA    |
| 7365    | Beatrice             | NE    |
| 7379    | Fresno               | CA    |
| 7385    | Scottsdale           | AZ    |
| 7386    | Marrero              | LA    |
| 7389    | Indian Harbour Beach | FL    |
| 7462    | Greeer               | SC    |
| 7473    | Lake Zurich          | IL    |
| 7502    | Sikeston             | MO    |
| 7507    | Aberdeen             | MD    |
| 7556    | Deerfield Beach      | FL    |
| 7568    | Lake Wales           | FL    |
| 7581    | Saratoga Springs     | NY    |
| 7599    | Hammond              | LA    |
| 7603    | Spencer              | IA    |
| 7604    | Destin               | FL    |
| 7609    | Highland             | CA    |
| 7628    | Sunrise              | FL    |
| 7631    | Angola               | IN    |
| 7633    | Safford              | AZ    |
| 7638    | Santee               | CA    |
| 7664    | Rome                 | NY    |
| 7668    | Mountain Home        | ID    |
| 7704    | Mankato              | MN    |
| 7901    | Live Oak             | FL    |
| 7907    | Grafton              | WI    |
| 7910    | Thibodaux            | LA    |
| 7913    | Vernon Hills         | IL    |
| 9003    | Coldwater            | MI    |
| 9014    | Mt. Vernon           | IN    |
| 9084    | Radford              | VA    |



**Exhibit A  
Rejected Leases**

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Shelby Cnty Judge of Probate, AL  
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| Store | City           | State |
|-------|----------------|-------|
| 9092  | Paris          | IL    |
| 9158  | Bloomsburg     | PA    |
| 9170  | Carlsbad       | NM    |
| 9234  | New Castle     | PA    |
| 9288  | Albion         | MI    |
| 9289  | Okeechobee     | FL    |
| 9327  | Allen          | TX    |
| 9340  | Calumet City   | IL    |
| 9344  | St. Peters     | MO    |
| 9345  | Gladstone      | MO    |
| 9349  | Countryside    | IL    |
| 9352  | Merrillville   | IN    |
| 9357  | Chicago        | IL    |
| 9362  | Niles          | IL    |
| 9364  | Oklahoma City  | OK    |
| 9365  | Midwest City   | OK    |
| 9367  | Oklahoma City  | OK    |
| 9368  | Geneva         | IL    |
| 9373  | Aurora         | IL    |
| 9375  | Chicago        | IL    |
| 9390  | Houston        | TX    |
| 9398  | Oklahoma City  | OK    |
| 9421  | Philadelphia   | PA    |
| 9449  | Oklahoma City  | OK    |
| 9502  | Ashland        | OH    |
| 9530  | Pendleton      | OR    |
| 9544  | Gautier        | MS    |
| 9552  | Kerrville      | TX    |
| 9566  | Mayfield       | KY    |
| 9576  | Paris          | TX    |
| 9583  | Houghton       | MI    |
| 9585  | Tiffin         | OH    |
| 9588  | Hibbing        | MN    |
| 9590  | Jacksonville   | AR    |
| 9607  | Borger         | TX    |
| 9627  | Hinesville     | GA    |
| 9634  | Mcminnville    | TN    |
| 9656  | Roanoke Rapids | NC    |
| 9659  | Hutchinson     | MN    |
| 9667  | Washington     | NC    |
| 9667  | Washington     | NC    |
| 9688  | New Bern       | NC    |
| 9694  | Gallatin       | TN    |
| 9698  | Port Orchard   | WA    |
| 9709  | Charlotte      | MI    |
| 9717  | El Dorado      | AR    |
| 9747  | Asheboro       | NC    |
| 9757  | Harriman       | TN    |
| 9783  | Middlesboro    | KY    |
| 9784  | Douglas        | AZ    |
| 9787  | Humacao        | PR    |
| 9796  | Cutoff         | LA    |