

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA**

In re:

Chapter 7 Cases
Judge Gregory F. Kishel

Polaroid Corporation, et al.,

Jointly Administered under
Case No. 08-46617 (GFK)

Debtors.

(includes:

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

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

NOTICE OF SALE AND SALE PROCEDURES

NOTICE: On **January 25, 2011, at 1:30 p.m. (CST)** in Courtroom 2A, United States Courthouse, 316 N. Robert Street, St. Paul, Minnesota 55415, the Trustee of the bankruptcy estates of the above-captioned debtors will ask the Court to approve the sale of certain Assets (defined below) free and clear of all liens, claims, encumbrances and interests pursuant to 11 U.S.C. §§ 105, 363 and 365 (the “**Sale Hearing**”). The Assets, which are identified below, will be offered for sale pursuant to the Sale Procedures approved by the Court on January 3, 2011 (the “**Sale Procedures**”):

The photographs of the Polaroid Fine Art Collection (the “**Artex Photographs**”) along with certain furniture, storage equipment and other miscellaneous assets (the “**Other Assets**”) and the rights of PBE Corporation under a certain Warehousing Agreement dated effective March 17, 2008 (the “**Warehousing Agreement**,” and together with the Artex Photographs, collectively referred to herein as the “**Acquired Assets**”) that were, on November 2, 2010, warehoused in Somerville, Massachusetts to Perle Holdings Inc. (the “**Proposed Purchaser**”) for the sum of \$1,275,000.00 USD pursuant to the terms of that certain purchase agreement with the Proposed Purchaser (the “**Purchase Agreement**”); and

The photographs of the Polaroid Fine Art Collection that were, on November 2, 2010, located at Sotheby’s, Inc., New York, New York that are not included in the Proposed Purchaser’s Bid (the “**Sotheby’s Assets**” and, together with the Acquired Assets, collectively referred to herein as the “**Assets**”).

Copies of the Sale Motion, form Purchase Agreement, the Sale Procedures, the Auction (defined below) or other matters relating to the proposed sales transaction(s) and other related papers, which interested parties are encouraged to review, are on file with the Court and available on the Court’s web site, www.mnb.uscourts.gov, or by request to the undersigned Trustee or his legal counsel. Additional information regarding the Assets, the Sale Procedures, the Auction (defined below) or other matters relating to the proposed sale transaction(s) may be obtained on request from the Trustee’s counsel at the address set forth below.

SUPERIOR PROPOSALS: The Proposed Purchaser's bid for the Acquired Assets is subject to higher and better offers. Any party that seeks to bid for the Acquired Assets, the Sotheby's Assets or the Assets must submit such bid(s) to the Trustee, his counsel and the Proposed Purchaser's counsel below no later than **January 20, 2011 at 5:00 p.m. (CST)** (the "**Bid Deadline**"). Such bid may be for the Acquired Assets and/or the Sotheby's Assets; provided, however, that parties seeking to bid on both the Acquired Assets and the Sotheby's Assets shall be required to submit a separate bid for each of the Acquired Assets and the Sotheby's Assets in accordance with the Sale Procedures.

In the event that a bidder seeks to bid on the Acquired Assets, the proposed purchase price for the Acquired Assets, in cash, must be equal to or greater than the sum of (x) the purchase price set forth in the Purchase Agreement, (y) the Break-Up Fee of \$50,000; and (z) \$10,000 (the sum of (x) through (z), the "**Acquired Assets Initial Incremental Bid Amount**"). Such bidder shall provide the Trustee a good faith deposit of 15% of such amount.

In the event that a bidder seeks to bid on the Sotheby's Assets, the proposed purchase price for the Sotheby's Assets, in cash, must be equal to or greater than \$556,750.00 (the "**Sotheby's Assets Initial Bid Amount**"). Such bidder shall provide the Trustee a good faith deposit of 15% of such amount.

AUCTION: If more than one Qualified Bid(s) are received, the Trustee may conduct an Auction for the Assets on **January 24, 2011 at 9:00 a.m. (CST)**. The Trustee shall notify all Qualified Bidders of the time and place of the Auction and may conduct the Auction telephonically. If Qualified Bids are received, the Trustee will seek approval of the sale(s) to the highest bidder(s) at the Sale Hearing. If no Qualified Bids are received for the Acquired Assets other than the Purchaser's Bid for the Acquired Assets, no Auction for the Acquired Assets will take place and the Trustee will request the Bankruptcy Court approve the Purchase Agreement and the sale of the Acquired Assets to the Proposed Purchaser at the Sale Hearing.

OBJECTIONS: Objections, if any, to the relief to be requested must be filed with the Court and served upon the Trustee, his counsel and the Proposed Purchaser's counsel below by mail or delivery not later than **January 20, 2011**, which is five (5) days before the time set for the Sale Hearing (including Saturdays, Sundays, and holidays). **UNLESS A RESPONSE OPPOSING THE MOTION IS TIMELY FILED, THE COURT MAY GRANT THE MOTION WITHOUT A HEARING.** Any objection must be in writing, filed with the clerk and served on the undersigned parties. **Any objector must also appear at the Sale Hearing.**

U.S. Bankruptcy Court
301 U.S. Courthouse
300 South Fourth Street
Minneapolis, MN 55415

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Date: January 3, 2011

/e/ John R. Stoebner
John R. Stoebner, Trustee