UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
SCHOOL SPECIALTY, INC., *et al*.,[1]	Case No. 13-10125 (KJC)
Debtors.	Jointly Administered
	Re: Docket Nos. 599 & 862

NOTICE OF FILING OF BLACKLINED PAGES OF PLAN

PLEASE TAKE NOTICE that, on March 19, 2013, the above-captioned debtors and debtors-in-possession (collectively, the "Debtors"), filed the *Debtors' Joint Plan Under Chapter 11 of the Bankruptcy Code* [Docket No. 599] and the *Disclosure Statement for the Debtors' Joint Plan Under Chapter 11 of the Bankruptcy Code* [Docket No. 600].

PLEASE TAKE FURTHER NOTICE that, on April 23, 2013, the Debtors filed the *Debtors' Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code* [Docket No. 862] (the "Amended Plan") and the *Disclosure Statement for the Debtors' Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code* [Docket No. 864] (the "Amended Disclosure Statement").

PLEASE TAKE FURTHER NOTICE that, on April 24, 2013, the Court entered an *Order: (A) Conditionally Approving Disclosure Statement; (B) Fixing Voting Record Date; (C) Approving Solicitation Materials and Procedures for Distribution Thereof; (D) Approving Forms of Ballots and Establishing Procedures for Voting on Plan and Tabulating*

[1] The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number and state of incorporation, are: School Specialty, Inc. (Wisc.; 1239), Bird-In-Hand Woodworks, Inc. (N.J.; 8811), Califone International, Inc. (Del.; 3578), Childcraft Education Corp. (N.Y.; 9818), ClassroomDirect.com, LLC (Del.; 2425), Delta Education, LLC (Del.; 8764), Frey Scientific, Inc. (Del.; 3771), Premier Agendas, Inc. (Wash.; 1380), Sax Arts & Crafts, Inc. (Del.; 6436), and Sportime, LLC (Del.; 6939). The address of the Debtors' corporate headquarters is W6316 Design Drive, Greenville, Wisconsin 54942.

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Votes; (E) Scheduling Hearing and Approving Notice and Procedures for Filing Objections to (I) Confirmation of the Plan, and (II) Proposed Cure Amounts Related to Contracts and Leases Assumed Under the Plan; and (F) Granting Related Relief [Docket No. 902].

PLEASE TAKE FURTHER NOTICE that, for the convenience of the Court and parties-in-interest, attached hereto as Exhibit 1 are blacklined pages of the Plan, reflecting all changes made since the Amended Plan was filed with the Court on April 23, 2013.

Dated: May 21, 2013
Wilmington, Delaware

YOUNG CONAWAY STARGATT & TAYLOR, LLP

/s/ Maris J. Kandestin

Pauline K. Morgan (No. 3650)
Maris J. Kandestin (No. 5294)
Morgan L. Seward (No. 5388)
Rodney Square
1000 North King Street
Wilmington, Delaware 19801
Telephone: (302) 571-6600
Facsimile: (302) 571-1253

- and -

PAUL, WEISS, RIFKIND, WHARTON & GARRISON LLP
Alan W. Kornberg
Jeffrey D. Saferstein
Lauren Shumejda
Ann K. Young
1285 Avenue of the Americas
New York, New York 10019
Telephone: (212) 373-3000
Facsimile: (212) 757-3990

Counsel to the Debtors and Debtors-in-Possession

EXHIBIT 1

Blacklined Pages of the Plan

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
SCHOOL SPECIALTY, INC., *et al.*,[1]	Case No. 13-10125 (KJC)
Debtors.	Jointly Administered

DEBTORS' SECOND AMENDED JOINT PLAN OF REORGANIZATION UNDER CHAPTER 11 OF THE BANKRUPTCY CODE

PAUL, WEISS, RIFKIND, WHARTON & GARRISON LLP
Alan W. Kornberg
Jeffrey D. Saferstein
Lauren Shumejda
Ann K. Young
1285 Avenue of the Americas
New York, New York 10019-6064
Telephone: (212) 373-3000
Facsimile: (212) 757-3990

YOUNG CONAWAY STARGATT & TAYLOR, LLP
Pauline K. Morgan (No. 3650)
Maris J. Kandestin (No. 5294)
Morgan L. Seward (No. 5388)
Rodney Square, 1000 North King Street
Wilmington, Delaware 19801
Telephone: (302) 571-6600
Facsimile: (302) 571-1253

Dated: ~~April 24~~May 21, 2013

[1] The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number and state of incorporation, are: School Specialty, Inc. (Wisc.; 1239), Bird-In-Hand Woodworks, Inc. (N.J.; 8811), Califone International, Inc. (Del.; 3578), Childcraft Education Corp. (N.Y.; 9818), ClassroomDirect.com, LLC (Del.; 2425), Delta Education, LLC (Del.; 8764), Frey Scientific, Inc. (Del.; 3771), Premier Agendas, Inc. (Wash.; 1380), Sax Arts & Crafts, Inc. (Del.; 6436), and Sportime, LLC (Del.; 6939). The address of the Debtors' corporate headquarters is W6316 Design Drive, Greenville, Wisconsin 54942.

	allowed by Final Order of the Court; provided, however, that any Claims allowed solely for the purpose of voting to accept or reject the Plan pursuant to an order of the Court shall not be considered "Allowed Claims" hereunder.
Allowed Noteholder Claims	means all Claims, to the extent not already paid, for amounts due and owing under the Notes, which are Allowed in an aggregate amount equal to $170,754,096.42, including interest and fees due and owing as of the Effective Date.
Ballots	means each of the ballot forms distributed with the Disclosure Statement to each holder of an Impaired Claim (other than to holders not entitled to vote on the Plan) upon which is to be indicated, among other things, acceptance or rejection of the Plan.
Bankruptcy Code	means title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq*., as in effect on the date hereof.
Bankruptcy Rules	means the Federal Rules of Bankruptcy Procedure as promulgated by the United States Supreme Court under section 2075 of title 28 of the United States Code, and local rules of the Court, as the context may require.
Bayside DIP Agent	means Bayside Finance LLC, as Administrative Agent under the Bayside DIP Facility.
Bayside DIP Facility	means that certain Senior Secured Super-Priority Debtor-in-Possession Credit Agreement, dated as of January 31, 2013, between and among SSI, Bird-In-Hand Woodworks, Inc., Califone International, Inc., Childcraft Education Corp., ClassroomDirect.com, LLC, Delta Education, LLC, Sportime, LLC, and Premier Agendas, Inc., as borrowers, Frey Scientific, Inc., Sax Arts & Crafts, Inc., and Select Agendas, Corp., as guarantors, the lenders identified therein and Bayside Finance LLC, as Administrative and Collateral Agent.
Bayside DIP Financing Claims	means Claims arising under the Bayside DIP Facility, to the extent not already paid. For the avoidance of doubt, the foregoing shall not include any Claim in respect of the Prepetition Escrowed Amounts.
Bayside DIP Lenders	means the lenders, banks, other financial institutions or other non-Debtor entities that may become lenders under the Bayside DIP Facility from time to time.
Berkley	means Berkley Regional Insurance Company and/or Berkley Surety Group, as applicable.

	as Administrative Agent and Collateral Agent.
Prepetition Term Loan Claims	means all Claims, to the extent not already paid, for amounts due and owing under the Prepetition Term Loan Agreement, including the Prepetition Escrowed Amounts, as applicable.
Prepetition Term Loan Lenders	means the lenders, banks, other financial institutions or other non-Debtor entities that may become lenders under the Prepetition Term Loan Agreement from time to time.
Priority Tax Claim	means any unsecured Claim that is entitled to a priority in right of payment under section 507(a)(8) of the Bankruptcy Code.
Pro Rata	means, with respect to any Allowed Claim, at any time, the proportion that the amount of an Allowed Claim in a particular Class bears to the aggregate amount of all Claims in such Class, and, for the avoidance of doubt, sub-Classes entitled to share in the same recovery as such Allowed Claims under the Plan, unless in each case the Plan provides otherwise.
Professional	means (i) any professional employed in the Chapter 11 Cases pursuant to section 327 of the Bankruptcy Code or otherwise and (ii) any professional or other entity seeking compensation or reimbursement of expenses in connection with the Chapter 11 Cases pursuant to section 503(b) of the Bankruptcy Code but excluding professionals for the DIP Agents, Bayside DIP Agent, the DIP Lenders and the Prepetition Agents.
Record Date	means, (a) for purposes of making Distributions under the Plan on account of Allowed Claims, the ~~Confirmation~~Effective Date, and (b) for purposes of casting Ballots, the date set forth in the order approving the Disclosure Statement that accompanies this Plan.
Released Parties	has the meaning assigned to such term in Article IX.I of the Plan.
Reorganized Debtors	means the Debtors, or any successors thereto by merger, consolidation, or otherwise, on and after the Effective Date.
Reorganized SSI	means School Specialty, Inc. or any successor thereto by merger, consolidation or otherwise, on or after the Effective Date.
Reorganized Subsidiaries	mean the Subsidiaries, collectively, on or after the Effective Date, to the extent in existence after the Effective Date and not merged, dissolved or otherwise

B. Fee Claims.

1. ~~(a)~~ All requests for compensation or reimbursement of Fee Claims pursuant to sections 327, 328, 330, 331, 503 or 1103 of the Bankruptcy Code (other than Fee Claims of the DIP Agents, the Bayside DIP Agent and DIP Lenders, all of which shall be paid without the need for filing any motions, fee applications or other request for payment as provided in the Final Orders approving the DIP Facilities or as otherwise set forth in the ABL DIP Payoff Letter) for services rendered prior to the Effective Date shall be filed and served on the Reorganized Debtors, counsel to the Reorganized Debtors, the United States Trustee, counsel to the DIP Agents and counsel to the Creditors Committee and such other entities who are designated by the Bankruptcy Rules, the Confirmation Order or other order of the Court, no later than thirty (30) days after the Effective Date, unless the Reorganized Debtors agree otherwise. Holders of Fee Claims that are required to file and serve applications for final allowance of their Fee Claims and that do not file and serve such applications by the required deadline shall be forever barred, stopped and estopped from asserting such Claims against the Debtors, the Reorganized Debtors or their respective properties and Estates, and such Fee Claims (other than the Fee Claims of the DIP Agents and DIP Lenders) shall be deemed discharged as of the Effective Date. Objections to any Fee Claims must be filed and served on the Reorganized Debtors, counsel for the Reorganized Debtors, counsel to the Creditors Committee and the requesting party no later than fifty-one (51) days after the Effective Date, unless the Reorganized Debtors agree otherwise.

2. ~~(b)~~ Except as otherwise set forth in the ABL DIP Payoff Letter, the Professionals, counsel to the DIP Agents and counsel to the DIP Lenders shall estimate their Fee Claims incurred but unpaid through the Effective Date and shall deliver such estimate to the Debtors, counsel to the Ad Hoc DIP Lenders and counsel to the Creditors Committee no later than five (5) days prior to the anticipated Confirmation Date. If a Professional or counsel to the DIP Agents does not provide an estimate, the Debtors may estimate the unbilled fees and expenses of such Professional or counsel. Except as otherwise set forth in the ABL DIP Payoff Letter, the total amount of Fee Claims of Professionals so estimated as of the Confirmation Date and the estimated Fee Claims of the DIP Agents and the DIP Lenders incurred but unpaid through the Effective Date shall comprise the Fee Claim Reserve Amount. On the Effective Date, the Debtors shall establish and fund the Fee Claims Account with Cash equal to the aggregate Fee Claim Reserve Amount. The amount of Fee Claims (i) owing to the Professionals shall be paid in Cash to such Professionals from the funds held in the Fee Claims Account when such Claims are Allowed by a Final Order and (ii) owing to the DIP Agents and the DIP Lenders shall be paid in Cash from the funds held in the Fee Claims Account or otherwise as provided in the Final Orders approving the DIP Facilities or the ABL DIP Payoff Letter.

3. Notwithstanding the foregoing, to the extent that certain Professionals agree to defer the payment of their Fee Claims to September 1, 2013, the Reorganized Debtors will not fund the Fee Claim Reserve Account in accordance with Article III.B.2 on account of such Claims. However, if on September 1, 2013, a Final Order has not been entered on account of the Fee Claims that have been deferred, the Reorganized Debtors shall fund the Fee Claims Account with Cash equal to the aggregate of such unpaid amounts, to be held in the Fee Claims Account until such time that the Claims are Allowed by a Final Order. For the avoidance of doubt, the Fee Claims Account shall be free and clear of any and all liens, claims, pledges, charges, or encumbrances, including the Liens securing the Exit Facilities.

C. Priority Tax Claims.

Except to the extent that a holder of an Allowed Priority Tax Claim agrees to a different treatment, each holder of an Allowed Priority Tax Claim shall receive, at the sole option of the Debtors or the Reorganized Debtors (with the consent of the Required Ad Hoc DIP Lenders), (a) Cash in an amount equal to such Allowed Priority Tax Claim on the later of the Effective Date and the date such Priority Tax Claim becomes an Allowed Priority Tax Claim, or as soon thereafter as is practicable, but no later than thirty (30) days after the Effective Date, or (b) through equal annual installment payments in cash (i) of a total value, as of the Effective Date of the Plan, equal to the allowed amount of such Claim; (ii) over a period ending not later than 5 years after the Petition Date; and (iii) in a manner not less favorable than the most favored nonpriority unsecured claim provided for by the Plan.

D. DIP Financing Claims.

1. ABL DIP Financing Claims.

All ABL DIP Financing Claims are and shall be deemed Allowed Claims and, on the Effective Date, holders of the Allowed ABL DIP Financing Claims shall receive Payment in Full in Cash on account of such ABL DIP Financing Claims, or as otherwise provided in the ABL DIP Facility and order of the Court.

Upon Payment in Full of the ABL DIP Financing Claims on the Effective Date and full execution and delivery by the Reorganized Debtors and the lender(s) under the Exit Facilities to the ABL DIP Agent of the ABL DIP Payoff Letter, the liens and security interests securing such ABL DIP Financing Claims shall be released and forever discharged. Any cash collateral provided pursuant to Section 1.4 of the ABL DIP Facility and the Split Lien Intercreditor Agreement (as defined in the ABL DIP Facility) shall not be required to be invested and shall not accrue interest and shall be returned to the Reorganized Debtors, net of fees, costs and expenses accrued or incurred after the Effective Date, at such time that the contingent obligations under the letters of credit issued under the ABL DIP Facility and Bank Product Obligations (as defined in the ABL DIP Facility) are no longer required to be cash collateralized pursuant to the terms of the ABL DIP Facility.

2. Bayside DIP Financing Claims.

On the Effective Date, holders of the Allowed Bayside DIP Financing Claims shall receive Payment in Full in Cash on account of such Bayside DIP Financing Claims and such Claims otherwise shall be treated in accordance with the terms of the Bayside DIP Facility and orders of the Court.

Upon Payment in Full of the Bayside DIP Financing Claims on the Effective Date, any liens and security interests securing such Bayside DIP Financing Claims shall be released and forever discharged.

3. Ad Hoc DIP Financing Claims.

Except to the extent that a holder of an Allowed Ad Hoc DIP Financing Claim shall have agreed in writing to a different treatment, each holder of an Allowed Ad Hoc DIP Financing Claim, on the Effective Date or as soon thereafter as is practicable, shall receive, in full and final satisfaction of all outstanding obligations under the Ad Hoc DIP Facility, its Pro Rata share of (a) approximately $88 million in Cash, which amount may change depending on, among other things, the terms of the Exit Facilities, the outcome of any appeal in connection with the Court's April 22, 2013 order in respect of the Prepetition Escrowed Amounts, the Reorganized Debtors' Cash needs based on any required minimum liquidity covenants under the Exit Facilities, and Allowed Claim amounts, and (b) ~~eighty-seven and a half~~sixty-five percent (~~87.5~~65%) of the New SSI Common Stock.[3] For the avoidance of doubt, in no event shall the Cash and the value of the New SSI Common Stock exceed the aggregate amount of the Allowed Ad Hoc DIP Financing Claims.

Upon the payment of Cash and distribution of New SSI Common Stock as set forth above, any and all liens, encumbrances and security interests securing such Ad Hoc DIP Financing Claims shall be released and forever discharged, without limitation, and without any further action by any party.

IV.

CLASSIFICATION AND TREATMENT OF CLAIMS AND EQUITY INTERESTS

A. Class 1 — Other Priority Claims.

1. Distributions.

Except to the extent that a holder of an Allowed Other Priority Claim and the Debtors (with the consent of the Required Ad Hoc DIP Lenders) shall have

[3] This percentage is based on the Debtors raising $145 million with respect to the Term Loan Exit Facility.

(c) *Trade Election.* On or before the date of the Confirmation Hearing, the Debtors shall notify the holders of Trade Unsecured Claims of their option to, and procedures governing their right to, participate in the Trade Election. Such holders who make the Trade Election and provide the agreed-upon Customary Trade Terms to the Reorganized Debtors for the duration of the Trade Payment Period shall receive the Trade Payment on the Payment Date, in full and final satisfaction of such Allowed Trade Unsecured Claim and in lieu of any other recovery on account of such Claim. The Trade Election and Trade Payment shall be subject to the additional terms set forth in Article V.I below and in the Plan Supplement.

2. Impairment and Voting.

Class 6 is Impaired under the Plan. Holders of Allowed Trade Unsecured Claims in Class 6 are entitled to vote to accept or reject the Plan.

G. Class 7 — Noteholder Unsecured Claims.

1. Distributions.

The holders of Allowed Noteholder Unsecured Claims shall receive their Pro Rata share of ~~twelve and a half~~thirty-five percent (~~12.5~~35%) of New SSI Common Stock on account of such Noteholder Unsecured Claims.[4]

2. Impairment and Voting.

Class 7 is Impaired under the Plan. Holders of Allowed Noteholder Unsecured Claims in Class 7 are entitled to vote to accept or reject the Plan.

H. Class 8 — Convenience Class Claims.

1. Distributions.

Each holder of a Convenience Class Claim shall receive, in full and final satisfaction of such Claim, a one-time payment in Cash equal to twenty percent (20%) of the Allowed amount of such Claim, on or as soon as practicable after the Effective Date or, in the event that such Claim is Disputed, when such Claim is Allowed.

2. Impairment and Voting.

Class 8 is Impaired under the Plan. Holders of Allowed Convenience Class Claims in Class 8 are entitled to vote to accept or reject the Plan.

[4] This percentage is based on the Debtors raising $145 million with respect to the Term Loan Exit Facility.

Debtors and may take all actions as may be necessary or appropriate to effect such transactions, including any transaction described in, approved by, contemplated by or necessary to effectuate the Plan, including: (1) the execution and delivery of appropriate agreements or other documents of merger, consolidation, restructuring, conversion, disposition, transfer, dissolution or liquidation containing terms that are consistent with the terms of the Plan and that satisfy applicable requirements of applicable law and any other terms to which the applicable entities may agree; (2) the execution and delivery of appropriate instruments of transfer, assignment, assumption or delegation of any asset, property, right, liability, debt or obligation on terms consistent with the terms of the Plan and having other terms for which the applicable parties agree; (3) the filing of appropriate certificates or articles of incorporation, reincorporation, merger, consolidation, conversion or dissolution pursuant to applicable state law; ~~and~~ (4) the execution and delivery of appropriate resolutions, agreements or other documents to create such new corporate entities as are necessary to change any Debtor's state of incorporation; and (5) all other actions that the applicable entities determine to be necessary or appropriate, including making filings or recordings that may be required by applicable law. To the extent deemed helpful or appropriate to the Reorganized Debtors, the elimination of certain of these entities may be effected pursuant to Sections 368 and 381 of the Internal Revenue Code of 1986, as amended, to preserve for the Reorganized Debtors the tax attributes of such entities. Prior to the Effective Date, the Debtors shall have obtained the consent of the Required Ad Hoc DIP Lenders with respect to any such restructuring transactions.

7. Management of Reorganized Debtors.

The Reorganized Debtors' senior executive officers shall serve in accordance with any employment agreement with the Reorganized Debtors and applicable non-bankruptcy law. The Debtors will disclose the terms of any such employment agreements at or prior to the Confirmation Hearing.

8. Indemnification of Directors, Officers and Employees.

Upon the Effective Date, the charters and bylaws of Reorganized SSI and each Reorganized Debtor shall contain provisions which (i) eliminate the personal liability of the Reorganized Debtors' then-present and future directors and officers for post-Effective Date monetary damages resulting from breaches of their fiduciary duties to the fullest extent permitted by applicable law in the state in which the subject Reorganized Debtor is organized; and (ii) require such Reorganized Debtor, subject to appropriate procedures, to indemnify the Reorganized Debtors' directors, officers, and other employees serving on or after the Effective Date for all post-Effective Date claims and actions to the fullest extent permitted by applicable law in the state in which the subject Reorganized Debtor is organized.

9. Management Incentive Plan.

Following the Effective Date, the terms of the Management Incentive Plan shall be determined by the New Board and be implemented in accordance with its

existence of such contract or lease. The deemed assumptions provided for in this Article VII.B of the Plan shall not apply to any such contract or lease.

The Debtors reserve the right to amend the list of executory contracts and unexpired leases to be rejected at any time prior to the Confirmation Hearing, subject to the consent of the Required Ad Hoc DIP Lenders.

C. Cure.

The applicable Debtor or the Reorganized Debtor, except as otherwise agreed by the parties, will cure any and all undisputed defaults under any executory contract or unexpired lease that is assumed by such Debtor or the Reorganized Debtor pursuant to the Plan in accordance with section 365 of the Bankruptcy Code. In the event there is a dispute as of the Effective Date regarding the amount required to cure defaults under any executory contract or unexpired lease that the Debtors or the Reorganized Debtors propose to assume, the Debtors or the Reorganized Debtors shall have until 30 days after entry of a Final Order determining the amount, if any, of the applicable Debtor's or the Reorganized Debtor's liability with respect thereto, or as may otherwise be agreed by the parties, to determine whether to assume or reject the related executory contract or unexpired lease. In the event the applicable Debtor or the Reorganized Debtor determines to assume the applicable executory contract or unexpired lease related to the disputed cure, such disputed cure amount shall be paid either within 30 days of the entry of a Final Order determining the amount, if any, of the applicable Debtor's or the Reorganized Debtor's liability with respect thereto, or as may otherwise be agreed to by the parties.

D. Rejection Damage Claims.

All Claims for damages arising from the rejection of executory contracts or unexpired leases must be filed with the Court in accordance with the terms of the order authorizing such rejection, but in no event later than thirty (30) days after service of notice of the Effective Date (unless rejected at a later date as a result of a disputed cure amount as set forth in Article VII.C herein). Any Claims not filed within such time will be forever barred from assertion against the Debtors, their respective Estates and the Reorganized Debtors. All Allowed Claims arising from the rejection of executory contracts or unexpired leases shall be treated as ~~General~~Trade Unsecured Claims, to the extent that the holder of each such Allowed Claim is a party with whom the Reorganized Debtors continue to do business after the Effective Date.

E. Postpetition Contracts and Leases.

The Debtors shall not be required to assume or reject any contract or lease entered into by the Debtors after the Petition Date. Any such contract or lease shall continue in effect in accordance with its terms after the Effective Date, unless the Debtors or the Reorganized Debtors have obtained a Final Order of the Court approving termination of such contract or lease.

attorneys) have participated in good faith and in compliance with the applicable provisions of the Bankruptcy Code in the offer and issuance of the securities offered and sold under the Plan and therefore have not, and on account of such offer and issuance will 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 the offer or issuance of the securities offered and distributed under the Plan.

H. Administrative Claims Incurred After the Effective Date.

Administrative Claims incurred by the Reorganized Debtors after the Effective Date including (without limitation) Claims for Professionals' fees and expenses incurred after such date, may be paid by the Reorganized Debtors in the ordinary course of business and without application for or Court approval, subject to any agreements with any claim holders.

I. Releases by the Debtors.

ON THE EFFECTIVE DATE, THE DEBTORS~~ AND THE REORGANIZED DEBTORS~~, ON BEHALF OF THEMSELVES AND THEIR ESTATES, SHALL BE DEEMED TO RELEASE UNCONDITIONALLY (A) ALL OF THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, PARTNERS, ADVISORS, ATTORNEYS, FINANCIAL ADVISORS, ACCOUNTANTS, AND OTHER PROFESSIONALS, WHO SERVED IN SUCH CAPACITIES ON OR AFTER THE PETITION DATE, (B) (I) THE DIP AGENTS AND THE BAYSIDE DIP AGENT, (II) THE DIP COLLATERAL AGENTS, (III) THE NOTES INDENTURE TRUSTEE AND (IV) THE PREPETITION AGENTS, (C) OFFICERS, DIRECTORS, PRINCIPALS, MEMBERS, EMPLOYEES, PARTNERS, SUBSIDIARIES, AFFILIATES, ADVISORS, ATTORNEYS, FINANCIAL ADVISORS, ACCOUNTANTS, AND OTHER PROFESSIONALS OF EACH OF THE DIP AGENTS, THE BAYSIDE DIP AGENT, DIP COLLATERAL AGENTS, THE NOTES INDENTURE TRUSTEE AND THE PREPETITION AGENTS, (D) THE DIP LENDERS AND THE PREPETITION LENDERS, AND (E) OFFICERS, DIRECTORS, PRINCIPALS, MEMBERS, EMPLOYEES, PARTNERS, SUBSIDIARIES, AFFILIATES, ADVISORS, ATTORNEYS, FINANCIAL ADVISORS, ACCOUNTANTS, AND OTHER PROFESSIONALS OF THE DIP LENDERS, AND THE PREPETITION LENDERS~~, (F) THE MEMBERS OF THE CREDITORS COMMITTEE AND THE NOTEHOLDERS, AND (G) OFFICERS, DIRECTORS, PRINCIPALS, MEMBERS, EMPLOYEES, PARTNERS, SUBSIDIARIES, AFFILIATES, ADVISORS, ATTORNEYS, FINANCIAL ADVISORS, ACCOUNTANTS, AND OTHER PROFESSIONALS OF THE CREDITORS COMMITTEE AND THE NOTEHOLDERS~~ (COLLECTIVELY, THE "RELEASED PARTIES" AND EACH A "RELEASED PARTY") FROM ANY AND ALL CLAIMS, OBLIGATIONS, SUITS, JUDGMENTS, DAMAGES, RIGHTS, CAUSES OF ACTION AND LIABILITIES WHATSOEVER, WHETHER KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN,

DEBTORS OR ANY RELEASED PARTY ON ACCOUNT OF ANY CLAIM IN ANY WAY RELATED TO THE DEBTORS OR THEIR BUSINESS AND AFFAIRS, THE CHAPTER 11 CASES, THE DISCLOSURE STATEMENT, OR THE PLAN, INCLUDING BUT NOT LIMITED TO ANY CLAIM BASED UPON TORT, BREACH OF CONTRACT, VIOLATIONS OF FEDERAL OR STATE SECURITIES LAWS OR OTHERWISE, BASED UPON ANY ACT, OCCURRENCE, OR FAILURE TO ACT FROM THE BEGINNING OF TIME THROUGH THE EFFECTIVE DATE OR (Y) ASSERT AGAINST ANY OF THE REORGANIZED DEBTORS OR ANY RELEASED PARTY ANY CLAIM, OBLIGATION, RIGHT, CAUSE OF ACTION OR LIABILITY THAT ANY HOLDER OF A CLAIM OR EQUITY INTEREST MAY BE ENTITLED TO ASSERT, WHETHER KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, EXISTING OR HEREAFTER ARISING, BASED IN WHOLE OR IN PART ON ANY ACT OR OMISSION, TRANSACTION, OR OCCURRENCE FROM THE BEGINNING OF TIME THROUGH THE EFFECTIVE DATE IN ANY WAY RELATING TO THE DEBTORS, THE CHAPTER 11 CASES, THE DISCLOSURE STATEMENT OR THE PLAN, PROVIDED, HOWEVER, (I) NONE OF THE RELEASED PARTIES SHALL BE RELEASED FROM ANY CLAIM PRIMARILY BASED ON ANY ACT OR OMISSION THAT CONSTITUTES GROSS NEGLIGENCE, WILLFUL MISCONDUCT, FRAUD OR CRIMINAL ACTS AS DETERMINED BY A FINAL ORDER, (II) THE FOREGOING RELEASE SHALL NOT APPLY TO OBLIGATIONS ARISING UNDER THE PLAN, (III) THE FOREGOING RELEASE SHALL NOT BE CONSTRUED TO PROHIBIT A PARTY IN INTEREST FROM SEEKING TO ENFORCE THE TERMS OF THE PLAN, AND (IV) THE FOREGOING RELEASE SHALL NOT APPLY TO ANY INDEMNIFICATION AND OTHER SURVIVING OBLIGATION AS SET FORTH IN THE PLAN.

K. Exculpation and Injunction in Respect of Released Parties.

1. Exculpation.

As of the Effective Date, (i) the Debtors~~, THE REORGANIZED DEBTORS, THE CREDITORS COMMITTEE, THE NOTES INDENTURE TRUSTEE AND WITH RESPECT TO ALL OF THE FOREGOING,~~ and their respective officers, directors, members, managers, attorneys and advisors and (ii) the Creditors Committee, the members of Creditors Committee, in their capacity as such, and the Creditors Committee's respective attorneys and advisors shall have no liability whatsoever to any holder or purported holder of an Administrative Claim, a Claim, or an Equity Interest for any act or omission occurring during the pendency of these Chapter 11 Cases through the Effective Date in connection with, or arising out of, the Plan, the Disclosure Statement, the negotiation of the Plan and the Disclosure Statement, the negotiation of the documents included in the Plan Supplement, the pursuit of approval of the Disclosure Statement or the solicitation of votes for confirmation of the Plan, the

Chapter 11 Cases, the consummation of the Plan, the ~~ADMINISTRATION AND IMPLEMENTATION OF THE PLAN OR THE PROPERTY TO BE DISTRIBUTED UNDER THE PLAN, OR ANY TRANSACTION CONTEMPLATED BY THE PLAN, THE~~ Disclosure Statement or in furtherance thereof except for any act or omission that constitutes gross negligence, willful misconduct, ~~FRAUD OR CRIMINAL ACTS~~fraud or criminal acts as determined by a Final Order. This exculpation shall be in addition to, and not in limitation of, all other releases, indemnities, exculpations and any other applicable law or rules protecting such Released Parties from liability.

For the avoidance of doubt, notwithstanding anything to the contrary herein, no release or injunction provided for in this Plan in Articles IX.I, IX.J or IX.K shall prohibit or otherwise impair the right of Berkley ~~Regional Insurance Company~~ with respect to any letters of credit provided in connection with bonds issued by Berkley related to the Debtors.

L. Term of Bankruptcy Injunction or Stays.

All injunctions or stays provided for in the Chapter 11 Cases under sections 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the Effective Date.

X.

MODIFICATION, REVOCATION, WITHDRAWAL OR NON-CONSUMMATION OF THE PLAN.

A. Modification of the Plan.

Subject to the limitations contained in the Plan: (1) the Debtors reserve the right, with the consent of the Required Ad Hoc DIP Lenders and the ABL Co-Collateral Agents (only with respect to Articles III.D.1, VIII.A.4, VIII.B.6, IX.I, and IX.J or any other provision of the Plan to the extent relating to the Payments in Full of the ABL DIP Facility as set forth in this Plan or any other rights under the Plan of the Prepetition ABL Lenders, Prepetition ABL Agent, ABL DIP Lenders or ABL Co-Collateral Agents) and the Creditors Committee, and in accordance with the Bankruptcy Code and the Bankruptcy Rules, to amend or modify the Plan prior to the entry of the Confirmation Order, including amendments or modifications to satisfy section 1129(b) of the Bankruptcy Code and, as appropriate, not re-solicit votes on such modified Plan; and (2) after the entry of the Confirmation Order, the Debtors or the Reorganized Debtors, as the case may be, may (and, in the case of each of clause (1) and clause (2), to the extent such amendments or modifications affect the rights of the DIP Agents or the DIP Lenders, with the prior written consent of the applicable affected party) and upon order of the Court, amend or modify the Plan, in accordance with section 1127(b) of the Bankruptcy Code; provided, however, that any pre-

Dated: ~~April 24~~May [21], 2013

SCHOOL SPECIALTY, INC.

By: _____
Name: Michael P. Lavelle
Title: President and CEO

SAX ARTS & CRAFTS, INC.

By: _____
Name: Michael P. Lavelle
Title: Sole Director

FREY SCIENTIFIC, INC.

By: _____
Name: Michael P. Lavelle
Title: Sole Director

PREMIER AGENDAS, INC.

By: _____
Name: Michael P. Lavelle
Title: Sole Director

CHILDCRAFT EDUCATION CORP.

By: _____
Name: Michael P. Lavelle
Title: Sole Director