

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION**

In re:)	Chapter 11
)	
Quality Stores, Inc., <u>et al.</u> , ¹)	Case No. GG-01-10662
)	(Jointly Administered)
Debtors.)	
)	Hon. James D. Gregg

NOTICE OF AUCTION AND HEARING

PLEASE TAKE NOTICE that a hearing to consider the Second Omnibus Motion for Orders (A) Authorizing the Debtors to Sell Certain Real Property to Certain Buyers Free and Clear of All (I) Liens, Claims and Encumbrances Pursuant to Sections 363(b) and 363(f) of the Bankruptcy Code and (II) Transfer Taxes Pursuant to Section 1146 of the Bankruptcy Code and (B) Approving the Payment of the Real Estate Broker's Commission (the "Motion") will be held at the United States Bankruptcy Court, 792 Federal Building, 110 Michigan, N.W., Grand Rapids, Michigan on **February 19, 2002 at 10:00 a.m.(Eastern Standard Time).**

PLEASE TAKE FURTHER NOTICE that the deadline to object to the Motion is **February 12, 2002 at 4:30 p.m. (Eastern Standard Time).**

PLEASE TAKE FURTHER NOTICE that on **February 15, 2002 at 9:00 a.m. (Central Standard Time)**, the Debtors shall conduct an auction of the Real Property described in the Motion at the offices of Kirkland & Ellis, 200 E. Randolph, Chicago, IL 60601 in accordance with the Bidding Procedures attached as Exhibit C to the Motion. Interested bidders should carefully read the Bidding Procedures for important information regarding the auction.

PLEASE TAKE FURTHER NOTICE that the Court may, in its discretion, orally continue or adjourn the above hearing on the record in open court. If this occurs, parties in interest will not be given further written notice of the continued or adjourned hearing. If an entity is not present at the originally scheduled hearing information regarding the time, date and place of an orally continued or adjourned hearing may be obtained at the clerk's office from the court files or docket.

¹ The Debtors are the following entities: QSI Holdings, Inc. (f/k/a CT Holdings, Inc.); Quality Stores, Inc. (f/k/a Central Tractor Farm & Country, Inc.); Country General, Inc.; F and C Holding, Inc.; FarmandCountry.com, LLC.; QSI Newco, Inc.; QSI Transportation, Inc.; Quality Farm & Fleet, Inc.; Quality Investments, Inc.; Quality Stores Services, Inc; and Vision Transportation, Inc.

If you want the court to consider your views on this matter, attend the hearing on the date stated above.

Your rights may be affected. You should read the documents carefully and discuss them with your attorney. (If you do not have an attorney, you may wish to consult one).

You or your attorney may wish to file a written response to the motion explaining your position. Any response shall be mailed to the Clerk of the U.S. Bankruptcy Court, P.O. Box 3310, Grand Rapids, MI 49501. A copy of your response should also be mailed upon the party filing the motion and his/her attorney.

If you or your attorney do not take these steps, the court may decide to grant the relief sought in the motion or petition, and may enter an order granting the relief requested.

Grand Rapids, Michigan

Respectfully submitted,

Dated: January 23, 2002

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Co-Counsel for the Debtors and Debtors in Possession

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION**

In re:	)	Chapter 11
)	
Quality Stores, Inc., et al.,¹	)	Case No. GG-01-10662
	)	(Jointly Administered)
Debtors.)	
	)	Hon. James D. Gregg

**SECOND OMNIBUS MOTION FOR ORDERS (A) AUTHORIZING THE DEBTORS TO
SELL CERTAIN REAL PROPERTY TO CERTAIN BUYERS FREE AND CLEAR OF
ALL (i) LIENS, CLAIMS AND ENCUMBRANCES PURSUANT TO SECTIONS 363(b)
AND 363(f) OF THE BANKRUPTCY CODE AND (ii) TRANSFER TAXES PURSUANT
TO SECTION 1146 OF THE BANKRUPTCY CODE AND (B) APPROVING
THE PAYMENT OF THE REAL ESTATE BROKER'S COMMISSION**

The above-captioned debtors and debtors in possession (collectively, the "Debtors"), by and through their undersigned counsel, respectfully submit this omnibus motion (the "Motion") for entry of orders (A) authorizing the Debtors to sell certain real property assets (the "Real Property") to certain buyers (the "Buyers") as described herein, free and clear of all (i) liens, claims and encumbrances pursuant to sections 363(b) and 363(f) of title 11 of the United States Code (the "Bankruptcy Code") and (ii) transfer taxes pursuant to section 1146 of the Bankruptcy Code and (B) approving the payment of the Real Estate Broker's commission. In support of this Motion, the Debtors respectfully state as follows:

Jurisdiction

1. This Court has jurisdiction over this Motion under 28 U.S.C. § 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2)(A) and (O).

2. The statutory bases for the relief requested herein are sections 363(b) and 1146 of chapter 11 of title 11 of the United States Code (as amended, the "Bankruptcy Code").

Background

3. On October 20, 2001 (the "Involuntary Date"), an involuntary petition (the "Involuntary Petition") was filed against QSI Holdings, Inc. ("QSI") by Century Funding Ltd., Century Funding Corp., Triton CBO III Limited, Triton CBO IV Limited and Pacholder High Yield Fund, Inc. (collectively, the "Petitioning Creditors").

4. On November 1, 2001 (the "Commencement Date"), (i) QSI answered the Involuntary Petition and consented to the entry of an order for relief and (ii) the remaining Debtors

¹ The Debtors are the following entities: QSI Holdings, Inc. (f/k/a CT Holdings, Inc.); Quality Stores, Inc. (f/k/a Central Tractor Farm & Country, Inc.); Country General, Inc.; F and C Holding, Inc.; FarmandCountry.com, LLC.; QSI Newco, Inc.; QSI Transportation, Inc.; Quality Farm & Fleet, Inc.; Quality Investments, Inc.; Quality Stores Services, Inc; and Vision Transportation, Inc.

commenced voluntary chapter 11 cases before this Court. Additionally, the Debtors filed a motion seeking to procedurally consolidate their chapter 11 cases for administrative purposes only.

5. The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

6. No trustee or examiner has been appointed in these chapter 11 cases. The Office of the United States Trustee has appointed an Official Committee of Unsecured Creditors (the "Official Committee").

Circumstances Leading to the Proposed Sales

7. The Debtors experienced a liquidity crisis in the fall of 2000 resulting from a series of mergers and acquisitions. As a result of these mergers and acquisitions, the Debtors' long-term debt obligations significantly increased. In addition, the operating synergies and administrative expense reductions expected to be realized from the various acquisitions did not come to fruition.

8. In the spring of 2001, the Debtors began a comprehensive review of the financial conditions of their business operations. The Debtors engaged JA&A Services LLC ("JAS") to assist them in their restructuring efforts and to provide general crisis management services. On August 8, 2001, in connection therewith, the Debtors hired Peter Fitzsimmons of JAS as their Chief Executive Officer. At the conclusion of the review, the Debtors determined, among other things, that performance and profitability would be improved by closing or divesting their sub-performing stores and attempting to focus on a core group of stores with strong operations.

9. By Court order, dated November 9, 2001, the Debtors retained Hilco Merchant Resources, LLC to conduct store closing sales at 106 sub-performing store locations located in the western part of the United States (the "Closed Stores"). The store closing sales at the Closed Stores have been completed. The Real Property is located at the Closed Stores.

10. By Court order, dated December 20, 2001, the Debtors obtained approval to sell 152 stores (the "152 Stores") located in the eastern part of the United States to Hartwick Quality II LLC, subject to higher and better offers obtained at an auction held on December 27, 2001. At the auction, a joint venture comprised of Tractor Supply Company, Great American Group, Gordon Brothers Retail Partners, LLC and DJM Asset Management LLC (collectively, the "Joint Venture") asserted the highest and best offer for the 152 Stores and the sale of the 152 Stores to the Joint Venture was approved by this Court on December 31, 2001. The sale of the 152 Stores to the Joint Venture closed on December 31, 2001. The Joint Venture is conducting store closing sales at the 152 Stores. In connection with the sale of the 152 Stores, the Debtors granted to the Joint Venture the right to designate which fee and leasehold interests the Debtors should sell, assign or reject with respect to the 152 Stores.

Marketing Efforts for the Real Property

11. On December 14, 2001, the Debtors engaged a joint venture comprised of Atlas Partners, LLC, CB Richard Ellis Martin and Keen Realty (collectively, the "Real Estate Broker") to market the Real Property. On January 8, 2002, the Court entered an order approving the retention of the Real Estate Broker (the "Real Estate Broker Order"). Before retaining the Real Estate Broker, the Debtors marketed the Real Property and leasehold interests in the western part of the country and were able to sell approximately 60 of the real property and leasehold interests for the Closed Stores.

12. The Real Estate Broker has launched a substantial marketing campaign to identify potential buyers of the Real Property. Specifically, the Real Estate Broker:

- (i) has established a web site, which enables interested parties to login and review the Real Property locations and allows the Real Estate Broker to track visitors and contact them by telephone;
- (ii) distributed (i) a flyer with relevant sale information to approximately 5,000 prospects, which includes businesses in the farm industry as well as strategic buyers and (ii) a one-page "blast-fax" with relevant sale information to approximately 1,000 prospects;
- (iii) ran ads announcing the sale of the Real Property in local newspapers; and has placed "For Sale" signs on the Closed Stores.

Need for Immediate Sale of the Real Property

13. As described above, substantially all of the Debtors' operating assets have been sold. Thus, the Debtors no longer have any use for the Real Property. Accordingly, the immediate sale of the Real Property is in the best interests of the Debtors' estates and parties in interest.

14. As the Debtors and the Real Estate Broker identify buyers for the remaining owned real property at the Closed Stores, the Debtors will file additional sale motions.

Relief Requested

15. By this Motion, the Debtors request (i) authority, pursuant to sections 363(b), 363(f) and 1146 of the Bankruptcy Code, to sell the Real Property to the Buyers, as set forth herein, free and clear of all liens, claims and encumbrances and transfer taxes and (ii) approving the payment of the Real Estate Broker's commission.

The Purchase Agreements

16. The Debtors have entered into purchase agreements (the "Purchase Agreements") with Buyers to sell the Real Property at the Closed Stores, as described below. Each of the Purchase Agreements are attached hereto as an exhibit.

17. The following chart summarizes the material terms of each purchase agreement:

Buyer	Purchase Price	Address of Real Property	Additional Terms and Conditions	Exhibit
Greg Jones	\$125,000.00	East US Hwy 34 Yuma, Colorado		A

Buyer	Purchase Price	Address of Real Property	Additional Terms and Conditions	Exhibit
21 st Century Equipment, Inc.	\$1,289,000.00	1. 1200 Flack Ave Alliance, Nebraska 2. 1020 W 1 st Street Ogallala, Nebraska 3. Highway 26 & E. Overland Scottsbluff, Nebraska 4. 2555 Ft. Sidney Rd. Sidney, Nebraska	Buyer has the right to terminate the contract if the closing does not occur on or prior to March 3, 2002.	B

18. Each of the Purchase Agreements contain the following general terms and conditions:

Excluded Assets: The Debtors will not sell, among other things, leased equipment, deposits, benefit plans and intellectual property.

Closing Conditions: The closing of the transaction will require the execution of certain customary documents and the entry of a sale order.

Auction: The Purchase Agreements provide that the Buyer's offer is subject to higher and better offers through an auction process.

Expense Claim: The Debtors agrees to support the Buyer's claim for reimbursement of its reasonable expenses in the event that the Buyer is not the successful bidder at auction.

Miscellaneous: The Purchase Agreements contain other provisions customary to agreements of this nature, including, without limitation, providing title insurance, surveys and requirements for the maintenance of the property prior to closing and remedies upon default.

Auction Procedures

19. The Debtors submit that they have properly marketed the Real Property and, as a result, have obtained the highest and best offer therefor. Nonetheless, the Debtors believe that it is in the best interests of their estates to test the completeness of their efforts, the Debtors will implement the bidding procedures attached hereto as Exhibit C (the "Bidding Procedures"). The deadline by which bids must be submitted is February 13, 2002 at 4:00 p.m. (Eastern Standard Time) and the date on which the Auction shall take place is February 15, 2002 at 9:00 a.m. (Central Standard Time). The Bidding Procedures attached hereto as Exhibit C set forth the specific bidding procedures and should be read in their entirety.

20. In light of the auction process described above, the Real Property will have been thoroughly "shopped," resulting in the highest and best price for such Real Property. Thus, the purchase prices for the Real Property will be fair and reasonable.

Legal Basis for Relief

21. Section 363(b) of the Bankruptcy Code provides in relevant part that "the trustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of

business, property of the estate.” As this Court has stated, courts have discretion to determine whether a sale of assets should be approved. See In re Embrace Systems Corp., 178 B.R. 112, 123 (Bankr. W.D. Mich. 1995).

22. In determining whether a sale of assets outside the ordinary course of business should be approved pursuant to section 363(b) of the Bankruptcy Code, the Debtor has the burden of establishing that a valid business purpose exists. See In re Lionel Corp., 722 F.2d 1063, 1070-71 (2d Cir. 1983); see also In re Stephens Industry, Inc. v. McClung, 789 F.2d 386 (6th Cir. 1986). Once the debtor has articulated a valid business purpose, however, a presumption arises that the debtor’s decision to sell the assets was made on an informed basis, in good faith and in the honest belief the action was in the best interest of the estate. See In re Integrated Resources, Inc., 147 B.R. at 656 (S.D.N.Y. 1992).

23. As noted above, the Debtors have liquidated the inventory in the Remaining Closing Stores. Accordingly, the Real Property is no longer necessary to the Debtors and will be burdensome to the estates. On the other hand, the sale of the Real Property will generate cash for the Debtors’ estates and alleviate the expenses attendant to the maintenance of the Real Property. Thus, the Debtors have a valid business purpose to enter into the Purchase Agreements and sell the Real Property.

The Sale Should be Sold Free and Clear of Liens, Claims and Encumbrances

24. The Debtors request approval to sell the selected stores free and clear of any and all liens, claims and encumbrances pursuant to section 363(f) of the Bankruptcy Code. A debtor may sell property under sections 363(b) and 363(f) of the Bankruptcy Code “free and clear of any interest in such property of an entity other than the estate,” if one of the following conditions are met:

- (i) applicable nonbankruptcy law permits sale of such property free and clear of such interest;
- (ii) such entity consents;
- (iii) such interest is a lien and the price at which such property is to be sold is greater than the aggregate value of all liens on such property;
- (iv) such interest is in bona fide dispute; or
- (v) such entity could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such interest.

25. The Debtors anticipate that they will be able to satisfy one or more of the foregoing requirements. The Debtors propose that any liens, claims and encumbrances asserted against the assets be transferred to and attached to the sale proceeds, subject to the rights, claims, defenses and objections, if any, to all interested parties with respect thereto.

Request for Relief from Transfer Taxes

26. Section 1146(c) of the Bankruptcy Code provides that “[t]he issuance, transfer, or exchange of a security, or the making or delivery of an instrument of transfer under a plan confirmed under section 1129 of [the Bankruptcy Code], may not be taxed under any law imposing a stamp or similar tax.” 11 U.S.C. § 1146(c). It is well settled that a transfer which is “necessary to consummation of a plan” is a transfer made under a plan within the meaning of section 1146(c) of the Bankruptcy Code. See, e.g., City of New York v. Jacoby-Bender, Inc. (In re Jacoby-Bender, Inc.), 758 F.2d 840, 842 (2d Cir. 1985) (the tax exemption applied since the plan’s consummation depended almost entirely upon the sale); City of New York v. Smoss Enters. Corp. (In re Smoss Enters. Corp.),

54 B.R. 950, 951 (E.D.N.Y. 1985) (Preconfirmation transfer “under a plan” was within meaning of § 1146(c) because plan depended entirely on the sale of the property.).

27. It is equally well settled that a pre-confirmation sale of a Debtors’ assets to the extent, if the sale is essential to confirmation of the plan, is “under the plan” for purpose of section 1146(c) of the Bankruptcy Code. See In re Smoss Enters. Corp., 54 B.R. at 951 (sale taking place three months before confirmation was under plan, and therefore tax exempt, when transfer of property was essential to confirmation of plan). See also In re CCA Partnership, 70 B.R. 696 (Bankr. D. Del.), aff’d, 72 B.R. 765 (D. Del.), aff’d without op., 833 F.2d 303 (3d Cir. 1987) (allowing the section 1146(c) tax exemption to transfer occurring prior to confirmation of the plan). Cf. In re Jacoby-Bender, Inc., 755 F.2d at 841 (despite absence of specific language in plain regarding transfer of property, court concluded transfer was necessary to consummation of plan, noting that “Congress’ apparent purpose in enacting section 1146 was to facilitate reorganizations through giving tax relief”).

28. The Debtors submit that the proposed sales of the Real Property fall “under a plan” within the meaning of Section 1146(c) of the Bankruptcy Code. Consummation of the sales is clearly essential to preparation and consummation of a chapter 11 plan for the Debtors. The consideration to be paid upon consummation of the sales will be required to fund administrative and other claims under a plan. Given these circumstances, the sales are made “under a plan” pursuant to section 1146(c) of the Bankruptcy Code, and therefore should be exempt from the imposition of any stamp or similar tax. See In re Permar Provisions, Inc., 79 B.R. 530 (Bankr. E.D.N.Y. 1987) (exempting sale of assets exempt from local transfer tax where post-petition, pre-confirmation sale generated approximately 75% of funds distributed under plan and enabled debtor to pay administrative claims in full and to make 10% payment to general unsecured creditors).

29. The Debtors respectfully request a ruling of this Court that section 1146(c) of the Bankruptcy Code applies to the proposed sales.

Payment of the Real Estate Broker’s fees and expenses

30. Under the Real Estate Broker Order, the Court provisionally approved the payment of the Real Estate Broker’s fees and expenses. The Real Estate Broker Order, however, required the Debtors to seek further Court approval of the actual payment of the Real Estate Broker’s fees and expenses. The Debtors propose to pay the following amounts to the Real Estate Broker at the closing of the sale of the Real Property:

Buyer	Purchase Price	Real Estate Broker’s Commission
Greg Jones	\$125,000.00	\$5,625 (4.5% of the Purchase Price)
21 st Century Equipment, Inc.	\$1,289,000.00	\$58,005 (4.5% of the Purchase Price)

31. If the purchase price is increased at the Auction, the Debtors will disclose the additional commission that will be paid to the Real Estate Broker at the hearing to approve this Motion.

No Prior Request

32. No prior Motion for the relief requested herein has been made to this or any other Court.

Notice

33. The Debtors propose to send notice of this Motion via overnight mail, upon (i) counsel to the Official Committee of Unsecured Creditors; (ii) counsel to the Administrative Agent for the Prepetition Lenders; (iii) the United States Trustee; (iv) counsel to the respective buyers; (v) all parties who have expressed an interest in acquiring the Real Property; (vi) those parties who have requested notice pursuant to Fed. R. Bank. P. 2002; (vii) all entities (or counsel therefor) known to have asserted any lien, claim, charge or encumbrance on the Real Property; and (viii) all federal, state and local regulatory or taxing authorities which are reasonably ascertainable by the Debtors to have a known interest in the Real Property.

34. The Debtors submit that no further notice is necessary.

WHEREFORE, the Debtors respectfully requests that the Court enter the order, substantially in the form attached hereto, (i) authorizing the sales to Buyers pursuant to the Purchase Agreements free and clear of (a) all liens, claims and encumbrances and (b) transfer taxes; (ii) approving the payment of the Real Estate Broker's fees and expenses; and (iii) granting the Debtors such other relief as is just.

Grand Rapids, Michigan

Respectfully submitted,

Dated: January 23, 2002

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Co-Counsel for the Debtors and Debtors in Possession

EXHIBIT A

REAL ESTATE PURCHASE AND SALE AGREEMENT

THIS AGREEMENT (the "Agreement") is made and entered into as of January 11, 2002, by and between Quality Stores Inc., a Corporation (the "Seller"), and Greg Jones, a individual (the "Buyer").

WITNESSETH:

WHEREAS, the Seller filed a voluntary petition (the "Petition") for relief under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. §101 et seq., as amended (the "Bankruptcy Code"), in the United States Bankruptcy Court for the Western District of Michigan (the "Bankruptcy Court") on November 1, 2001 (the "Filing Date") and has operated its business as a debtor-in-possession (as defined in Section 1101 of Bankruptcy Code) as authorized by Sections 1107 and 1108 of the Bankruptcy Code since the Filing Date; and

WHEREAS, the Seller owns certain Property (as herein defined), the Buyer desires to become the owner of the Property, and the Seller desires to transfer the Property to the Buyer on the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the recitals hereinabove set forth, and for other good and valuable consideration, the receipt and sufficiency thereof being hereby acknowledged, and intending to be legally bound, the Seller and the Buyer hereby agree as follows:

ARTICLE 1

CERTAIN DEFINITIONS

1.1 The recitals set forth above are true and correct and are hereby incorporated herein by this reference.

1.2 The following terms used in this Agreement shall have the meanings set forth below:

- (1) "Assumed Obligations" shall have the meaning given in Section 2.4.
- (2) "Auction" shall have the meaning given in Section 6.5.
- (3) "Bid" shall have the meaning given in Section 6.5.
- (4) "Business Day" shall mean any day other than Saturday, Sunday or a day banks are authorized or required to be closed in Chicago, Illinois.
- (5) "Buyer's Deposits" shall have the meaning set forth in Section 3.3.
- (6) "Closing" shall mean the consummation of all transactions contemplated by this Agreement, which shall occur on the Closing Date.
- (7) "Closing Date" shall mean the date of the Closing which shall occur on any Business Day within seven (7) Business Days after the satisfaction of all conditions to Closing set forth in Article VII.

- (8) "Closing Statement" shall have the meaning set forth in Section 3.4.
- (9) "Deed" shall have the meaning ascribed to it in Section 3.2.
- (10) "Earnest Money" shall have the meaning ascribed to it in Section 2.7.
- (11) "Environmental Laws" shall mean all federal, state, local and foreign statutes, regulations, and ordinances concerning pollution or protection of the environment, as enacted or in effect on or prior to the Closing Date.
- (12) "Escrow" shall have the meaning given in Section 2.7.
- (13) "Excluded Obligations" shall have the meaning given in Section 2.5.
- (14) "Excluded Property" shall have the meaning ascribed to it in Section 2.2.
- (15) "Governmental Entity" shall mean any federal, state, municipal or local court, legislature, governmental agency, commission or regulatory authority or instrumentality.
- (16) "Hazardous Substances" shall mean any chemical, hazardous substance, pollutant, contaminant, or petroleum product regulated under any Environmental Law.
- (17) "Joint Escrow Instructions" shall have the meaning set forth in Section 3.4.
- (18) "Liabilities" shall mean, as to any Person, all debts, adverse claims, liabilities, commitments, responsibilities, and obligations of any kind or nature whatsoever, direct, indirect, absolute or contingent, of such Person, whether accrued, vested or otherwise, whether known or unknown and whether or not actually reflected, or required to be reflected, in such Person's balance sheets or other books and records.
- (19) "Non-Appealable" shall mean, with respect to any order or judgment of the Bankruptcy Court or any other court, an order or judgment as entered on the docket that has not been reversed, stayed, modified or amended and as to which the time to appeal, petition for certiorari, or seek reargument or rehearing has expired and no timely appeal, petition for certiorari, or request for reargument or rehearing is pending or as to which any right to appeal, reargue, petition for certiorari, or seek rehearing has been waived in writing in a manner reasonably satisfactory to the Buyer or, if an appeal, reargument, petition for certiorari, or rehearing thereof has been denied, the time to take any further appeal or to seek certiorari or further reargument or rehearing has expired.
- (20) "Permitted Encumbrances" shall mean: (i) taxes that are not yet due or delinquent; (ii) land use, building, zoning, entitlement and environmental rules and regulations; (iii) easements, covenants, restrictions, conditions, rights of way and similar matters of record; and (iv) liens of a definite or ascertainable amount which shall be removed by the payment of money at the time of Closing and which the Seller shall remove at that time by using the funds to be paid upon delivery of the Deed.

(21) "Person" shall mean any individual, group, corporation, partnership, limited liability company or other organization or entity.

(22) "Property" shall have the meaning ascribed to it in Section 2.1.

(23) "Purchase Price" shall have the meaning ascribed to it in Section 2.3.

(24) "Sale Order" shall mean the Non-Appealable order of the Bankruptcy Court pursuant to the Bankruptcy Code approving the sale and transfer of the Property free and clear of all liens, security interests, claims, assignments, pledges, encumbrances and charges pursuant to Section 363 of the Bankruptcy Code.

(25) "Seller's Deposits" shall have the meaning set forth in Section 3.3.

(26) "Title Commitment" shall have the meaning set forth in Section 6.2.

(27) "Title Company" shall refer to Chicago Title Insurance Company, a Missouri corporation, located at 171 N. Clark Street, Chicago, Illinois 60601.

(28) "Title Notice" shall have the meaning set forth in Section 6.3 hereof.

(29) "Title Policy" shall have the meaning set forth in Section 6.2.

(30) "Unpermitted Exceptions" shall have the meaning set forth in Section 6.3 hereto.

ARTICLE 2

SALE AND PURCHASE OF REAL PROPERTY

2.1 Property. The Seller agrees to sell to the Buyer and the Buyer agrees to buy from the Seller the real property which is more particularly described on Exhibit A attached hereto, and the building(s) located thereon, commonly known as Country General, Yuma Co., together with all easements, rights of way, servitudes, tenements, hereditaments, appurtenances, privileges and other rights with respect thereto owned by the Seller (the "Property").

2.2 Excluded Property. The Property shall not include any of Seller's right, title or interest in or to any assets or properties of the Seller that are not expressly enumerated in Section 2.1, including, without limitation, any of Seller's right, title or interest in or to any of Seller's inventory, furniture, equipment, fixtures, machinery or personal property (the "Excluded Property"), which shall be removed from the Property by the Seller prior to the Closing Date.

2.3 Purchase Price. The total purchase price for the Property shall be 125,000 and no/100s dollars (\$ 125,000 .00) as adjusted for prorations pursuant to Section 2.6 hereof (the "Purchase Price").

2.4 Assumed Obligations. The Buyer shall assume (i) all Liabilities of the Seller under the Property arising as of and after the Closing Date, (ii) all Liabilities arising under Environmental Laws related to or resulting from the operation of the Property as of and after the Closing Date, including but not limited to those arising out of the storage, handling or release of Hazardous Substances (including, without limitation, petroleum products or constituents thereof) at the Property after the Closing Date, and (iii) all state, county, and municipal transfer Taxes due as a result of the transactions contemplated by this Agreement (the "Assumed Obligations"). The foregoing are the only Liabilities of the Seller to be assumed by the Buyer in connection with the transactions contemplated by this Agreement or otherwise. Under no circumstance shall this Agreement be construed as obligating the Buyer to assume, perform, discharge, satisfy, or otherwise take responsibility for the performance of the Excluded Obligations.

2.5 Excluded Obligations. Notwithstanding anything in this Agreement to the contrary, the Buyer shall not assume, and shall be deemed not to have assumed, any Liabilities of the Seller except for the Assumed Obligations, and the Seller shall be solely and exclusively liable with respect to all Liabilities of the Seller other than the Assumed Obligations (collectively, the "Excluded Obligations").

2.6 Purchase Price Adjustments. Real estate taxes and assessments shall be prorated as of the Closing Date and shall be applied as an adjustment to the Purchase Price to be paid by the Buyer for the Property. Prorations shall be made based upon actual amounts due for the current period, to the extent available on the Closing Date, or, if such actual amounts are not then available, upon the actual amounts paid for the most recent prior period for which actual amounts are available.

2.7 Earnest Money. Upon the execution of this Agreement, Buyer shall deposit 12,500 and no/100s dollars (\$ 12,500) with the Title Company as an earnest money deposit (the "Earnest Money"). The Earnest Money shall be held by the Title Company in an interest bearing strict joint order escrow account (the "Escrow") for the mutual benefit of the parties. Buyer shall pay all charges and expenses in connection with the investment of the Earnest Money and the cost of the Escrow shall be paid equally by the Seller and the Buyer.

2.8 Condition of the Property. Notwithstanding anything else in this Agreement to the contrary:

(1) The Buyer acknowledges and agrees that the Buyer is purchasing the Property "AS-IS", "WHERE-IS", and "WITH ALL FAULTS", without any warranties, representations or guarantees, either express or implied, of any kind, nature, or type whatsoever from, or on behalf of, Seller. Without limiting the generality of the foregoing, Buyer acknowledges and agrees that Seller hereby expressly disclaims any and all implied warranties concerning the condition of the Property including, but not limited to, the implied warranties of merchantability and fitness for a particular purpose.

(2) Buyer acknowledges and agrees that Buyer has not relied, and will not rely, upon any representations or warranties (oral or written) made by or purportedly made on behalf of Seller. Buyer further acknowledges and agrees that Buyer has not relied, and will not rely, upon any

documents or other information (oral or written) provided by, or purportedly provided on behalf of, Seller, other than the documents actually delivered by Seller under this agreement.

(3) Buyer acknowledges and agrees that no representations by or on behalf of Seller have been made to Buyer as to the condition of the Property, the applicability of or compliance with any governmental requirements, including, but not limited to, the suitability of the Property for any purpose whatsoever. Buyer acknowledges that Buyer is not relying on any representation, or the lack of same, with respect to the condition of the Property. Buyer unconditionally waives and hereby releases Seller from and against any and all liability of Buyer, whether known or unknown, present or future, arising out of or relating to the condition of the Property, or of the fitness of the Property for any particular purpose.

ARTICLE 3

CLOSING

3.1 Closing. The Closing shall occur on the Closing Date at the offices of Kirkland & Ellis, 200 E. Randolph Drive, Suite 5400, Chicago, Illinois, unless otherwise mutually agreed in writing by the Parties. The Closing shall occur through a deed and money escrow to be held by the Title Company (the "Closing Escrow"). Upon the creation of the Closing Escrow, anything herein contained to the contrary notwithstanding, payment of the Purchase Price and delivery of the Deed shall be made through the Closing Escrow and this Agreement shall be deposited into the Closing Escrow.

3.2 Seller's Obligations at Closing. On the Closing Date, the Seller shall deliver or cause to be delivered to the Title Company the following (the "Seller's Deposits"):

- (1) A special warranty deed (the "Deed") for the Property from the Seller to Buyer in recordable form;
- (2) A duly executed counterpart of the Closing Escrow in the form of Exhibit B attached hereto;
- (3) A certified copy of the Sale Order;
- (4) All affidavits, undertakings and similar documents reasonably required by the Title Company to issue the Title Policy;
- (5) A letter of direction to the Title Company directing the deposit of the Earnest Money into the Closing Escrow; and
- (6) Such other documents reasonably requested by the Buyer.

3.3 Buyer's Obligations at Closing. On the Closing Date, the Buyer shall deliver or cause to be delivered to the Title Company the following (the "Buyer's Deposits"):

(1) A duly executed counterpart of the Closing Escrow in the form of Exhibit B attached hereto;

(2) Via wire transfer to the Title Company, in immediately available funds, the Purchase Price, adjusted for prorations and delivery of the Earnest Money;

(3) A letter of direction to the Title Company directing the deposit of the Earnest Money into the Closing Escrow; and

(4) Such other documents as may be reasonably requested by the Title Company or the Seller.

3.4 Closing Obligations. On the Closing Date, the Seller and the Buyer shall jointly make the following deliveries and determinations:

(1) The Seller and the Buyer shall jointly execute all required state, county and municipal transfer tax declarations;

(2) The Seller and the Buyer shall execute a closing statement reflecting the Purchase Price as adjusted pursuant to Section 2.6 (the "Closing Statement");

(3) The Seller shall deliver to the Buyer the keys, combinations to safes, and passwords, if any, to the Property; and

(4) The Seller and the Buyer shall jointly execute and deliver to the Title Company a joint direction to the Title Company directing the disbursement of the Purchase Price and delivery of Seller's Deposits and Buyer's Deposits from the Closing Escrow (the "Joint Escrow Instructions").

3.5 Costs and Expenses. The cost of the Closing Escrow and the "New York" style closing fee shall be divided equally between the Seller and Buyer. Seller and Buyer shall pay equally the costs and expenses of the recording of the Deed and the Sale Order, Buyer shall pay all recording fees for all mortgages and UCC-1's necessary to secure funds advanced to purchase the Property, and Seller shall be responsible for the payment of all recording fees for all releases of mortgages, UCC-3's and other documents recorded against the Property necessary to convey title to the Property subject only to Permitted Encumbrances. The Buyer shall be solely responsible for the payment of all sales, transfer, recording, stamp or similar taxes, if any, incurred in connection with the transfer of the Property.

ARTICLE 4 SELLER REPRESENTATIONS AND WARRANTIES

4.1 The Seller represents and warrants that:

(1) The Seller is a corporation duly organized and validly existing under the laws of the State of Delaware. The Seller has all requisite power and authority to carry on and conduct its business as it is now being conducted and to own its properties and assets, and is duly qualified to do business as a foreign corporation in _____.

(2) Subject to entry of the Sale Order, the Seller has full and requisite corporate power and authority to execute and deliver this Agreement and the Seller's Deposits and to perform its obligations hereunder and thereunder.

(3) Subject to entry of the Sale Order, this Agreement has been duly and validly executed and delivered by the Seller and constitutes, and each of the other agreements to be executed and delivered by the Seller pursuant hereto upon their execution and delivery will constitute, a valid and legally binding obligation of the Seller, enforceable against the Seller in accordance with their respective terms.

(4) The Seller is the owner of the Property and, subject to entry of the Sale Order, has, or will have on the Closing Date, marketable title to the Property, subject only to Permitted Encumbrances.

(5) There are no pending or, to Seller's knowledge, threatened condemnation, zoning, expropriation, eminent domain or similar proceedings affecting the Property, and the Seller has not received any written notice of any of such proceeding.

4.2 Survival. The representations and warranties of the Seller set forth in this Article IV shall not survive the Closing and delivery of the Deed.

ARTICLE 5 BUYER'S REPRESENTATIONS AND WARRANTIES

5.1 The Buyer represents and warrants that:

(1) It is an individual duly organized and validly existing under the laws of the State of Co., and it is duly qualified to do business in Colorado.

(2) It has full and requisite corporate power and authority to execute and deliver this Agreement and the Buyer's Deposits and to perform its obligations hereunder and thereunder.

(3) This Agreement has been duly and validly executed and delivered by Buyer and constitutes, and each of the other agreements to be executed and delivered by the Buyer pursuant hereto upon their execution and delivery will constitute, a valid and legally binding obligation of the Buyer, enforceable against Buyer in accordance with their respective terms.

(4) Buyer has access to sufficient financial resources to consummate the transactions contemplated herein.

5.2 Survival. The representations and warranties of the Seller set forth in this Article IV shall not survive the Closing and delivery of the Deed.

ARTICLE 6

COVENANTS

6.1 Condition of Property. From and after the date hereof until the Closing Date, the Seller hereby covenants to maintain the Property in substantially the same condition as existed as of the date of this Agreement, except for normal wear and tear and damage caused by casualty and condemnation;

6.2 Title Insurance. The Seller shall obtain promptly after the date of this Agreement and shall deliver a copy to Buyer prior to Closing, a commitment for an ALTA Owner's Policy of Title Insurance for the Property (the "Title Commitment"), issued by the Title Company in the amount of the Purchase Price, insuring Buyer's interest in the Property as of the Closing Date, subject only to the Permitted Encumbrances. The Seller shall cause the Title Company to issue to the Buyer a title insurance policy based upon the Title Commitment (the "Title Policy"), on the Closing Date. The Seller will deliver to the Title Company all affidavits, undertakings, and other title clearance documents reasonably necessary to cause the Title Company to issue the Title Policy. Each such Title Policy will be dated as of the Closing Date and insure title to the Property subject only to the Permitted Encumbrances. The Buyer shall pay all costs and expenses of the Title Commitment, Title Policy, and all related work charges.

6.3 Title Defects. If the Title Commitment shall disclose exceptions other than the Permitted Encumbrances (the "Unpermitted Exceptions"), then Buyer shall have three (3) Business Days from the date of delivery of the Title Commitment to deliver a written notice (the "Title Notice") to the Seller requesting removal of, or title insurance over, such Unpermitted Exceptions, whereupon the Seller shall have thirty (30) days thereafter in which to have the Unpermitted Exceptions removed from the Title Commitment or to have the Title Company commit to insure against loss or damage that may be occasioned by the Unpermitted Exceptions. If the Seller fails to have the Unpermitted Exceptions removed, or, in the alternative, to obtain title insurance over the Unpermitted Exceptions, within the specified time, then Buyer, as its sole and exclusive remedy therefore, may (i) terminate this Agreement upon notice to the Seller within five (5) Business Days after expiration of the thirty (30) day period, and such failure to have such Unpermitted Exceptions removed from title shall not be deemed a breach of this Agreement by Seller, or (ii) elect to take title as it then exists. If Buyer elects to take title to the Property, all Unpermitted Exceptions not removed or corrected by the Seller shall be deemed additional Permitted Encumbrances. If Buyer elects to terminate the Agreement as provided in this Section, Buyer shall receive a full refund of the Earnest Money and any interest earned thereon, but the exercise of such right shall not be deemed to be a breach of this Agreement by Seller.

6.4 Sale Order. As promptly as practicable after the date hereof, the Seller shall submit to the Bankruptcy Court a motion seeking the entry of the Sale Order. The Buyer shall cooperate with the Seller in obtaining Bankruptcy Court approval of the Sale Order, and the Seller shall use its best efforts to obtain approval of the Sale Order and shall deliver to the Buyer copies of pleadings, motions, notices, statements, schedules, applications, reports and other papers to be filed with the Bankruptcy Court relating to the Sale Order.

6.5 Auction. The Seller shall notify the Buyer if any written bids for the Property (each, a "Bid") are received by the Seller, and shall promptly deliver to the Buyer a copy of any Bids. All Bids shall be: (i) delivered to Seller c/o Kirkland & Ellis, 200 E. Randolph Street, Suite 5400, Chicago, Illinois 60601, Attn: Bradley V. Ritter, and to Buyer's counsel, [_____] , (ii) in the form of a written offer to purchase the Property on terms and conditions equivalent to this Agreement; and (iii) accompanied by a good faith deposit in the amount of ten percent (10%) of the amount of the purchase price set forth in the Bid. The Buyer shall have the right to participate in the auction of the Property (the "Auction"). The Auction shall take place at the offices of Kirkland & Ellis, 200 E. Randolph Street, Suite 5400, Chicago, Illinois, at 10:00 a.m. Chicago time on Feb. 6, 2002 , or at such other time as Seller shall designate.

6.6 Administrative Expense. In the event that the Buyer is not the successful bidder for the Property, the Seller shall use its good faith to gain the approval of the Bankruptcy Court to treat as an administrative expense claim payable at the closing of the Property to the successful bidder, Buyer's actual, demonstrated and verified out-of-pocket expenses, including, without limitation, attorney's and consultant's fees, reasonably incurred in connection with the Buyer's negotiation and revision of the terms hereof, and participation in the bidding and auction process.

ARTICLE 7

CONDITIONS TO BUYER'S AND SELLER'S OBLIGATIONS TO CLOSE

7.1 Conditions to Each Party's Obligations. Each party's respective obligations to effect the transactions contemplated by this Agreement shall be subject to the satisfaction at or prior to the Closing of the following conditions:

(1) There shall not be in effect any statute, regulation, order, appeal, stay, decree or judgment of any Governmental Entity which makes illegal or enjoins or prevents the consummation of the transactions contemplated by this Agreement.

(2) The Court shall have entered the Sale Order.

(3) The Title Company, the Seller and the Buyer, shall have executed the Closing Escrow.

7.2 Conditions to Obligations of the Buyer. The Buyer's obligation to effect the transactions contemplated by this Agreement shall be further subject to the satisfaction at or prior to the Closing of the following conditions:

(1) The representations and warranties of the Seller set forth in Article IV shall be true and correct as of the Closing Date with the same effect as though such representations and warranties had been made at and as of the Closing Date.

(2) The Seller shall have deposited into the Closing Escrow the Seller's Deposits.

- (3) The Title Company shall have issued to the Buyer the Title Policy.

7.3 Conditions to the Seller's Obligations. The Seller's obligations to effect the transactions contemplated by this Agreement shall be further subject to the satisfaction at or prior to the Closing of the following conditions:

(1) The representations and warranties of the Buyer set forth in Article V shall be true and correct as of the Closing Date with the same effect as though such representations and warranties had been made at and as of the Closing Date.

(2) The Buyer shall have performed in all material respects all obligations required to be performed by it under this Agreement at or prior to the Closing.

(3) The Buyer shall have deposited into the Closing Escrow the Buyer's Deposits.

ARTICLE 8 EVENTS OF DEFAULT

8.1 Defaults by the Seller. In the event of Seller's breach of any provision of this Agreement prior to the Closing Date, and the failure of Seller to cure such default within ten (10) days after being given written notice thereof, the Buyer will have the right to terminate this Agreement and recover from the Seller as administrative expense claims pursuant to Section 503 of the Bankruptcy Code its actual out-of-pocket expenses incurred in connection with this Agreement up to a maximum of Ten Thousand and 00/100 Dollars (\$10,000.00). The remedy provided in this Section 8.1 shall be the only remedy available to the Buyer under this Agreement for Seller's breach of this Agreement.

8.2 Defaults by the Buyer. The Seller and Buyer agree and acknowledge that as a result of the passage of time, fluctuating market conditions and other reasons, damages as a result of a breach of this Agreement by Buyer would be difficult, if not impossible, to calculate. Therefore, if Buyer should fail to consummate the sale contemplated herein and proceed to Closing for any reason after all of the conditions to Closing set forth in Section 7.1 and 7.2 of this Agreement have been waived or satisfied, then the Seller may, upon three (3) Business Days' written notice to Buyer, if such breach or failure is not cured within such three (3) Business Day period, terminate this Agreement, in which event the Earnest Money shall be forfeited and paid to the Seller as liquidated damages in lieu of all other remedies available to the Seller for such failure to proceed to Closing.

ARTICLE 9 MISCELLANEOUS

9.1 Notices. All notices, demands and other communications to be given or delivered under or by reason of the provisions of this Agreement will be in writing and will be deemed to have been given when personally delivered or mailed by certified or express mail, or by Federal Express or similar overnight courier service, with acknowledgment of receipt, postage or fees prepaid. Notices, demands and communications to the Seller and the Buyer will, unless another address is specified in writing, be sent to the addresses indicated below:

Notice to the Buyer:

Greg Jones
P.O. Box 420
Yuma, Co 80759
FAX: (970) 848-5315

Notice to Seller:

Quality Stores, Inc.
455 E. Ellis Road
Muskegon, MI 49443-3315
Attention: Michael Feder

9.2 Further Assurances. Each party to this Agreement agrees to use its best efforts to cause the conditions of its obligations hereunder to be satisfied on or prior to the Closing Date. Each party agrees to execute and deliver and provide access to any and all further agreements, documents and instruments reasonably necessary to effectuate this Agreement or the transactions referred to herein or which may reasonably be requested by the other party or parties to perfect or evidence its or their rights hereunder.

9.3 Expenses. Each of the parties hereto will bear its respective expenses incurred by and in connection with this Agreement and the transactions contemplated hereby, including, without limitation, attorney's and accountant's fees.

9.4 Counterparts. This Agreement may be executed in separate counterparts. It shall be fully executed when each party whose signature is required has signed at least one counterpart even though no one counterpart contains the signatures of all the parties.

9.5 Brokers. Other than the Seller's engagement of [____], the payment of whom is solely the Seller's responsibility, the Seller and the Buyer each to the other warrants and represents that it has not incurred and will not incur any liability for brokerage fees or agent's commissions in connection with this transaction, and agrees that it will hold harmless and indemnify the other party against and in respect of any claim of brokerage or other commissions relative to this Agreement and to the transactions contemplated hereby based on any Agreement or commitment made or alleged to have been made by or on behalf of the indemnifying party.

9.6 Successors and Assigns. Neither party hereto shall assign or transfer any rights or liabilities hereunder. Notwithstanding the prior sentence, the Buyer may assign all or any portion of its right, title and interest hereunder to a third party which is an Affiliate of the Buyer, so long as the Buyer remains obligated to the Seller for all of its duties, obligations and liabilities hereunder.

9.7 Entire Agreement; Governing Law and Jurisdiction. This Agreement sets forth the entire agreement of the Seller and the Buyer, and this Agreement shall not be changed or terminated

orally; shall be binding on or inure to the benefit of the successors or assigns of the Seller and the Buyer; and shall be governed by the laws of the State of Delaware. All disputes relating to this Agreement shall be brought before the Bankruptcy Court.

9.8 Disclosure. Any information set forth in any Schedule attached to this Agreement or incorporated in any Section of this Agreement shall be considered to have been set forth in each other Schedule to this Agreement. The information contained in the Schedules hereto is disclosed solely for the purposes of this Agreement, and no information contained therein shall be deemed to be an admission by any party hereto to any third party of any matter whatsoever, including of any violation of law or breach of any agreement.

IN WITNESS WHEREOF, the Seller and Buyer have executed this Agreement as of the day and year first above written.

SELLER

_____, a _____

By: P. D. Fitzmaurice
Name: Peter D. Fitzmaurice
Title: Chief Executive Officer

BUYER

G. Jones, an individual

By:
Name: Greg Jones
Title:

EXHIBIT A

Legal Description

Street Address

East Highway 34 and Flagstaff

Lot Definition

West ½ of Lot 4, Third Filing, Yuma Industrial Park Addition,
City of Yuma

Survey Plat

Attached

Legal Description

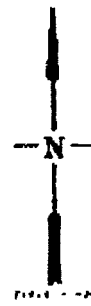
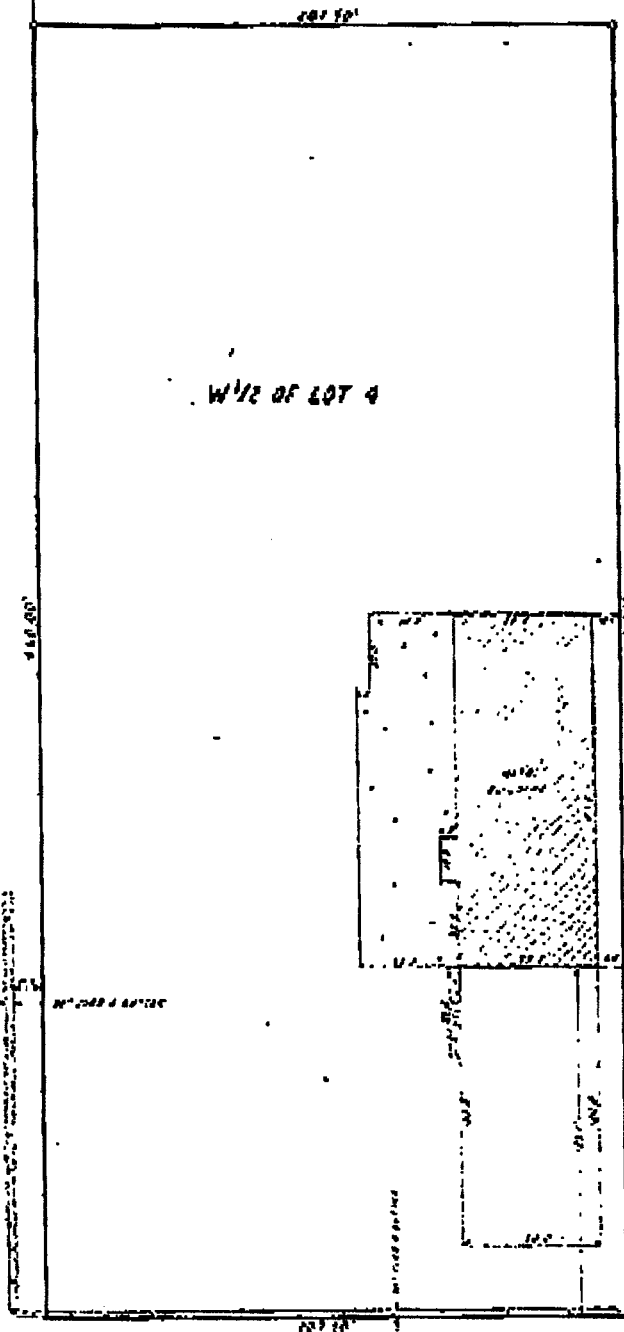
To be attached at a later date.

SURVEY PLAT FOR RANCH WHOLESALE SUPPLY INC.

June

STREET

FLAGSTAFF



WELL
WATER

U.S. HIGHWAY NO. 34

[Faint, illegible text and signature]

EXHIBIT B

PURCHASE AND SALE AGREEMENT

THIS AGREEMENT (the "Agreement") is made and entered into as of January 18, 2002, by and between Quality Stores, Inc., a Delaware Corporation (the "Seller"), and 21st Century Equipment, Inc., a Nebraska Corporation (the "Buyer").

W I T N E S S E T H:

WHEREAS, the Seller filed a voluntary petition (the "Petition") for relief under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. §101 et seq., as amended (the "Bankruptcy Code"), in the United States Bankruptcy Court for the Western District of Michigan (the "Bankruptcy Court") on November 1, 2001 (the "Filing Date") and has operated its business as a debtor-in-possession (as defined in Section 1101 of Bankruptcy Code) as authorized by Sections 1107 and 1108 of the Bankruptcy Code since the Filing Date; and

WHEREAS, the Seller owns certain Property (as herein defined), the Buyer desires to become the owner of the Property, and the Seller desires to transfer the Property to the Buyer on the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the recitals hereinabove set forth, and for other good and valuable consideration, the receipt and sufficiency thereof being hereby acknowledged, and intending to be legally bound, the Seller and the Buyer hereby agree as follows:

ARTICLE 1

CERTAIN DEFINITIONS

1.1 The recitals set forth above are true and correct and are hereby incorporated herein by this reference.

1.2 The following terms used in this Agreement shall have the meanings set forth below:

- (1) "Assumed Obligations" shall have the meaning given in Section 2.4.
- (2) "Auction" shall have the meaning given in Section 6.5.
- (3) "Bid" shall have the meaning given in Section 6.5.
- (4) "Bill of Sale" shall have the meaning given in Section 3.2.
- (5) "Business Day" shall mean any day other than Saturday, Sunday or a day banks are authorized or required to be closed in Chicago, Illinois.
- (6) "Buyer's Deposits" shall have the meaning set forth in Section 3.3.
- (7) "Closing" shall mean the consummation of all transactions contemplated by this Agreement, which shall occur on the Closing Date.

(8) “Closing Date” shall mean the date of the Closing which shall occur on any Business Day within seven (7) Business Days after the satisfaction of all conditions to the Closing set forth in Article VII.

(9) “Closing Statement” shall have the meaning set forth in Section 3.4.

(10) “Deed” shall have the meaning ascribed to it in Section 3.2.

(11) “Earnest Money” shall have the meaning ascribed to it in Section 2.7.

(12) “Environmental Laws” shall mean all federal, state, local and foreign statutes, regulations, and ordinances concerning pollution or protection of the environment, as enacted or in effect on or prior to the Closing Date.

(13) “Equipment” shall mean the furniture, fixtures, improvements, systems, signage (other than the Seller’s nameplates), sign poles, machinery and equipment owned by the Sellers currently located at the Real Property, but shall exclude Excluded Property.

(14) “Escrow” shall have the meaning given in Section 2.7.

(15) “Excluded Obligations” shall have the meaning given in Section 2.5.

(16) “Excluded Property” shall have the meaning ascribed to it in Section 2.2.

(17) “Governmental Entity” shall mean any federal, state, municipal or local court, legislature, governmental agency, commission or regulatory authority or instrumentality.

(18) “Hazardous Substances” shall mean any chemical, hazardous substance, pollutant, contaminant, or petroleum product regulated under any Environmental Law.

(19) “Joint Escrow Instructions” shall have the meaning set forth in Section 3.4.

(20) “Liabilities” shall mean, as to any Person, all debts, adverse claims, liabilities, commitments, responsibilities, and obligations of any kind or nature whatsoever, direct, indirect, absolute or contingent, of such Person, whether accrued, vested or otherwise, whether known or unknown and whether or not actually reflected, or required to be reflected, in such Person’s balance sheets or other books and records.

(21) “Non-Appealable” shall mean, with respect to any order or judgment of the Bankruptcy Court or any other court, an order or judgment as entered on the docket that has not been reversed, stayed, modified or amended and as to which the time to appeal, petition for certiorari, or seek reargument or rehearing has expired and no timely appeal, petition for certiorari, or request for reargument or rehearing is pending or as to which any right to appeal, reargue, petition for certiorari, or seek rehearing has been waived in writing in a manner reasonably satisfactory to the Buyer or, if an appeal, reargument, petition for certiorari, or rehearing thereof has been denied, the time to take any further appeal or to seek certiorari or further reargument or rehearing has expired.

(22) “Permitted Encumbrances” shall mean: (i) taxes that are not yet due or delinquent; (ii) land use, building, zoning, entitlement and environmental rules and regulations; (iii) easements, covenants, restrictions, conditions, rights of way and similar matters of record; and (iv) liens of a definite or ascertainable amount which shall be removed by the payment of money at the time of Closing and which the Seller shall remove at that time by using the funds to be paid upon delivery of the Deed.

(23) “Person” shall mean any individual, group, corporation, partnership, limited liability company or other organization or entity.

(24) “Property” shall have the meaning ascribed to it in Section 2.1.

(25) “Purchase Price” shall have the meaning ascribed to it in Section 2.3.

(26) “Real Property” shall have the meaning ascribed to it in Section 2.1.

(27) “Sale Order” shall mean the Non-Appealable order of the Bankruptcy Court pursuant to the Bankruptcy Code approving the sale and transfer of the Property free and clear of all liens, security interests, claims, assignments, pledges, encumbrances and charges pursuant to Section 363 of the Bankruptcy Code.

(28) “Seller’s Deposits” shall have the meaning set forth in Section 3.3.

(29) “Title Commitment” shall have the meaning set forth in Section 6.2.

(30) “Title Company” shall refer to Chicago Title Insurance Company, a Missouri corporation, located at 171 N. Clark Street, Chicago, Illinois 60601.

(31) “Title Cure Period” shall have the meaning set forth in Section 6.3.

(32) “Title Notice” shall have the meaning set forth in Section 6.3 hereof.

(33) “Title Policy” shall have the meaning set forth in Section 6.2.

(34) “Unpermitted Exceptions” shall have the meaning set forth in Section 6.3 hereto.

ARTICLE 2

SALE AND PURCHASE OF PROPERTY

2.1 Property. The Seller agrees to sell to the Buyer and the Buyer agrees to buy from the Seller the “Real Property” described on Exhibit A and the building(s) located thereon, together with all easements, rights of way, servitudes, tenements, hereditaments, appurtenances, privileges and other rights with respect thereto owned by the Seller along with all Equipment (the “Property”).

2.2 Excluded Property. The Property shall not include any of Seller's right, title or interest in or to any assets or properties of the Seller that are not expressly enumerated in Section 2.1, including, without limitation, any of Seller's right, title or interest in or to any of Seller's inventory, non-owned vendor-supplied equipment, and fixtures and any other items listed on Exhibit B attached hereto (the "Excluded Property"), which shall be removed from the Property by the Seller prior to the Closing Date.

2.3 Purchase Price. The total purchase price for the Property shall be \$1,289,000 as adjusted for prorations pursuant to Section 2.6 hereof (the "Purchase Price"). The Seller and the Buyer agree that the Purchase Price will be allocated to the Property for Tax purposes as shown on Exhibit A.

2.4 Assumed Obligations. The Buyer shall assume (i) all Liabilities concerning the Property arising as of and after the Closing Date, (ii) all Liabilities arising under Environmental Laws related to or resulting from the operation of the Property as of and after the Closing Date, including but not limited to those arising out of the storage, handling or release of Hazardous Substances (including, without limitation, petroleum products or constituents thereof) at the Property after the Closing Date, and (iii) all state, county, and municipal transfer Taxes due as a result of the transactions contemplated by this Agreement (the "Assumed Obligations"). The foregoing are the only Liabilities of the Seller to be assumed by the Buyer in connection with the transactions contemplated by this Agreement or otherwise. Under no circumstance shall this Agreement be construed as obligating the Buyer to assume, perform, discharge, satisfy, or otherwise take responsibility for the performance of the Excluded Obligations.

2.5 Excluded Obligations. Notwithstanding anything in this Agreement to the contrary, the Buyer shall not assume, and shall be deemed not to have assumed, any Liabilities of the Seller except for the Assumed Obligations, and the Seller shall be solely and exclusively liable with respect to all Liabilities of the Seller other than the Assumed Obligations (collectively, the "Excluded Obligations").

2.6 Purchase Price Adjustments. Real estate taxes and assessments shall be prorated as of the Closing Date and shall be applied as an adjustment to the Purchase Price to be paid by the Buyer for the Property. Prorations shall be made based upon actual amounts due for the current period, to the extent available on the Closing Date, or, if such actual amounts are not then available, upon the actual amounts paid for the most recent prior period for which actual amounts are available.

2.7 Earnest Money. Upon the execution of this Agreement, Buyer shall deposit \$64,450 with the Title Company as an earnest money deposit (the "Earnest Money"). The Earnest Money shall be held by the Title Company in an interest bearing strict joint order escrow account (the "Escrow") for the mutual benefit of the parties. Buyer shall pay all charges and expenses in connection with the investment of the Earnest Money and the cost of the Escrow shall be paid equally by the Seller and the Buyer.

2.8 Condition of the Property. Notwithstanding anything else in this Agreement to the contrary:

(1) The Buyer acknowledges and agrees that the Buyer is purchasing the Property “AS-IS”, “WHERE-IS”, and “WITH ALL FAULTS”, without any warranties, representations or guarantees, either express or implied, of any kind, nature, or type whatsoever from, or on behalf of, Seller. Without limiting the generality of the foregoing, Buyer acknowledges and agrees that Seller hereby expressly disclaims any and all implied warranties concerning the condition of the Property including, but not limited to, the implied warranties of merchantability and fitness for a particular purpose.

(2) Buyer acknowledges and agrees that Buyer has not relied, and will not rely, upon any representations or warranties (oral or written) made by or purportedly made on behalf of Seller. Buyer further acknowledges and agrees that Buyer has not relied, and will not rely, upon any documents or other information (oral or written) provided by, or purportedly provided on behalf of, Seller, other than the documents actually delivered by Seller under this agreement.

(3) Buyer acknowledges and agrees that no representations by or on behalf of Seller have been made to Buyer as to the condition of the Property, the applicability of or compliance with any governmental requirements, including, but not limited to, the suitability of the Property for any purpose whatsoever. Buyer acknowledges that Buyer is not relying on any representation, or the lack of same, with respect to the condition of the Property. Buyer unconditionally waives and hereby releases Seller from and against any and all liability of Buyer, whether known or unknown, present or future, arising out of or relating to the condition of the Property, or of the fitness of the Property for any particular purpose.

ARTICLE 3

CLOSING

3.1 Closing. The Closing shall occur on the Closing Date at the offices of Kirkland & Ellis, 200 E. Randolph Drive, Suite 5400, Chicago, Illinois, unless otherwise mutually agreed in writing by the Parties. The Closing shall occur through a deed and money escrow to be held by the Title Company (the “Closing Escrow”). Upon the creation of the Closing Escrow, anything herein contained to the contrary notwithstanding, payment of the Purchase Price and delivery of the Deed shall be made through the Closing Escrow and this Agreement shall be deposited into the Closing Escrow.

3.2 Seller’s Obligations at Closing. On the Closing Date, the Seller shall deliver or cause to be delivered to the Title Company the following (the “Seller’s Deposits”):

(1) A special warranty deed (the “Deed”) from the Seller to the Buyer for the Real Property in recordable form;

(2) A bill of sale (the “Bill of Sale”) for the Equipment in form and substance agreeable to the parties.

(3) A duly executed counterpart of the Closing Escrow in the form of Exhibit C attached hereto;

- (4) A certified copy of the Sale Order;
- (5) All affidavits, undertakings and similar documents reasonably required by the Title Company to issue the Title Policy;
- (6) A letter of direction to the Title Company directing the deposit of the Earnest Money into the Closing Escrow; and
- (7) Such other documents reasonably requested by the Buyer.

3.3 Buyer's Obligations at Closing. On the Closing Date, the Buyer shall deliver or cause to be delivered to the Title Company the following (the "Buyer's Deposits"):

- (1) A duly executed counterpart of the Closing Escrow in the form of Exhibit C attached hereto;
- (2) Via wire transfer to the Title Company, in immediately available funds, the Purchase Price, adjusted for prorations and delivery of the Earnest Money;
- (3) A letter of direction to the Title Company directing the deposit of the Earnest Money into the Closing Escrow; and
- (4) Such other documents as may be reasonably requested by the Title Company or the Seller.

3.4 Closing Obligations. On the Closing Date, the Seller and the Buyer shall jointly make the following deliveries and determinations:

- (1) The Seller and the Buyer shall jointly execute all required state, county and municipal transfer tax declarations;
- (2) The Seller and the Buyer shall execute a closing statement reflecting the Purchase Price as adjusted pursuant to Section 2.6 (the "Closing Statement");
- (3) The Seller shall deliver to the Buyer the keys, combinations to safes, and passwords, if any, to the Property; and
- (4) The Seller and the Buyer shall jointly execute and deliver to the Title Company a joint direction to the Title Company directing the disbursement of the Purchase Price and delivery of Seller's Deposits and Buyer's Deposits from the Closing Escrow (the "Joint Escrow Instructions").

3.5 Costs and Expenses. The cost of the Closing Escrow and the "New York" style closing fee shall be divided equally between the Seller and Buyer. Seller and Buyer shall pay equally the costs and expenses of the recording of the Deed and the Sale Order, Buyer shall pay all recording fees for all mortgages and UCC-1's necessary to secure funds advanced to purchase the Property, and Seller shall be responsible for the payment of all recording fees for all releases of

mortgages, UCC-3's and other documents recorded against the Property necessary to convey title to the Property subject only to Permitted Encumbrances. The Buyer shall be solely responsible for the payment of all sales, transfer, recording, stamp or similar taxes, if any, incurred in connection with the transfer of the Property.

ARTICLE 4

SELLER REPRESENTATIONS AND WARRANTIES

4.1 The Seller represents and warrants that:

(1) The Seller is a corporation duly organized and validly existing under the laws of the State of Delaware. The Seller has all requisite power and authority to carry on and conduct its business as it is now being conducted and to own its properties and assets, and is duly qualified to do business as a foreign corporation in Nebraska.

(2) Subject to entry of the Sale Order, the Seller has full and requisite corporate power and authority to execute and deliver this Agreement and the Seller's Deposits and to perform its obligations hereunder and thereunder.

(3) Subject to entry of the Sale Order, this Agreement has been duly and validly executed and delivered by the Seller and constitutes, and each of the other agreements to be executed and delivered by the Seller pursuant hereto upon their execution and delivery will constitute, a valid and legally binding obligation of the Seller, enforceable against the Seller in accordance with their respective terms.

(4) The Seller is the owner of the Property and, subject to entry of the Sale Order, has, or will have on the Closing Date, marketable title to the Property, subject only to Permitted Encumbrances.

(5) There are no pending or, to Seller's knowledge, threatened condemnation, zoning, expropriation, eminent domain or similar proceedings affecting the Property, and the Seller has not received any written notice of any of such proceeding.

4.2 Survival. The representations and warranties of the Seller set forth in this Article IV shall not survive the Closing and delivery of the Deed.

ARTICLE 5

BUYER'S REPRESENTATIONS AND WARRANTIES

5.1 The Buyer represents and warrants that:

(1) It is a corporation duly organized, and validly existing under the laws of the Nebraska, and it is duly qualified to do business in Nebraska.

(2) It has full and requisite corporate power and authority to execute and deliver this Agreement and the Buyer's Deposits and to perform its obligations hereunder and thereunder.

(3) This Agreement has been duly and validly executed and delivered by Buyer and constitutes, and each of the other agreements to be executed and delivered by the Buyer pursuant hereto upon their execution and delivery will constitute, a valid and legally binding obligation of the Buyer, enforceable against Buyer in accordance with their respective terms.

(4) Buyer has access to sufficient financial resources to consummate the transactions contemplated herein.

5.2 Survival. The representations and warranties of the Buyer set forth in this Article V shall not survive the Closing and delivery of the Deed.

ARTICLE 6

COVENANTS

6.1 Condition of Property. The Seller shall bear all risk of loss with respect to the Property prior to the Closing Date. From and after the date hereof until the Closing Date, the Seller hereby covenants to maintain the Property in substantially the same condition as existed as of the date of this Agreement, except for normal wear and tear and damage caused by casualty and condemnation;

6.2 Title Insurance. The Seller shall obtain promptly after the date of this Agreement and shall deliver a copy to Buyer prior to Closing, a commitment for an ALTA Owner's Policy of Title Insurance for the Property (the "Title Commitment"), issued by the Title Company in the amount of the Purchase Price, insuring Buyer's interest in the Property as of the Closing Date, subject only to the Permitted Encumbrances. The Seller shall cause the Title Company to issue to the Buyer a title insurance policy based upon the Title Commitment (the "Title Policy"), on the Closing Date. The Seller will deliver to the Title Company all affidavits, undertakings, and other title clearance documents reasonably necessary to cause the Title Company to issue the Title Policy. Each such Title Policy will be dated as of the Closing Date and insure title to the Property subject only to the Permitted Encumbrances. The Buyer shall pay all costs and expenses of the Title Commitment, Title Policy, and all related work charges.

6.3 Title Defects. Title Defects. If the Title Commitment shall disclose exceptions other than the Permitted Encumbrances (the "Unpermitted Exceptions"), then Buyer shall have three (3) Business Days from the date of delivery of the Title Commitment to deliver a written notice (the "Title Notice") to the Seller requesting removal of, or title insurance over, such Unpermitted Exceptions, whereupon the Seller shall have thirty (30) days thereafter (such period, the "Title Cure Period") in which to have the Unpermitted Exceptions removed from the Title Commitment or to have the Title Company commit to insure against loss or damage that may be occasioned by the Unpermitted Exceptions. If the Seller fails to have the Unpermitted Exceptions removed, or, in the alternative, to obtain title insurance over the Unpermitted Exceptions, within the specified time, then Buyer, as its sole and exclusive remedy therefore, may (i) terminate this Agreement upon notice to the Seller within five (5) Business Days after expiration of the thirty (30) day period, and such failure to have such Unpermitted Exceptions removed from title shall not be deemed a breach of this Agreement by Seller, or (ii) elect to take title as it then exists. If Buyer elects to take title to the Property, all Unpermitted Exceptions not removed or corrected by the Seller

shall be deemed additional Permitted Encumbrances. If Buyer elects to terminate the Agreement as provided in this Section, Buyer shall receive a full refund of the Earnest Money and any interest earned thereon, but the exercise of such right shall not be deemed to be a breach of this Agreement by Seller.

6.4 Sale Order. As promptly as practicable after the date hereof, the Seller shall submit to the Bankruptcy Court a motion seeking the entry of the Sale Order. The Buyer shall cooperate with the Seller in obtaining Bankruptcy Court approval of the Sale Order, and the Seller shall use its best efforts to obtain approval of the Sale Order and shall deliver to the Buyer copies of pleadings, motions, notices, statements, schedules, applications, reports and other papers to be filed with the Bankruptcy Court relating to the Sale Order.

6.5 Auction. The Seller shall notify the Buyer if any written bids for the Property (each, a "Bid") are received by the Seller, and shall promptly deliver to the Buyer a copy of any Bids. All Bids shall be: (i) delivered to Seller c/o Kirkland & Ellis, 200 E. Randolph Street, Suite 5400, Chicago, Illinois 60601, Attn: Bradley V. Ritter, and to Buyer's counsel, Rick L. Ediger c/o Simmons Olsen Law Firm, 1502 2nd Avenue, Scottsbluff, NE 69361, (ii) in the form of a written offer to purchase the Property on terms and conditions equivalent to this Agreement; and (iii) accompanied by a good faith deposit in the amount of ten percent (10%) of the amount of the purchase price set forth in the Bid. The Buyer shall have the right to participate in the auction of the Property (the "Auction"). The Auction shall take place at the offices of Kirkland & Ellis, 200 E. Randolph Street, Suite 5400, Chicago, Illinois, at 10:00 a.m. Chicago time on February 15, 2002, or at such other time as Seller shall designate.

6.6 Administrative Expense. In the event that the Buyer is not the successful bidder for the Property, the Seller shall use its good faith to gain the approval of the Bankruptcy Court to treat as an administrative expense claim payable at the closing of the Property to the successful bidder, Buyer's actual, demonstrated and verified out-of-pocket expenses, including, without limitation, attorney's and consultant's fees, reasonably incurred in connection with the Buyer's negotiation and revision of the terms hereof, and participation in the bidding and auction process.

ARTICLE 7

CONDITIONS TO BUYER'S AND SELLER'S OBLIGATIONS TO CLOSE

7.1 Conditions to Each Party's Obligations. Each party's respective obligations to effect the transactions contemplated by this Agreement shall be subject to the satisfaction at or prior to the Closing of the following conditions:

(1) There shall not be in effect any statute, regulation, order, appeal, stay, decree or judgment of any Governmental Entity which makes illegal or enjoins or prevents the consummation of the transactions contemplated by this Agreement.

(2) The Court shall have entered the Sale Order.

(3) The Title Company, the Seller and the Buyer, shall have executed the Closing Escrow.

7.2 Conditions to Obligations of the Buyer. The Buyer's obligation to effect the transactions contemplated by this Agreement shall be further subject to the satisfaction at or prior to the Closing of the following conditions:

- (1) The representations and warranties of the Seller set forth in Article IV shall be true and correct as of the Closing Date with the same effect as though such representations and warranties had been made at and as of the Closing Date.
- (2) The Seller shall have deposited into the Closing Escrow the Seller's Deposits.
- (3) The Title Company shall have issued to the Buyer the Title Policy.
- (4) The Buyer shall have been the successful bidder as to all 4 locations listed on Exhibit A; it being understood, however, that Seller may, in its sole discretion, sell the stores individually to the highest and best bidder pursuant to the Auction.

7.3 Conditions to the Seller's Obligations. The Seller's obligations to effect the transactions contemplated by this Agreement shall be further subject to the satisfaction at or prior to the Closing of the following conditions:

- (1) The representations and warranties of the Buyer set forth in Article V shall be true and correct as of the Closing Date with the same effect as though such representations and warranties had been made at and as of the Closing Date.
- (2) The Buyer shall have performed in all material respects all obligations required to be performed by it under this Agreement at or prior to the Closing.
- (3) The Buyer shall have deposited into the Closing Escrow the Buyer's Deposits.
- (4) The Title Cure Period shall have expired.

ARTICLE 8

MISCELLANEOUS

8.1 Termination by the Buyer. In the event of (i) Seller's breach of any provision of this Agreement prior to the Closing Date, and the failure of Seller to cure such default within ten (10) days after being given written notice thereof, or (ii) the Closing shall not have occurred on or prior to March 3, 2002, then the Buyer will have the right to terminate this Agreement and Earnest Money shall be refunded to the Buyer as the Buyer's sole and exclusive remedy therefor.

8.2 Termination by the Seller. The Seller and Buyer agree and acknowledge that as a result of the passage of time, fluctuating market conditions or any other reasons, damages as a result of a breach of this Agreement by Buyer would be difficult, if not impossible, to calculate. Therefore, if the Closing has not occurred on or prior to March 3, 2002 solely as a result of a breach or default by the Buyer and the Seller is not then in breach or default, then the Seller may terminate this agreement by written notice to the Buyer. Notwithstanding anything to the contrary contained

herein, in the event of such termination, the Seller shall be entitled to retain the Earnest Money as liquidated damages as the Seller's sole and exclusive remedy, and not as a penalty.

8.3 Notices. All notices, demands and other communications to be given or delivered under or by reason of the provisions of this Agreement will be in writing and will be deemed to have been given when personally delivered or mailed by certified or express mail, or by Federal Express or similar overnight courier service, with acknowledgment of receipt, postage or fees prepaid. Notices, demands and communications to the Seller and the Buyer will, unless another address is specified in writing, be sent to the addresses indicated below:

Notice to the Buyer:

21st Century Equipment, Inc.
Route 1, Box 61
Bridgeport, NE 69336
Attention: Owen A. Palm
FAX: 308-262-1451

Notice to Seller:

Quality Stores, Inc.
455 E. Ellis Road
Muskegon, MI 49443-3315
Attention: Tom Reinebach

8.4 Further Assurances. Each party to this Agreement agrees to use its best efforts to cause the conditions of its obligations hereunder to be satisfied on or prior to the Closing Date. Each party agrees to execute and deliver and provide access to any and all further agreements, documents and instruments reasonably necessary to effectuate this Agreement or the transactions referred to herein or which may reasonably be requested by the other party or parties to perfect or evidence its or their rights hereunder.

8.5 Expenses. Each of the parties hereto will bear its respective expenses incurred by and in connection with this Agreement and the transactions contemplated hereby, including, without limitation, attorney's and accountant's fees.

8.6 Counterparts. This Agreement may be executed in separate counterparts. It shall be fully executed when each party whose signature is required has signed at least one counterpart even though no one counterpart contains the signatures of all the parties.

8.7 Brokers. Other than the Seller's engagement of one or more brokers, the payment of whom is solely the Seller's responsibility, the Seller and the Buyer each to the other warrants and represents that it has not incurred and will not incur any liability for brokerage fees or agent's commissions in connection with this transaction, and agrees that it will hold harmless and indemnify the other party against and in respect of any claim of brokerage or other commissions relative to this Agreement and to the transactions contemplated hereby based on any Agreement or commitment made or alleged to have been made by or on behalf of the indemnifying party.

8.8 Successors and Assigns. Neither party hereto shall assign or transfer any rights or liabilities hereunder. Notwithstanding the prior sentence, the Buyer may assign all or any portion of its right, title and interest hereunder to a third party which is an Affiliate of the Buyer, so long as the Buyer remains obligated to the Seller for all of its duties, obligations and liabilities hereunder.

8.9 Entire Agreement; Governing Law and Jurisdiction. This Agreement sets forth the entire agreement of the Seller and the Buyer, and this Agreement shall not be changed or terminated orally; shall be binding on or inure to the benefit of the successors or assigns of the Seller and the Buyer; and shall be governed by the laws of the State of Delaware. All disputes relating to this Agreement shall be brought before the Bankruptcy Court.

8.10 Disclosure. Any information set forth in any Schedule attached to this Agreement or incorporated in any Section of this Agreement shall be considered to have been set forth in each other Schedule to this Agreement. The information contained in the Schedules hereto is disclosed solely for the purposes of this Agreement, and no information contained therein shall be deemed to be an admission by any party hereto to any third party of any matter whatsoever, including of any violation of law or breach of any agreement.

IN WITNESS WHEREOF, the Seller and Buyer have executed this Agreement as of the day and year first above written.

SELLER

Quality Stores, Inc., a Delaware corporation,

By: *P. D. Fitzmaurice*
Name: *Peter D. Fitzmaurice*
Title: *Chief Executive Officer*

BUYER

21st Century Equipment, Inc., a Nebraska corporation,

By:
Name: *Owen A. Palm*
Title: *President*

IN WITNESS WHEREOF, the Seller and Buyer have executed this Agreement as of the day and year first above written.

SELLER

Quality Stores, Inc., a Delaware corporation,

By:
Name:
Title:

BUYER

21st Century Equipment, Inc., a Nebraska corporation,

By: 
Name: Owen A. Palm
Title: President

EXHIBIT A

<u>Store#</u>	<u>Location</u>	Allocation to:		<u>Total</u>
		<u>Real Estate</u>	<u>Equipment</u>	
638	Alliance, NE	\$185,000	\$23,000	\$208,000
668	Ogallala, NE	\$120,000	\$21,000	\$141,000
674	Scottsbluff, NE	\$710,000	\$40,000	\$750,000
676	Sidney, NE	\$170,000	\$20,000	\$190,000
	Totals:	\$1,185,000	\$104,000	\$1,289,000

EXHIBIT B

Excluded Equipment Listing

ITEMS TO BE EXCLUDED FROM SALE

Two-way Radios
Cash Registers
Hand-Held Terminals
IGAPS (Communication device for Handheld Terminals)
Phone Systems
Forklifts (Mostly leased units)
Computer System routers, CSU's, DSU's and modems

VENDOR DISPLAYS TO BE EXCLUDED FROM SALE AND RETRIEVED BY THE VENDOR. (Otherwise will be abandoned (by seller) at closing of sale)

Steelworks display racks
Reese Hitch display
Culligan Display
Curtice/Hillman--Key machine
Union Tool Hooks
Ruckers Racks (Multiple candy and front-end display racks)
Valhomma Display hooks
COKE Cooler
Silversmith Display case
Wrangler Jean rack
Wire Boot racks
Union Rolling Racks

EXHIBIT C

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION**

In re:	)	Chapter 11
)	
Quality Stores, Inc., et al.,¹	)	Case No. GG-01-10662
	)	(Jointly Administered)
Debtors.)	
	)	Hon. James D. Gregg

DEBTORS' BIDDING PROCEDURES

These Bidding Procedures set forth the process by which the Debtors will conduct a sale by auction (the "Auction") of certain owned real property.

1. Assets to be Sold.

The Debtors have entered into two purchase agreements to sell five parcels of real property (the "Real Property"). The purchase agreements are attached to the Motion as Exhibit A and B (the "Purchase Agreements"). Prospective bidders, if any, may qualify for and participate in the Auction, to compete to make the highest and best offer for any or all of the Real Property locations.

All inquiries concerning the Real Property should be made to the Debtors' Real Estate Broker consisting of any one of the following three firms: (a) Keen Realty, LLC, 60 Cutter Mill Road, Suite 407, Great Neck, NY 10021-3104, Attn: Harold J. Bordwin or Michael Matlat, Telephone: 516-482-2700 or Facsimile: 516-482-5764; (b) CB Richard Ellis Martin, 1111 Michigan Avenue, Suite 201, East Lansing, MI 48823, Attn: Jeff Cutler, Telephone: 517-351-2200, ext. 132, Facsimile: 517-351-2201 or (c) Atlas Partners, LLC, 55 East Monroe, Suite 1890, Chicago, IL 60603, Attn: Biff Ruttenberg. In addition, information about the Real Property is also available at the Real Estate Broker's web-site at www.qualitystoresrealestate.com.

2. Bid Deadline.

Any bidder desiring to qualify for participation in the Auction must deliver its Qualified Offer (as described in Section 3) in writing to:

(a) the Debtors' co-counsel:

(i) Kirkland & Ellis, 200 E. Randolph, Chicago, IL 60601, Attn: Bradley Ritter, Esq.; and

¹The Debtors are the following entities: QSI Holdings, Inc. (f/k/a CT Holdings, Inc.); Quality Stores, Inc. (f/k/a Central Tractor Farm & Country, Inc.); Country General, Inc.; F and C Holding, Inc.; FarmandCountry.com, LLC.; QSI Newco, Inc.; QSI Transportation, Inc.; Quality Farm & Fleet, Inc.; Quality Investments, Inc.; Quality Stores Services, Inc; and Vision Transportation, Inc.

- (ii) Varnum, Riddering, Schmidt & Howlett, LLP, Bridgewater Place, 333 Bridgewater Street, N.W., Grand Rapids, MI 49501-0352, Attn: Timothy J. Curtin, Esq.;
- (b) counsel to the Administrative Agent for the Prepetition Lenders:
 - (i) Shearman & Sterling, 599 Lexington Avenue, New York, NY 10022-6030, Attn: Benjamin Feder, Esq.; and
 - (ii) Dykema Gossett, 300 Ottawa Ave., N.W., Grand Rapids, MI 49503, Attn: Scott W. Dales
- (c) co-counsel for the Official Committee:
 - (i) Hertz, Schram, & Saretsky, P.C., 1760 South Telegraph Road, Suite 300, Bloomfield Hills, Michigan 48302, Attn: Robert Hertzberg; and
 - (ii) White & Case LLP, First Union Financial Center, 200 South Biscayne Boulevard, Suite 4900, Miami, Florida 33131, Attn: John K. Cunningham, and
- (d) the Real Estate Broker, Keen Consultants, LLC, 60 Cutter Mill Road, Suite 407, Great Neck, NY 11021-3104, Attn: Harold J. Bordwin

such that the Qualified Competing Offer is actually received by each of the foregoing persons not later than **4:00 p.m. Eastern Standard Time on February 13, 2002** (the “Bidding Deadline”). Offers received after this deadline may be rejected in the discretion of the Debtors.

3. Requirements for a Qualified Offer.

A Qualified Offer is an offer that complies with the Bid Procedures described herein.

Unless the Debtors determine otherwise, a Qualified Offer must consist of the following:

- (a) an executed version of the respective Purchase Agreements with marked alterations, if any;

- (b) a money deposit (the "Deposit") equal to **10%** of the total proposed purchase price (based upon the total of cash and non-cash consideration) in the form of a certified or cashier's check or wire transfer of funds²
- (c) an Offer and Bid Registration in the form attached hereto as Exhibit I; and
- (d) the information specified in the following paragraphs.

Bidders shall send the original documents and the Deposits to counsel to counsel to the Debtors, Kirkland & Ellis, 200 E. Randolph, Chicago, IL 60601, Attn: Bradley Ritter. The Debtors reserve the right to hold deposits until five days after the closing on the respective parcel of Real Property.

To be considered by the Debtors, a Qualified Offer must (unless otherwise determined by the Debtors): (a) provide for consideration payable only in cash, unless such offer is from a landlord; (b) give sufficient indicia that the bidder or its representative is legally empowered, by power of attorney or otherwise both bid on behalf of the bidder and also to complete and sign, on behalf of the bidder, a binding and enforceable Purchase Agreement; (c) provide written evidence of the bidder's ability to consummate the transaction, such as a current financial statement or copies of the bidder's bank statement for each of the three months preceding the Auction; and (d) not contain any contingencies materially greater than what is in the Purchase Agreement, including, but not limited to due diligence and financing contingencies.

Potential bidders for the Real Property may be required to complete and execute a confidentiality agreement and provide the Debtors with information about their financial qualifications and any other information the Debtors may reasonably request. Upon execution of a confidentiality agreement, the Debtors will provide reasonable access to the Debtors' books, records and executives to the bidders for the purpose of conducting due diligence before the Auction.

The Debtors will, in their discretion, after consultation with the Prepetition Lenders and the Official Committee, determine whether an offer is a Qualified Offer and whether a Qualified Offer constitutes the most favorable transaction for the Debtors' estates. The Debtors may determine, in their business judgment, which Qualified Offers are the highest and best offers for the Real Property and may reject, at any time before entry of an order approving a Qualified Offer, any bid that, in the Debtors' sole discretion, is (A) inadequate or insufficient; (B) contrary to the best interests of the Debtors, their estates and their creditors or (C) not in conformity with the requirements of the Bidding Procedures or the Bankruptcy Code.

Bidders and all other entities shall keep Qualified Offers confidential, with access restricted to the Debtors, the Prepetition Lenders and the Official Committee. Bids may be revealed to any other entity at the option of the Debtors. The Debtors may request additional information from a

²Please call the Debtors' counsel, Roberto S. Miceli at 312-861-2030 for wire transfer instructions.

bidder to evaluate the bidder's ability to consummate a transaction and to fulfill its obligations in connection therewith, and such bidder shall be obligated to provide such information.

Each bidder, as a consequence of submitting a bid for a parcel of Real Property, shall be deemed to acknowledge: (a) that it is bound by these Bidding Procedures; (b) that it had an opportunity to inspect and examine the Real Property and to review all pertinent documents and information with respect to the Real Property before making its offer and that each such bidder relied solely on that review and upon its own investigation and inspection in making its bid; (c) that bidder is not relying upon any written or oral statements, representations or warranties of the Debtors, their agents or representatives.

4. Auction.

The Auction will be held at the offices of the Debtors' counsel, Kirkland & Ellis, 200 E. Randolph, Chicago, IL 60601, on **February 15, 2002 at 9:00 a.m. (Central Standard Time)** or such later date as the Debtors may determine. The Debtors may continue or adjourn the Auction from time to time without further notice in their sole discretion. For a Qualified Offer to be considered, the bidder(s) must appear in person at the Auction or participate by telephone or through a duly authorized representative, unless alternative arrangements are made in advance with the Debtors. Only bidders with Qualified Offers may participate in the Auction by telephone. Holders of Qualified Offers should call the Debtors' counsel, Roberto S. Miceli at 312-861-2030 for the dial-in information.

If multiple bids, satisfying all requirements the Debtors may impose, are received, each such bidder shall have the right to continue to improve its bid at the Auction. Bidding will commence with the announcement of the highest Qualified Offer, and will proceed in monetary increments to be determined by the Debtors. All bids, whether oral or written and the succession of oral bids shall be irrevocable until the earlier of the closing on the particular parcel of Real Property or thirty days following the conclusion of the Auction. Formal rejection of a Qualified Offer by the Debtors will not occur unless and until (a) the Debtors expressly reject such Qualified Offer in writing (b) a closing occurs with respect to the parcel of Real Property that is the subject of such Qualified Offer.

At the conclusion of the Auction, the winning bid(s) will be selected by the Debtors from the Qualified Offers (singular or plural, as appropriate, the "Winning Bid"); provided, however, the Debtors shall have the right, in their discretion, to reject any and all Qualified Offers made at the Auction. Before the adjournment of the Auction, unless and to the extent otherwise agreed by the Debtors, each entity that makes a Winning Bid shall complete and sign all agreements, contracts, instruments or other documents evidencing and containing the terms and conditions upon which its respective Winning Bid was made.

5. Closing.

The closing of the sale of the Real Property will occur in accordance with the terms of the Purchase Agreement.

6. Failure to Consummate Purchase.

All bids shall remain open and irrevocable until the earlier to occur of (i) the Closing for the respective Real Property or (ii) thirty (30) days following the last date of the Auction, as adjourned. If for any reason the party making the winning bid fails to consummate a sale of the Real Property, or any part thereof, the Debtors with notice to the counsel to the Agent for the Prepetition Lenders and counsel to the Official Committee shall deem the offeror of the second highest and best Qualified Offer for any of the same Real Property, to have submitted the highest and best Qualified Offer. If such failure to consummate the purchase is the result of a breach by the winning bidder, such breaching party's deposit shall be forfeited to the Debtors, and the Debtors specifically reserve the right to seek all available damages from the defaulting bidder.

7. Reservation of Rights: Deadline Extensions.

The Debtors reserve their rights to: (i) impose, at or before the Auction, additional terms and conditions on a sale of the Real Property; (ii) extend the deadlines set forth in the Bidding Procedures, adjourn the Auction at the Auction; (iii) withdraw from the Auction any or all of the Real Property at any time prior to or during the Auction or cancel the Auction; and (iv) reject all Qualified Offers, if in the Debtors' reasonable judgment no bid is for a fair and adequate price or if in the Debtors' reasonable judgment it is not in the best interests of the Debtors' estate to accept such bid.

EXHIBIT I

OFFER & BIDDER REGISTRATION

Bidder, _____, does hereby offer to purchase on an all-cash basis the assignment of the following parcels of Real Property for the consideration as allocated below:

Property No.	Property Location:	Purchase Price – Real Property:	Purchase Price – Personal Property:

(attach additional pages as necessary)

Bidder hereby warrants and represents as follows:

- (a) This written offer is subject to the terms and conditions of the accompanying contract and the "Bidding Procedures".
- (b) This written offer along with any subsequent verbal bids are irrevocable until the earlier to occur of: (i) the closing of a transaction regarding the Real Property or (ii) thirty (30) days following the Auction.
- (c) This written offer is not contingent upon financing.
- (d) That except as detailed on an accompanying affidavit, if any, neither Bidder nor any of its officers, directors, shareholders, members, or partners is a shareholder, employee, or affiliate of the Debtors, or a relative of a shareholder, employee, or affiliate of the Debtors.
- (e) That Bidder had an opportunity to inspect and examine the Property and to review all other pertinent documents with respect to the Property (-ies) prior to making its offer and that Bidder relied solely on that review and upon its own investigation and inspection of the Property (-ies) in making its offer; that Bidder is not relying upon any written or oral statements, representations, or warranties of the Debtors, their agents or representatives; and that Bidder has obtained a complete copy of the "Bidding Procedures" and has read and understood same and agrees to abide by and be bound by such "Bidding Procedures".

AGEED & ACCEPTED this ____ day of _____, 2002

By: _____, Name: _____, Title: _____

BIDDER I.D.

Bidder's Address: _____

Bidder's Contact: _____

Bidder's Phone & Facsimile Numbers: _____

Bidder's Tax ID Number: _____

Number of Stores Owned by Bidder Under What Trade Names: _____

ATTORNEY I.D.

Bidder's Attorney: _____

Bidder's Attorney's Address: _____

Bidder's Attorney's Phone & Facsimile Numbers: _____

BANK REFERENCE

Bank & Bank Contact: _____

Bank Address: _____

Bank Contact's Phone Number: _____

INTENDED USE OF PREMISES and TRADE NAME TO BE USED

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION**

In re:	)	Chapter 11
)	
Quality Stores, Inc., et al.,¹	)	Case No. GG-01-10662
	)	(Jointly Administered)
Debtors.)	
	)	Hon. James D. Gregg

**ORDER AUTHORIZING THE DEBTORS TO SELL CERTAIN REAL PROPERTY TO
[INSERT BUYER NAME] FREE AND CLEAR OF ALL (i)
LIENS, CLAIMS AND ENCUMBRANCES PURSUANT TO SECTIONS 363(b)
AND 363(f) OF THE BANKRUPTCY CODE AND (ii) TRANSFER TAXES
PURSUANT TO SECTION 1146 OF THE BANKRUPTCY CODE**

Upon the motion (the "Motion") of the debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the "Debtors") seeking entry of an order authorizing the Debtors to sell certain real property (the "Purchased Assets") to [insert buyer name] (the "Buyer") free and clear of all (a) liens, claims and encumbrances pursuant to sections 363(b) and 363(f) of the Bankruptcy Code and (b) transfer taxes pursuant to section 1146 of the Bankruptcy Code; and adequate notice of the Motion having been given; and it appearing that no other notice need be given; and a hearing having been held before this Court on February 19, 2002, to consider approval of the Motion, at which time all parties in interest were afforded an opportunity to be heard; and upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor;

IT IS HEREBY FOUND AND DETERMINED THAT:²

1. This Court has jurisdiction to hear and determine the Motion pursuant to 28 U.S.C. §§ 157 and 1334.
2. Determination of the Motion is a core proceeding under 28 U.S.C. §§ 157(b)(2)(A) and (N). The statutory predicates for the relief requested herein are sections 105, 363 and 1146(c) of the Bankruptcy Code, and Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") 2002 and 6004.
3. Proper, timely, adequate and sufficient notice of the Motion and the transactions contemplated thereby has been given, and no other or further notice of the Motion or the entry of this Order is required.

¹ The Debtors are the following entities: QSI Holdings, Inc. (f/k/a CT Holdings, Inc.); Quality Stores, Inc. (f/k/a Central Tractor Farm & Country, Inc.); Country General, Inc.; F and C Holding, Inc.; FarmandCountry.com, LLC.; QSI Newco, Inc.; QSI Transportation, Inc.; Quality Farm & Fleet, Inc.; Quality Investments, Inc.; Quality Stores Services, Inc; and Vision Transportation, Inc.

² Findings of fact shall be construed as conclusions of law and conclusions of law shall be construed as findings of fact when appropriate. See Bankruptcy Rule 7052.

4. A reasonable opportunity to object or be heard regarding the relief requested in the Motion has been afforded to all interested persons and entities.

5. The Debtors have full corporate power and authority to execute the purchase agreement by and between the Buyer and the Debtors (the "Purchase Agreement"), attached hereto as Exhibit A, and all other documents contemplated thereby, and the sale of the Purchased Assets has been duly and validly authorized by all necessary corporate action of the Debtors. The Debtors have all the corporate power and authority necessary to consummate the transactions contemplated by the Purchase Agreement and no consents or approvals, other than those expressly provided for in the Purchase Agreement, are required for the Debtors to consummate such transactions.

6. The Purchase Agreement reflects the exercise of the Debtors' sound business judgment and a proper exercise of the Debtors' fiduciary duties.

7. Approval at this time of the Purchase Agreement, and the transactions contemplated thereby, is in the best interests of the Debtors, their creditors and estates. Good and sufficient business justification for consummating the sale of the Purchased Assets pursuant to Section 363(b) of the Bankruptcy Code has been established in that, among other things: (i) the Debtors have been, are, and are projected to continue to incur substantial operating losses; (ii) the Debtors were and are unable to obtain sufficient financing to continue their operations on a stand alone basis; (iii) the Buyer has made a substantial offer to acquire the Purchased Assets; (iv) the sale process conducted by the Debtors required by Section 363 of the Bankruptcy Code has permitted the Buyers' offer to be tested against other offers; and (v) the Debtors received no higher and better offer through the sale and auction process and the Buyers' offer represents the best offer for the Purchased Assets.

8. The terms and conditions of the Purchase Agreement are fair and reasonable. The Purchase Agreement represents the highest and best offer for the Purchased Assets, and the purchase price payable thereunder (the "Purchase Price") is fair and reasonable.

9. The Purchase Agreement was negotiated, proposed and entered into by the parties without collusion, in good faith, and at arm's length. The Buyer is a good faith purchaser of the Purchased Assets in accordance with Section 363(m) of the Bankruptcy Code and, as such, is entitled to the protections afforded thereby. Neither the Debtors nor the Buyer have engaged in any conduct that would cause or permit the purchase of the Purchased Assets to be avoided under Section 363(n) of the Bankruptcy Code.

10. The transfer of title of the Purchased Assets pursuant to the Purchase Agreement is or will be a legal, valid and effective transfer of property of the Debtors' estates to the Buyer, free and clear of all liens, claims, interests, and encumbrances under Section 363(f) of the Bankruptcy Code.

11. Consummation of the sale of the Purchased Assets does not and will not subject the Buyer to any debts, liabilities, obligations, commitments, responsibilities or claims of any kind or nature whatsoever, whether known or unknown, contingent or otherwise, existing as of the date hereof or hereafter arising, of or against the Debtors, any affiliate of the Debtors, or any person by reason of such transfers and assignments under the laws of the United States, any state, territory or possession thereof or the District of Columbia applicable to such transactions.

12. All of the provisions of this Order and the Purchase Agreement are nonseverable and mutually dependent.

13. The relief requested in the Motion, including approval of the Purchase Agreement and the sale of Purchased Assets, is in the best interests of the Debtors, their creditors and estates.

14. The sale of the Purchased Assets to the Buyer is a prerequisite to the Debtors' ability to confirm and consummate a plan or plans of reorganization or liquidation. The sale of the Purchased Assets to the Buyer is a sale in contemplation of a plan and, accordingly, a transfer pursuant to 11 U.S.C. § 1146(c), which shall not be taxed under any law imposing a stamp tax or similar tax.

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

1. The Motion be, and it hereby is, granted.

2. All objections to the Motion or the relief requested therein that have not been withdrawn, waived or settled, and all reservations of rights included therein, are overruled on the merits.

3. The terms and conditions and transactions contemplated by the Motion and the Purchase Agreement are hereby approved in all respects, and the sale of the Purchased Assets is hereby approved in all respects and authorized and directed under Section 363(b) of the Bankruptcy Code.

4. Pursuant to Section 363(b) of the Bankruptcy Code, the Debtors are hereby authorized to fully assume, perform under, consummate and implement the Purchase Agreement, together with all additional instruments and documents that may be reasonably necessary or desirable to implement the Purchase Agreement and the transactions contemplated thereby, and to take all further actions as may reasonably be requested for the purpose of assigning, transferring, granting, conveying and conferring to the Buyer, the Purchased Assets, or as may be necessary or appropriate to the performance of the Debtors' obligations as contemplated by the Purchase Agreement.

5. Pursuant to sections 105(a) and 363(f) of the Bankruptcy Code, upon the closing under the Purchase Agreement, the Purchased Assets shall be transferred to the Buyer, except as otherwise set forth in the Purchase Agreement, free and clear of all mortgages, security interests, conditional sale or other title retention agreement, pledges, liens, statutory liens, judgments, demands, encumbrances, easements, memorandum of leases, reciprocal easement agreements, restrictions, constructive or resulting trusts, and charges, of any kind or nature, if any, including, but not limited to, any restriction on the use, voting, transfer, receipt of income or other exercise of any attributes of ownership (the foregoing collectively referred to as "Liens" herein) and all debts arising in any way in connection with any acts of the Debtors, claims (as that term is defined in the Bankruptcy Code), obligations, demands, guaranties, options, rights, interests under any leases or sub-leases including rights if any of any tenant or any sub-tenant under section 365(h) of the Bankruptcy Code, contractual commitments, restrictions, interests and matters of any kind and nature, arising before the closing date or relating to acts occurring before the closing date, and whether imposed by agreement, understanding, law, equity or otherwise (the foregoing collectively referred to as "Claims" herein), with all such Liens and Claims to attach to the net proceeds of the sale of the Purchased Assets, in the order of their priority, with the same validity, force and effect that they now have as against the Purchased Assets, subject to the rights, claims, defenses and objections, if any, of the Debtors and all interested parties with respect to such Liens and Claims.

6. All persons and entities (including, without limitation, any federal, state or local governmental agency, department or instrumentality) holding Liens or Claims against the Debtors arising on or before the closing date, or out of events occurring before the closing date, of any kind and nature with respect to the Purchased Assets hereby are barred from asserting such Liens and Claims of any kind and nature against the Buyer, its successors or assigns, or the Purchased Assets.

7. To the greatest extent allowed by applicable law, the Buyer is not assuming nor shall it in any way whatsoever be liable or responsible, as successor or otherwise, for any liabilities, debts or obligations of the Debtors or any liabilities, debts or obligations in any way whatsoever relating to or arising from the Purchased Assets or the Debtors' operations or use of the Purchased Assets by virtue of the transfer or assignment of the Purchased Assets.

8. No person or entity, including, without limitation, any federal, state or local governmental agency, department or instrumentality, shall assert by suit or otherwise against the Buyer or its successor in interest any claim that they had, have or may have against the Debtors, or any liability, debt or obligation relating to or arising from the Purchased Assets, or the Debtors' operations or use of the Purchased Assets before the consummation of the transactions contemplated by the Purchase Agreement by virtue of the transfer or assignment of the Purchased Assets, and all persons and entities are hereby enjoined from asserting against the Buyer in any way any such claims, liabilities, debts or obligations.

9. On and after the closing date, the Debtors' creditors are directed to execute such documents and take all other actions as may be necessary to release its Liens on or Claims, if any, against the Purchased Assets, as such Liens or Claims may have been recorded or may otherwise exist provided that failure to do so will not affect the validity of paragraph 6 above.

10. This Order (a) is and shall be effective as a determination that, on the closing date, all Liens existing as to the Purchased Assets before the closing date have been unconditionally released, discharged and terminated (with such Liens to attach to the proceeds of the sale, or to continue in the Debtors' other assets that do not comprise a part of the Purchased Assets, as provided for herein), and that the conveyance of the Purchased Assets has been effected; and (b) is and shall be binding upon and govern the acts of all entities including without limitation all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, registrars of patents, trademarks or other intellectual property, administrative agencies, governmental departments, secretaries of federal, state and local officials, and all other persons and entities who may be required by operation of law, the duties of their office, or contract, to accept, file, register or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state of title in or to any of the Purchased Assets.

11. If any person or entity that has filed financing statements or other documents or agreements evidencing Liens on or interests in the Purchased Assets shall not have delivered to the Debtors before the closing, in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction, releases of all Liens or other interests that the person or entity has with respect to the Purchased Assets, the Debtors are hereby authorized to execute and file such statements, instruments, releases and other documents on behalf of the person or entity with respect to the Purchased Assets.

12. This Court retains jurisdiction (a) to enforce and implement the terms and provisions of the Purchase Agreement, all amendments thereto, any waivers and consents thereunder, and of any agreements executed in connection therewith; (b) to compel delivery of the Purchased Assets to the Buyer; (c) to compel delivery of the Purchase Price under the Purchase Agreement; (d) to resolve any disputes, controversies or claims arising out of or relating to the Purchase Agreement; and (e) to interpret, implement and enforce the provisions of this Order.

13. Nothing contained in any chapter 11 plan confirmed in these cases or the order of confirmation confirming any such chapter 11 plan or any other order entered in these cases shall conflict with or derogate from the provisions of the Purchase Agreement or the terms of this Order. No provision of this Order shall release or be construed to release the Buyer from any of its obligations under the Purchase Agreement.

14. In the absence of a stay pending appeal, if the Buyer elects or is required to close under the Purchase Agreement at any time after entry of this Order, then, with respect to the sale of the Purchased Assets, the Buyer shall be entitled to the protections of Section 363(m) of the Bankruptcy Code if this Order or any authorization contained herein is reversed or modified on appeal.

15. The terms and provisions of the Purchase Agreement, together with the terms and provisions of this Order, shall be binding in all respects upon the Debtors, their estates and creditors, the Buyer and its affiliates, successors and assigns, and any affected third parties, including, all persons asserting a Claim against or interest in the Debtors' estates or the Purchased Assets to be sold to the Buyer pursuant to the Purchase Agreement. The Purchase Agreement and the transactions contemplated thereby shall be specifically performable and enforceable against and binding upon, and not subject to rejection or avoidance by, the Debtors or any chapter 7 or chapter 11 trustee of the Debtors and their respective estates.

16. The failure specifically to include any particular provisions of the Purchase Agreement in this Order shall not diminish or impair the efficacy of such provisions, it being the intent of the Court that the Purchase Agreement be approved in its entirety.

17. The Purchase Agreement and any related agreements, documents or other instruments may be modified, amended or supplemented by the parties thereto in accordance with the terms thereof without further order of the Court, provided that any such modification, amendment or supplement is not material.

18. The transfer of the Purchased Assets to the Buyer is not subject to taxation under any state or local law imposing a stamp, transfer or similar tax in accordance with sections 1146(c) and 105(a) of the Bankruptcy Code.

19. As provided by Bankruptcy Rule 6004, this Order shall be effective and enforceable immediately upon entry.

20. Nothing in the Court's Order approving the sale of the Purchased Assets, or the Purchase Agreement, shall be construed as (a) releasing or relieving any entity of any environmental liability to the United States as the owner or operator of any facility which that entity owns or operates after the date of entry of the Court's Order; or (b) relieving any entity of any requirement under the environmental laws of the United States to obtain legally required approval from the United States in order to assign or transfer a permit or license.

21. This Order is approved without prejudice to the allocation of proceeds received by the Debtors under the Purchase Agreement.

22. The proceeds received from the Debtors under the Purchase Agreement shall be held by the Debtors in escrow until such proceeds are allocated pursuant to the Court Order.

23. The Debtors are authorized to pay the Real Estate Broker its commission of \$_____ for the sale of the Purchased Assets.

Grand Rapids, Michigan

Dated: February __, 2002

The Honorable James D. Gregg
United States Bankruptcy Judge