

### **Purchaser is a Disinterested Buyer**

25. To the best of Debtor's knowledge, Purchaser Hastings Acquisition, LLC is a disinterested buyer and has no connection with the Debtor, Debtor's management or any other party that controls or has any material interest in the Debtor. Debtor is unaware of any connection between the Debtor and the Purchaser, or the Purchaser's principals, that would taint or compromise the sale or auction process.

### **BIDDING PROCEDURES**

26. Debtor requests that the Court approve the Bidding Procedures Order to facilitate the receipt and analysis of competing bids for the Purchased Assets. In summary, the Bidding Procedures Order would approve the following sale procedures (the "Bidding Procedures")<sup>2</sup>:

- i. A Qualified Bid must be a written irrevocable offer for substantially all of the Purchased Assets (including assumption of Assumed Liabilities and assignment of Purchased Contracts) and subject to no conditions, contingencies or terms that are more burdensome than those set forth in the Purchase Agreement. Hastings Acquisitions is, for all purposes, a Qualified Bidder;
- ii. Each bid must be accompanied by a deposit in the amount of \$700,000 delivered to Debtor before the Bid Deadline of December 1, 2005 at 12:00 noon (EST);
- iii. Any competing bid must be in cash for an amount that exceeds the previous best offer by at least \$100,000. The initial overbid is \$310,000.

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<sup>2</sup> Paragraph 26 is only a summary of the proposed Bid Procedures and does not include every term that may be deemed material. Any conflict between the summary provided in this Paragraph 26 and the Bid Procedures described on Exhibit A shall be resolved in favor of the Bid Procedures described on Exhibit A. The Bid Procedures described on Exhibit A should be reviewed carefully.

- iv. Unless the Debtor otherwise agrees, no due diligence will be permitted or provided after the Bid Deadline and Debtor will not furnish any information to any person or entity other than a Qualified Bidder;
- v. Debtor shall conduct an auction on **December 5, 2005, commencing at 1:00 p.m. (EST)** at the offices of Warner Norcross & Judd LLP, 900 Fifth Third Center, 111 Lyon Street NW, Grand Rapids, Michigan 49503-2487, or such other time and place as may be established by Debtor.
- vi. All Qualified Bidders participating in the Auction must be physically present at the Auction. Debtor, in its reasoned business judgment, may adopt rules for the Auction that will promote the goals of the Auction and may waive requirements or modify the auction procedures, if necessary (in Debtor's discretion) to permit consideration of a qualified bid.
- vii. During the course of the Auction, Debtor shall inform each participant which Qualified Bid or Bids reflect, in Debtor's view, the highest and best offer. At the conclusion of the Auction, the Winning Bid or Bids shall be the bid or bids made pursuant to the Bidding Procedures Order that represent, in Debtor's discretion, the best offer for the Purchased Assets.
- viii. In the event a Winning Bidder defaults by failing to consummate the Sale, Debtor may retain the Winning Bidder's Deposit and reserve all of its rights against the Winning Bidder.
- ix. To the extent consistent with the Bid Procedures, Debtor, shall have the right to entertain bids that do not strictly conform to one or more of the Bidding Procedures.
- x. The Sale Hearing Date shall be held on **December 6, 2005, at 11:00 a.m. (EST)** at United States Bankruptcy Court for the Western District of Michigan, Court Room A, One Division Street N.W., Grand Rapids, Michigan 49503, or as soon thereafter as the matter may be heard.