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UNITED STATES BANKRUPTCY COURT

DISTRICT OF NEVADA

In re U.S. AGGREGATES, INC.; Sandia Construction, Inc.; Western Aggregates, Inc.; Western Aggregates Holding Corp.; Valley Asphalt, Inc.; A-Block Company, Inc.; Cox Rock Products, Inc.; Cox Transport Corp.; Monroc, Inc.; Mohave Concrete and Materials, Inc.; Tri-State Testing Laboratories, Inc.; Jensen Construction Inc.; Western Rock Products Corp.; SRM Holdings Corp.; SRM Aggregates, Inc.; BHY Ready Mix, Inc.; BAMA Crushed Corp.; DeKalb Stone, Inc.; Bradley Stone & Sand, Inc.; Mulberry Rock Corp., Debtors.	Joint Administration under BK-N-02-50656-GWZ (Case No. BK-N-02-50656-GWZ through Case No. BK-N-02-50675-GWZ) Chapter 11 [This Pleading Applies to all Cases] **NOTICE OF HEARING ON MOTION FOR ORDER PURSUANT TO SECTIONS 105(a), 363, 365 AND 1146(c) OF THE BANKRUPTCY CODE (A) APPROVING AND CONFIRMING THE RESULTS OF THE AUCTION; (B) AUTHORIZING THE SALE OF SUBSTANTIALLY ALL OF THE ASSETS OF U.S. AGGREGATES, INC. AND CERTAIN SUBSIDIARIES, FREE AND CLEAR OF ALL LIENS, CLAIMS AND ENCUMBRANCES; (C) APPROVING THE ASSET PURCHASE AGREEMENT WITH OLDCASTLE MATERIALS, INC.; (D) AUTHORIZING THE REJECTION AND ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES; AND (E) AUTHORIZING THE DEBTORS TO DISTRIBUTE THE PROCEEDS OF THE APA TO THE DIP LENDERS AND LENDERS** Hearing Date: May 15, 2002 Time: 9:30 A.M. Place: 300 Booth St., Reno, Nevada

TO ALL CREDITORS, SHAREHOLDERS, AND PARTIES IN INTEREST:

PLEASE TAKE NOTICE that a hearing has been scheduled on **May 15, 2002 at 9:30 A.M.** before the Honorable Gregg W. Zive, United States Bankruptcy Judge, at 300 Booth Street, Room 1109, Reno, Nevada, on the "Motion for Order Pursuant to Sections 105(a), 363, 365 and 1146(c) of the Bankruptcy Code (A) Approving and Confirming the Results of the Auction; (B) Authorizing the Sale of Substantially All of the Assets of U.S. Aggregates, Inc. and Certain Subsidiaries, Free and Clear of All Liens, Claims, and Encumbrances; (C) Approving the Asset Purchase Agreement with Oldcastle Materials, Inc. or the Successful Overbidder; and (D) Authorizing the Rejection and Assumption and Assignment of Certain Executory Contracts and Unexpired Leases" (the "Sale Motion") filed by U.S. Aggregates, Inc. ("USAI") and nineteen of its affiliated corporations, the debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the "Debtors").

By the Sale Motion, the Debtors request that the Court enter an order granting the following relief pursuant to sections 105, 363, 365, and 1146(c) of title 11 of the United States Code (the "Bankruptcy Code"): (i) approving and confirming the results of the auction (the "Auction"); (ii) authorizing the sale of substantially all the assets of U.S. Aggregates, Inc. and its subsidiaries (the "Acquired Assets"), free and clear of all liens, claims, encumbrances, interests, reclamation rights, set-offs, rights of recoupment, actions, causes of action, demands, debts, obligations, and other rights against the Acquired Assets pursuant to Bankruptcy Code section 363(f), pursuant to that certain Agreement of Purchase and Sale of Assets by and among Oldcastle Materials, Inc., Oldcastle MMG, Inc. and Oldcastle Materials Southeast, Inc. (collectively, "Oldcastle" or the "Buyers") and U.S. Aggregates, Inc, and certain Subsidiaries (the "APA" or the "Purchase Agreement") and the bidding procedures (the "Bidding Procedures") previously approved by the Court pursuant to its "Order (A) Authorizing Debtors to Conduct an Auction for Sale of Substantially All Assets of U.S. Aggregates, Inc. and its Subsidiaries; (B) Establishing and Approving Bid Procedures, Including Certain Buyer Protections; (C) Scheduling Bidding Deadline, Auction and Sale Hearing; (D) Approving Form and Manner of Notice Pursuant to Bankruptcy Rule 2002; and (E) Authorizing Debtors to Perform in Accordance with the Purchase Agreement" (the "Buyer Protections and Bid Procedures Order"); (iii) approving the Purchase Agreement with Oldcastle or a successful overbidder at the Auction, subject to the results of the Auction; (iv) authorizing the rejection of the contracts and leases listed on Exhibit "B" to the Sale Motion; (v) authorizing the assumption and assignment of certain executory contracts and unexpired leases (the "Assigned Agreements") which are identified, along with the estimated cure amounts as of the closing (the "Cure Amounts"), if any, in Section 1 of Exhibit "A" to the APA, and in Section 2 of Exhibit "A" to the APA as of the effective date of the assumption or assignment which shall be no later than 75 days after the date on which the Sale Order is entered with the cure and compensation payments, if any, related to the Assigned Agreements to be paid; (vi) to the extent applicable, authorizing the Debtors to execute all applicable documents and to take all actions necessary to complete the proposed transactions; (vii) finding that Oldcastle or the successful overbidder (a) is a third-party arm's length, good faith purchaser of the Acquired Assets, (b) is qualified to acquire the Acquired Assets, and, (c) therefore will acquire the Acquired Assets in good faith within the meaning of Bankruptcy Code section 363(m); (viii) ordering that any and all liens, claims, encumbrances, interests, set-offs, rights of recoupment, actions, causes of action, demands, debts, obligations, reclamation rights and other rights against the Acquired Assets, shall attach to the proceeds of the sale of the Acquired Assets with the same validity, enforceability, and priority as existed with respect to the Acquired Assets as of the date of the commencement of these chapter 11 cases; (ix) authorizing the Debtors to distribute the proceeds of the APA to the DIP Lenders and Lenders (as defined below) pursuant to the terms of the "Final Order Authorizing Debtors-in-Possession to Borrow Postpetition, to Use Cash Collateral, to Grant Superpriority Liens and Claims, and to Provide Adequate Protection;" and (x) waiving the ten (10) day stay provisions of Federal Rules of Bankruptcy Procedure 6004(g) and 6006(d) (the "Sale Order").

PLEASE TAKE FURTHER NOTICE that the Debtors have filed with the Bankruptcy Court the Sale Motion, the Memorandum of Points and Authorities, the Declaration of Stanford Springel (the "Springel Declaration"), and Exhibits (which include, among other information, the APA and the schedules and exhibits to the APA). Copies of these pleadings and documents may be: 1) reviewed and copied at the Office of the Clerk of the United States Bankruptcy Court, 300 Booth Street, Room 1109, Reno, Nevada 89509, or 2) may be obtained by submitting a written request to: Eve H. Karasik, Esq., Stutman, Treister & Glatt Professional Corporation, 3699 Wilshire Boulevard, Suite 900, Los Angeles, California 90010, telecopy (213) 251-5288. The Debtors anticipate that they will file certain supplemental pleadings prior to the hearing on the Sale Motion to advise the Court and parties in interest of their postpetition marketing efforts expended from the date of this Notice up until the Auction.

The APA provides that Oldcastle will purchase the Acquired Assets, free and clear of all liens, claims and encumbrances, for a cash payment of $140,750,000 subject to certain adjustments and hold-backs. In addition, Oldcastle will assume certain assumed liabilities, including those associated with the executory contracts and unexpired leases to be assumed and assigned pursuant to the Motion.

PLEASE TAKE FURTHER NOTICE that the Sale Motion and the APA provide for the assumption and assignment to Oldcastle or the successful overbidder of the Assigned Agreements. Attached to the Sale Motion in Exhibit A is a schedule that lists the Assigned Agreements and the cure amounts, if any, due for each of the Assigned Agreements (the "Cure Amounts") that would require a "cure" pursuant to Bankruptcy Code section 365(b)(1)(A). Oldcastle intends to receive assignment of (1) the Assigned Agreements contained in Section 1 of Exhibit "A" to the Sale Motion as of the closing of the sale and (2) the Assigned Agreements contained in Section 2 of Exhibit "A" to the Sale Motion as of the effective date of the assumption and assignment (the "Effective Date") except for those agreements in Section 2 of Exhibit "A" of the Sale Motion that Oldcastle rejects in accordance with the APA, which shall be no later than 75 calendar days after the entry of the Sale Order. After the closing of the APA for Section 1 of Exhibit "A" and the Effective Date of assignment for Section 2 of Exhibit "A", the undisputed cure amounts will be promptly paid. No cure amount will be paid for those agreements on Section 2 of Exhibit "A" of the Sale Motion that Oldcastle decides to reject.

PLEASE TAKE FURTHER NOTICE that ANY NON-DEBTOR PARTY TO THE ASSIGNED AGREEMENTS WHO: (A) DISPUTES THE PROPOSED CURE AMOUNTS; (B) CONTENDS THAT AN ADDITIONAL DEFAULT EXISTS UNDER THE ASSIGNED AGREEMENTS THAT MUST BE "CURED" AS A CONDITION TO ASSUMPTION AND ASSIGNMENT; (C) CHALLENGES THE ABILITY OF OLDCASTLE OR THE SUCCESSFUL OVERBIDDER TO PROVIDE "ADEQUATE ASSURANCE OF FUTURE PERFORMANCE"; OR (D) OTHERWISE OBJECTS TO THE ASSUMPTION AND ASSIGNMENT OF THE ASSIGNED AGREEMENTS, MUST TIMELY FILE WITH THE COURT AND SERVE ON THE DEBTORS, REORGANIZATION COUNSEL FOR THE DEBTORS, COUNSEL FOR THE DEBTORS' LENDERS (THE "LENDERS") AND DEBTOR-IN-POSSESSION LENDERS (THE "DIP LENDERS"), COUNSEL FOR OLDCASTLE, COUNSEL FOR THE OFFICIAL COMMITTEE OF CREDITORS HOLDING UNSECURED CLAIMS (THE "COMMITTEE"), AND THE OFFICE OF THE UNITED STATES TRUSTEE AT THE ADDRESSES LISTED BELOW IN A MANNER SUCH THAT IT IS RECEIVED NO LATER THAN (PACIFIC STANDARD TIME) ON **MAY 6, 2002** ("OBJECTION DEADLINE") ITS OBJECTION, INCLUDING A PRECISE STATEMENT OF THE NATURE AND AMOUNTS OF SUCH ALLEGED DEFAULTS (THE "STATEMENT OF DEFAULTS"), TO THIS SALE MOTION PURSUANT TO THE BUYER PROTECTIONS AND BID PROCEDURES ORDER OR SUCH OBJECTION WILL BE DEEMED WAIVED AND FOREVER BARRED.

AN OBJECTION TO THE CURE AMOUNTS SHALL NOT BE DEEMED TO BE AN OBJECTION TO THE RELIEF REQUESTED IN THE SALE MOTION. RATHER, THE OBJECTION

SHALL BE RECOGNIZED ONLY AS A REQUEST FOR THE COURT TO DETERMINE THE CURE AMOUNTS. THE DEBTORS WILL COOPERATE WITH OBJECTORS TO RECONCILE THE DIFFERENCES IN CURE AMOUNTS. IF THE PARTIES ARE UNABLE TO AGREE UPON THE CURE AMOUNTS, OLDCASTLE OR THE SUCCESSFUL OVERBIDDER SHALL ESCROW THE DISPUTED CURE AMOUNTS ASSERTED BY THE NON-DEBTOR PARTY UNTIL THE CURE AMOUNT ISSUES ARE DETERMINED BY THE COURT.

PLEASE TAKE FURTHER NOTICE that parties interested in bidding for the Acquired Assets should review the Debtors' "Bid Procedures," which are attached as Exhibit "A" to this Notice. The deadline to submit bids is **May 8, 2002.**

PLEASE TAKE FURTHER NOTICE that anyone requiring further information to submit a bid should contact Eve H. Karasik, Esq., Stutman, Treister & Glatt Professional Corporation, 3699 Wilshire Boulevard, Suite 900, Los Angeles, California 90010, telecopy (213) 251-5288. The Debtors should not be contacted directly for such further information.

PLEASE TAKE FURTHER NOTICE THAN ANY OBJECTION AND/OR THE STATEMENT OF DEFAULTS must be filed with the Court and served on the following parties no later than **5:00 p.m. (Pacific Time) on May 6, 2002;**

(i) Counsel for the Debtors: (a) Stutman, Treister & Glatt Professional Corporation, 3699 Wilshire Boulevard, Ninth Floor Los Angeles, CA 90010, Fax: (213) 251-5288, Attention: Charles D. Axelrod, Esq., Eve H. Karasik, Esq., and Gregory K. Jones, Esq.; and (b) Beckley Singleton, CHTD 1875 Plumas Street, #1 Reno, NV 89509, Fax: (775) 823-2929, Attention: David C. McElhinney, Esq., and Brett A. Axelrod, Esq.

(ii) Counsel for Bank of America, N.A., as the Postpetition Financing Agent: (a) Mayer, Brown, Rowe & Maw, 190 South LaSalle Street, Chicago, IL 60603, Fax: (312) 701-7711, Attention: Thomas S. Kiriakos, Esq.; (b) Mayer, Brown, Rowe & Maw, 1675 Broadway New York, NY 10019, Fax: (212) 262-1910, Attention: Michael P. Richman, Esq.; and (c) Lionel, Sawyer & Collins, 1100 Bank of America Plaza, 50 W. Liberty Street, Reno, NV 89501, Fax: (775) 788-8682, Attention: Jennifer A. Smith, Esq.

(iii) Counsel for the Committee: Murphy Sheneman Julian & Rogers, 101 California Street, 39th Floor, San Francisco, CA 94111, Fax: (415) 421-7879, Attention: Randy Rogers, Esq.

(iv) Counsel for Oldcastle: Gibson, Dunn & Crutcher, 200 Park Avenue, New York, NY 10166-0193, Fax: (212) 351-4035, Attention: Jonathan Landers, Esq., and Erika Gottfried, Esq.

(v) Office of the United States Trustee: C. Clifton Young Federal Building, 300 Booth Street, Room 2129, Reno, NV 89509, Fax: (775) 784-5531, Attention: Nicholas Strozza, Esq.

PLEASE TAKE FURTHER NOTICE THAT pursuant to Local Bankruptcy Rule 9014(e)(3), if no response or opposition is filed within the time required by the Local Bankruptcy Rules, the Court may enter an order granting the relief requested in the Motion without further notice.

DATED: April 9, 2002

/s/
Eve H. Karasik, a Member of
STUTMAN, TREISTER & GLATT
PROFESSIONAL CORPORATION
Reorganization Counsel for Debtor
and Debtor in Possession

EXHIBIT A

CHARLES D. AXELROD (CA SBN 39507),
EVE H. KARASIK (CA SBN 155356), and
SCOTT H. YUN (CA SBN 185190),
Members of STUTMAN, TREISTER & GLATT
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Local Counsel for
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UNITED STATES BANKRUPTCY COURT

DISTRICT OF NEVADA

In re U.S. AGGREGATES, INC.; Sandia Construction, Inc.; Western Aggregates, Inc.; Western Aggregates Holding Corp.; Valley Asphalt, Inc.; A-Block Company, Inc.; Cox Rock Products, Inc.; Cox Transport Corp.; Monroc, Inc.; Mohave Concrete and Materials, Inc.; Tri-State Testing Laboratories, Inc.; Jensen Construction Inc.; Western Rock Products Corp.; SRM Holdings Corp.; SRM Aggregates, Inc.; BHY Ready Mix, Inc.; BAMA Crushed Corp.; DeKalb Stone, Inc.; Bradley Stone & Sand, Inc.; Mulberry Rock Corp., Debtors.	Joint Administration under BK-N-02-50656-GWZ (Case No. BK-N-02-50656-GWZ through Case No. BK-N-02-50675-GWZ) Chapter 11 [This Pleading Applies To All Cases] **DEBTORS' BID PROCEDURES**

These Bid Procedures set forth the process by which the Debtors are authorized to conduct a sale by auction (the "Auction") of substantially all of the assets of U.S. Aggregates, Inc. and its subsidiaries. These Bid Procedures were approved by order dated April 9, 2002 (the "Bid Procedures Order") of the United States Bankruptcy Court for the District of Nevada (the "Bankruptcy Court") (in which the Debtors' chapter 11 bankruptcy cases, jointly administered under No. BK-N-02-50656-GWZ, are pending) pursuant to the Motion for Order Pursuant to Bankruptcy Code Sections 105 and 363 (A) Authorizing Debtors to Conduct Auction for Sale of Substantially All Assets of U.S. Aggregates, Inc. and its Subsidiaries; (B) Establishing and Approving Bid Procedures, Including Certain Buyer Protections; (C) Scheduling Bidding Deadline, Auction, and Sale Hearing; (D) Approving Form and Manner of Notice Pursuant to Bankruptcy Rule 2002; and (E) Authorizing Debtors to Perform in Accordance with the Purchase Agreement (the "Motion")[1].

On March 8, 2002 the Sellers entered into an asset purchase agreement (the "Purchase Agreement") with Oldcastle Materials, Inc., Oldcastle MMG, Inc. and Oldcastle Materials Southeast, Inc. (collectively "Oldcastle" or the "Buyers") for the sale of substantially all the assets of the Debtors (the "Acquired Assets"), subject to higher and better offers that comply with the Bid Procedures outlined below, and which, in the sole discretion of the Debtors, are higher and better than the offer of Oldcastle as contained in the Purchase Agreement.

1. Auction; Notice of Auction.

Competing bidders must submit, in writing, Competing Proposals to purchase either (a) the Acquired Assets, (b) all or substantially all the Debtors' assets located in the Western United States as described on Schedule 7.10(b)(i)(x) of the Purchase Agreement (the "Western Assets"), or (c) all or substantially all the Debtors' assets located in the Southeastern United States as described on Schedule 7.10(b)(i)(y) of the Purchase Agreement (the "Southeastern Assets"), to the Debtors at or before 5:00 P.M., Pacific Time, on the date occurring five business days prior to the date of the Auction (the "Bidding Deadline"). Competing Proposals shall be deemed timely only if received prior to the Bidding Deadline, which is **May 8, 2002**, and in no event shall the Auction be held after May 15, 2002.

On a date not later than twenty-eight (28) days prior to the hearing on the Motion, the Debtors will transmit a notice of the proposed sale of the Acquired Assets by Auction (the "Notice of Auction") by postage prepaid, first class U.S. mail, to all creditors and parties entitled to notice. The Debtors will include a copy of the Purchase Agreement (without annexes, exhibits or schedules) and the Bid Procedures Order with the Notice of Auction served on the following: (i) the Creditors' Committee; (ii) counsel to Bank of America, as Administrative Agent to the Debtors' prepetition secured bank lenders; (iii) the Office of the United States Trustee; (iv) all entities (or counsel therefor) known to have asserted any lien, claim, charge or encumbrance on the Acquired Assets; (v) all federal, state and local regulatory or taxing authorities which are reasonably ascertainable by the Debtors to have a known interest in the Acquired Assets; (vi) the non-debtor counter-parties to the Assumed and Rejected Agreements identified on Exhibits A and B to the Sale Motion; (vii) all parties who have expressed an interest in acquiring the Acquired Assets; (viii) Fleet Capital Corporation; and (ix) those parties who have requested notice pursuant to Bankruptcy Rule 2002.

[1] Except as otherwise defined herein, all capitalized terms used herein shall have the same meanings ascribed to them in the Motion, and, if not defined therein, then in the Purchase Agreement.

2. Submission of Qualified Bids.

When submitting a Competing Proposal for the Acquired Assets, all such bidders must abide by the various Bid Procedures outlined below. Only those Competing Proposals meeting the requirements of a Qualified Bid in material compliance with the Bid Procedures, made by a Qualified Bidder, will be eligible for participation in the Auction. To be eligible for the Auction, all Competing Proposals, must, among other things, be submitted in substantially the same form as the above-mentioned Purchase Agreement, with all alterations thereto clearly marked.

Any entity submitting a Qualified Bid may qualify as a Qualified Bidder only if (i) the competing bidder delivers to the Debtors an executed confidentiality agreement in form and substance substantially the same as any confidentiality agreement by and between Oldcastle and the Debtors (except that, prior to submission of a Qualified Bid, disclosure of the Qualified Bidder's interest and proposal, but not identity, shall be permitted), (ii) the competing bidder, in good faith and upon the advice of their independent financial advisors, if any, delivers to the Debtors a Competing Proposal that the Debtors, in consultation with the Lenders and the Creditors' Committee (if any is functioning, willing and able to consult on a timely basis), believe is reasonably likely to lead to a higher and better offer for the subject assets, (iii) the competing bidder is one whom the Debtors, in consultation with the Lenders and the Creditors' Committee (if any is functioning, willing and able to consult on a timely basis), in good faith determine is reasonably likely (based on the availability of financing and proof of financial wherewithal, experience and other relevant considerations) to be able to consummate a transaction based on the competing bid, if selected as the successful bidder for the subject assets; and (iv) the competing bidder does not seek to use a credit bid under Section 363(k) of the Bankruptcy Code. For avoidance of doubt, Oldcastle shall be deemed to be a Qualified Bidder.

To be considered by the Debtors, a Competing Proposal must (unless otherwise determined by the Debtors): (i) clearly state the portion of consideration to be paid in cash and the portion to be paid in any other form of value; (ii) provide such information as to permit the Debtors to assess accurately the value of such consideration, if any consideration is to be provided in a form other than cash; (iii) give sufficient indicia that the Bidder or its representative is legally empowered, by power of attorney or otherwise, and financially capable, to both bid on behalf of the Bidder and also to complete and sign, on behalf of the Bidder, a binding and enforceable asset purchase agreement; (iv) except substantially as set forth in the Purchase Agreement, including without limitation, Sections 7.2 and 9, or as agreed by the Debtors, not contain any contingencies to the validity, effectiveness, and/or binding nature of the Competing Proposal, including without limitation, contingencies for financing, due diligence or inspection; and (v) identify each and every executory contract or unexpired lease the assumption and assignment of which is a condition to closing.

For any Competing Proposal to be considered a Qualified Bid:

(1) with respect to any Competing Proposal for the Acquired Assets, such Competing Proposal (a) must provide for consideration for value that is greater than the sum of (i) the Purchase Price, (ii) the amount of the Break-Up Fee and the maximum Additional Expense Reimbursement, and (iii) the Initial Minimum Incremental Bid Amount, (b) have substantially the same terms and conditions as the Purchase Agreement, and (c) be accompanied by satisfactory evidence of committed financing or other ability to perform. For avoidance of doubt, the Purchase Agreement shall be deemed to be a Qualified Bid for substantially all of Sellers' assets;

(2) with respect to any Competing Proposal for only the Western Assets, such Competing Proposal (a) must provide for consideration for value that is greater than the sum of (i) the Purchase Price minus the value of the highest initial Qualified Bid for the Southeastern Assets without regard to the Break-Up Fee or the maximum Additional Expense Reimbursement, (ii) the amount of the Break-Up Fee and the maximum Additional Expense Reimbursement, and (iii) the Initial Minimum Incremental Bid Amount (as defined below), (b) has substantially the same terms and conditions as the Purchase Agreement, and (c) be accompanied by satisfactory evidence of committed financing or other ability to perform. Notwithstanding the foregoing, in order for any Competing Proposal for the Western Assets to be considered a Qualified Bid, at least one Qualified Bid for the Southeastern Assets must have been submitted which together with such Competing Proposal for the Western Assets meets the Qualified Bid requirements for substantially all of the Sellers' assets in (1) above; or

(3) with respect to any Competing Proposal for only the Southeastern Assets, such Competing Proposal (a) must provide for consideration for value that is greater than the sum of (i) the Purchase Price minus the value of the highest initial Qualified Bid for the Western Assets without regard to the Break-Up Fee or the maximum Additional Expense Reimbursement, (ii) the amount of the Break-Up Fee and the maximum Additional Expense Reimbursement and (iii) the Initial Minimum Incremental Bid Amount (as defined below), (b) have substantially the same terms and conditions as the Purchase Agreement, and (c) be accompanied by satisfactory evidence of committed financing or other ability to perform. Notwithstanding the foregoing, in order for any Competing Proposal for the Southeastern Assets to be considered a Qualified Bid, at least one Qualified Bid for the Western Assets must have been submitted which together with such Competing Proposal for the Southeastern Assets meets the Qualified Bid requirements for substantially all of the Sellers' assets in (1) above.

If a Qualified Bid is conditioned on the assumption and assignment of any executory contract or unexpired lease, the Competing Proposal must include sufficient information to permit the Debtors to determine the proposed assignee's ability to comply with section 365 of the Bankruptcy Code (as applicable), including providing adequate assurance of such assignee's ability to perform in the future.

3. Auction; Selection of Winning Bid or Bids.

If Debtors do not receive any timely Qualified Bids (other than from Oldcastle), then Debtors will report the same to the Bankruptcy Court at the Sale Hearing. If the Debtors receive at least one timely Qualified Bid (other than from Oldcastle) for substantially all of the Sellers' assets, or if the Debtors receive at least one timely Qualified Bid for the Western Assets and at least one Qualified Bid for the Southeastern Assets which, together, meet the requirements of a Qualified Bid for substantially all of the Sellers' assets, then the Auction shall take place. The Debtors intend the Auction to continue until such time as the highest and/or best offer is determined.

The Bid Procedures Motion shall authorize the Debtors to hold the Auction at the U.S. Bankruptcy Court, 300 Booth Street, Room 1109, Reno, Nevada 89509, on **May 15, 2002 at 9:30** A.M. Pacific Time, or such later time or other location as the Debtors shall specify upon notice to all creditors and parties in interest, unless such continuance occurs at the actual hearing and Auction at which time no further notice of the continuance need be provided. For a Qualified Bid to be considered, a Bidder must appear in person at the Auction or through a duly authorized representative, unless alternative arrangements are made in advance with the Debtors. If multiple Qualified Bids are received, each such Bidder shall have the right to continue to improve its Qualified Bid at the Auction. Only Qualified Bidders who have previously submitted a Qualified Bid may bid at the Auction. The

Initial Minimum Incremental Bid Amount for all or any portion of the Acquired Assets is $100,000 (the "Initial Incremental Bid Amount"). Bidding will commence with the announcement of the highest Qualified Bid, and each subsequent bid must exceed each prior bid by at least the Initial Minimum Incremental Bid Amount. The Debtors intend that the Auction shall continue until such time as the highest and/or best offer is determined. At the conclusion of the Auction, and subject to Bankruptcy Court approval following the Auction, the Debtors will select the winning bid or bids from the Qualified Bids (the "Winning Bid"); provided, however, the Debtors shall have the right, in their discretion, to reject any and all bids that were Qualified Bids when made but are no longer Qualified Bids at the Auction except for any Qualified Bid made by Oldcastle. If the Debtors reject a Qualified Bid, then such rejected Qualified Bid will lose its status as a Qualified Bid and the party making such rejected Qualified Bid shall be disqualified from bidding at the Auction. Prior to 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.

4. Sale Motion.

Any Winning Bid will be subject to approval by the Bankruptcy Court. Please be advised that the Sale Hearing shall be held on May 15, 2002, at a time immediately following the conclusion of the Auction, before the Honorable Gregg W. Zive, United States Bankruptcy Judge, U.S. Bankruptcy Court, 300 Booth Street, Room 1109, Reno, Nevada 89509 (the "Sale Hearing").

5. Closing.

The closing of the sale of the Acquired Assets to such entity that submitted a Winning Bid will occur in accordance with the terms of the executed Purchase Agreement or other asset purchase agreement.

6. Failure to Consummate Purchase.

If for any reason the party making the Winning Bid fails to consummate a sale of the Acquired Assets, or any part thereof, the offeror of the second highest and best Qualified Bid for any of the same Acquired Assets will automatically be deemed to have submitted the highest and best Qualified Bid. If such failure to consummate the purchase is the result of a breach by the Winning Bidder, then 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 prior to the Auction, additional terms and conditions on a sale of the Acquired Assets consistent with the Bid Procedures Order; (ii) extend the deadlines set forth in the Auction Procedures, adjourn the Auction at the Auction, and/or adjourn the Sale Hearing in open court without further notice; (iii) withdraw from the Auction any or

all of the Acquired Assets at any time prior to or during the Auction or cancel the Auction; and (iv) to reject all Qualified Bids, except for Oldcastle's Qualified Bid, if in the Debtors' reasonable judgment no bid is for a fair and adequate price.

DATED: April __, 2002

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CHARLES D. AXELROD,
EVE H. KARASIK, and
SCOTT H. YUN, Members of
STUTMAN, TREISTER & GLATT
PROFESSIONAL CORPORATION
Reorganization Counsel
for Debtors and Debtors in
Possession
-and-
DAVID C. McELHINNEY (NV SBN 0033)
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